BROTHERHOOD OF RAILROAD SIGNALMEN

NATIONAL AGREEMENT BOOK
February 6, 2012

This book contains agreements that have been negotiated on a national basis. These agreements have been compiled into one volume for ready reference by BRS representatives and members.

It should be noted that this book does not represent a separate or complete agreement applicable on all railroads. It also should be noted that in negotiations with some railroads the basic agreements contained in this volume have been adopted, but with amendments that apply only on that railroad. Any questions regarding the application of these national agreements on a particular railroad should be directed to the General Chairman having jurisdiction over that property.

In addition to the agreements contained in this volume, there are individual collective bargaining agreements in effect on each railroad which govern matters not addressed in the national agreements. Copies of the local agreement should be available through the railroad or local BRS representatives.

Grand Lodge maintains a record of members who have these National Agreement Books. In order to ensure proper distribution of revisions and updates, it is important that members who have these books keep Grand Lodge advised of their current address. It is also important that Grand Lodge be advised when a National Agreement Book is transferred to a different representative or member so that revisions and updates can be issued to the proper individuals.

W. Dan Pickett
President

Jerry C. Boles
Secretary-Treasurer
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Note: Dates shown above indicate date of agreement initially covering the subject.
SECTION A

SUMMARY OF WAGE CHANGES

The following is a summary of changes in wage rates for signalmen and signal maintainers in the United States, with other classes of employees closely following the same pattern, except where shown otherwise. The rates shown prior to January 1, 1918, are not supported by authentic records and are listed as approximate rates of pay for information and comparison.

1905- 20¢ per hour
1906- 22¢ per hour
1910- 24-1/2¢ per hour
1912- $ 75.00 per month
1913-  79.00 per month
1915-  81.00 per month
1916-  82.00 per month
1917-  95.00 per month

January 1,  1918-  112.00 per month (General Order No. 27)
       (Monthly rates were predicated on approximately 300 hours per month.)
January 1,  1918-68¢ per hour (Supplement No. 4)
May 1,  1919-72¢ per hour (Ordered by Director General of Railroads)
August 1, 1920-85¢ per hour (Decision No. 2, U.S.R.L.B.)
July 1,  1921-77¢ per hour (Decision No. 1074, U.S.R.L.B.)
July 1,  1922-72¢ per hour (Decision No. 1074, U.S.R.L.B.)
October 1923-75¢ per hour (Where negotiated by Committees)
May 1929-82¢ per hour (Where negotiated by Committees)
February 1,  1932-10% deducted from basic rate (National Negotiations)
July 1,  1931 7 1/2 % deducted from basic rate (National Negotiations)
January 1, 1935-5% deducted from basic rate (National Negotiations)
April 1,  1935- Deductions Discontinued (National Negotiations)
August 1,  1937-5¢ an hour increase (National Negotiations)
April 16,  1940-2¢ an hour increase (Western Lines only)
December 1,  1941-10¢ an hour increase (National Negotiations)
December 27, 1943-9¢ an hour increase (National Negotiations)
       (This increase applied-5¢ effective 2-1-43 and 4¢ effective 12-27-43)
January 1,  1946-16¢ an hour increase (National Negotiations)
May 22,  1946-2 1/2¢ an hour increase (National Negotiations)
September 1, 1947-15 1/2¢ an hour increase (National Negotiations)
October 1,  1948-7¢ an hour increase (National Negotiations)
       (On the establishment of the shorter work week as of September 1, 1949, all basic rates were increased 20% to provide equal earnings in five days as was earned in six days prior to September 1, 1949, less 56¢ per week, or $2.43 per month, to compensate for service no longer rendered on the sixth day of the work week.)
February 1, 1951-12 l/2¢ an hour increase (National Negotiations)
December 1, 1952 4¢ an hour increase (Guthrie Award)
April 1, 1951 through
July 1, 1954 Cost-of-Living adjustment, based on changes in Consumers’ Price Index, fluctuated during this period from 6 to 13¢ an hour.
December 1, 1954 13¢ cost-of-living adjustment added permanently to basic rate and cost-of-living adjustments abandoned.
December 1, 1955 14-1/2¢ an hour added to basic rate.

November 1, 1956 Agreement:
10¢ an hour effective November 1, 1956.
7¢ an hour effective November 1, 1957.
7¢ an hour effective November 1, 1958.
Cost-of-living formula resumed commencing May 1, 1957. This resulted in 3¢ to 17¢ an hour between 5/1/57 and 8/19/60.

August 19, 1960 Agreement:
Cost-of-living formula abandoned, with March 15, 1960 adjustment of 17¢ an hour made part of basic rate. 5¢ an hour increase effective July 1, 1960.

June 5, 1962 Agreement:
4¢ an hour increase effective February 1, 1962.
6.28¢ an hour increase effective May 1, 1962.

May 1, 1964 Agreement (our organization only):
10¢ an hour increase effective January 1, 1964.

December 29, 1964 Agreement (our organization only):
10¢ an hour increase effective January 1, 1965.
10¢ an hour increase effective January 1, 1966.

January 13, 1967 Agreement:
5% increase effective January 1, 1967.
2-1/2% increase effective January 1, 1968.

April 21, 1969 Agreement (our organization only):
22¢ per hour and then 3.5% for all skilled classifications (signalmen and above) effective July 1, 1968.
9¢ per hour and then 3.5% for all assistants and helpers effective July 1, 1968.
2% effective January 1, 1969.
3% effective July 1, 1969.

May 18, 1971-S.J. Resolution 100-terminating our May 17-18, 1971 strike: (later incorporated in our November 16, 1971 Agreement )
5% effective January 1, 1970.
30¢ per hour for skilled classifications effective November 1, 1970.
18¢ per hour for helpers and assistants effective November 1, 1970.

November 16, 1971 Agreement (our organization only):
(Increases granted by S.J. Resolution 100)
Establish minimum rates effective January 1, 1971:
Helper $3.52
Assistant - First Step  3.55
Assistant - Top Grade  3.75
Mechanic    4.30
Leader     4.38

10¢ per hour effective January 1, 1971, bringing minimum mechanic rate to $4.40.

Hourly rates rounded to nearest whole cent effective 1-1-71. 15¢ per hour for skilled classifications effective 4-1-71 (minimum mechanic $4.55).
8¢ per hour for helpers and assistants effective 4-1-71.
5% effective 10-1-71 (minimum mechanic $4.78).
5% effective 4-1-72 (minimum mechanic $5.02).
5% effective 10-1-72 (minimum mechanic $5.27).
25¢ per hour effective 4-1-73 (minimum mechanic $5.52)

April 27, 1973 Agreement:
4% general wage increase effective January 1, 1974 (minimum mechanic $5.74).
In addition, due to a change in the Railroad Retirement Tax Act which was achieved trough the joint efforts of railway labor organizations and the railway industry, the employer assumed the excess of the Railroad Retirement Tax which was in excess of the employee Social Security Tax, thus resulting in a maximum increase in take-home pay of $42.75 per month effective October 1, 1973, and a maximum of $47.50 per month in 1974.

January 29, 1975 Agreement:
General Wage Increases:

<table>
<thead>
<tr>
<th>Date</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1975</td>
<td>10%</td>
</tr>
<tr>
<td>October 1, 1975</td>
<td>5%</td>
</tr>
<tr>
<td>April 1, 1976</td>
<td>3%</td>
</tr>
<tr>
<td>July 1, 1977</td>
<td>4%</td>
</tr>
</tbody>
</table>

Cost-of living-adjustment (COLA):
A COLA formula was established, with adjustments to be made effective January 1 and July 1, 1976, and January 1, 1977, of 14 per hour for each full four-tenths point by which the Bureau of Labor Statistics Consumer Price Index increases (1967 equals 100.) Effective July 1, 1977, the formula will be 1¢ per hour for each full three-tenths point. The schedule provided for maximum cumulative allowances, and for portions of the COLA to be incorporated into basic rates of pay. The formula, and the actual experience thereunder through December 31, are shown here:

<table>
<thead>
<tr>
<th>BLS Consumer Price Index</th>
<th>Effective COLA date</th>
<th>Maximum Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 1975</td>
<td>1-1-76</td>
<td>12¢</td>
</tr>
<tr>
<td>March 1976</td>
<td>7-1-76</td>
<td>28¢</td>
</tr>
<tr>
<td>Sept. 1976</td>
<td>1-1-77</td>
<td>45¢</td>
</tr>
<tr>
<td>March 1977</td>
<td>7-1-77</td>
<td>68¢</td>
</tr>
<tr>
<td>BLS Consumer Price Index</td>
<td>Total COLA</td>
<td>Roll-in, date and amount</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Sept. 1975</td>
<td>12¢</td>
<td>18¢, 12-31-76</td>
</tr>
<tr>
<td>March 1976</td>
<td>24¢</td>
<td>6¢, 6-30-76</td>
</tr>
<tr>
<td>Sept. 1976</td>
<td>37¢</td>
<td>6¢, 6-30-76</td>
</tr>
<tr>
<td>March 1977</td>
<td>55¢</td>
<td>16¢, 12-31-77</td>
</tr>
</tbody>
</table>

Based on a minimum Signalman rate of $5.74 as of December 31, 1974, the experience under the January 29, 1975 agreement was:

<table>
<thead>
<tr>
<th>Date</th>
<th>Basic</th>
<th>With COLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1975</td>
<td>$6.31</td>
<td>$6.31</td>
</tr>
<tr>
<td>October 1, 1975</td>
<td>6.63</td>
<td>6.63</td>
</tr>
<tr>
<td>January 1, 1976</td>
<td>6.63</td>
<td>6.75</td>
</tr>
<tr>
<td>April 1, 1976</td>
<td>6.83</td>
<td>6.95</td>
</tr>
<tr>
<td>July 1, 1976</td>
<td>6.83</td>
<td>7.07</td>
</tr>
<tr>
<td>January 1, 1977</td>
<td>7.01</td>
<td>7.20</td>
</tr>
<tr>
<td>July 1, 1977</td>
<td>7.35</td>
<td>7.66</td>
</tr>
</tbody>
</table>

**July 27, 1978 Agreement:**

General Wage Increases:
- April 1, 1978: 3%
- October 1, 1978: 2%
- July 1, 1979: 4%
- July 1, 1980: 5%

**COLA:**

A COLA formula was continued on the basis of 1¢ per hour for each 0.3 full points increase in the CPI, with a maximum of 4% on six-month periods and a maximum of 8% on twelve-month periods, and with 50% of the COLA rolled into basic rates at six-month intervals.

- Entry rates;
- Service for the first twelve months to be 90% of applicable rates, including COLA.

Based on a minimum Signalman rate of $7.66 ($7.35 base plus 31¢ COLA) as of 12-21-77, the experience under the July 27, 1978 agreement was:

<table>
<thead>
<tr>
<th>Date</th>
<th>Base</th>
<th>Float COLA</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1978</td>
<td>$7.51</td>
<td>$0.34</td>
<td>$7.85</td>
</tr>
<tr>
<td>April 1, 1978</td>
<td>7.74</td>
<td>.34</td>
<td>8.08</td>
</tr>
<tr>
<td>July 1, 1978</td>
<td>7.91</td>
<td>.36</td>
<td>8.27</td>
</tr>
<tr>
<td>October 1, 1978</td>
<td>8.07</td>
<td>.36</td>
<td>8.43</td>
</tr>
<tr>
<td>January 1, 1979</td>
<td>8.25</td>
<td>.43</td>
<td>8.68</td>
</tr>
<tr>
<td>July 1, 1979</td>
<td>8.81</td>
<td>.46</td>
<td>9.27</td>
</tr>
<tr>
<td>January 1, 1980</td>
<td>9.04</td>
<td>.51</td>
<td>9.55</td>
</tr>
<tr>
<td>July 1, 1980</td>
<td>9.77</td>
<td>.52</td>
<td>10.29</td>
</tr>
<tr>
<td>January 1, 1981</td>
<td>10.03</td>
<td>.58</td>
<td>10.61</td>
</tr>
</tbody>
</table>
January 8, 1982 Agreement:
This agreement provided for the following general wage increases:

- April 1, 1981: 2%
- October 1, 1981: 3%
- July 1, 1982: 3%
- July 1, 1983: 3%

Entry rates: Changed from 90% to 85% for the first twelve months and 92% for the second twelve months. See Agreement for details.

The agreement also provided for continuation of the COLA formula, with these amounts specified in the agreement:

- July 1, 1981: 32¢ per hour, or total of 90¢
- January 1, 1982: 35¢ per hour, or total of $1.25

Additional adjustments to be made at six-month intervals: July 1, 1982, January 1, 1983, July 1, 1983, and January 1, 1984. No roll-in during this period until December 31, 1983, when the cost-of-living allowance in effect on January 1, 1983 will be rolled into basic rates of pay. On June 30, 1984, 50% of the cost-of-living allowance then in effect shall be rolled into basic rates of pay.

The experience under this agreement, up to and including the COLA increase of July 1, 1982, for the minimum Signalman rate of pay was:

<table>
<thead>
<tr>
<th>Date</th>
<th>COLA</th>
<th>Base</th>
<th>Float COLA</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1, 1981</td>
<td></td>
<td>$10.23</td>
<td>$0.58</td>
<td>$10.81</td>
</tr>
<tr>
<td>July 1, 1981</td>
<td>32¢</td>
<td>$10.23</td>
<td>$0.90</td>
<td>$11.13</td>
</tr>
<tr>
<td>October 1, 1981</td>
<td>3%</td>
<td>$10.54</td>
<td>$0.90</td>
<td>$11.44</td>
</tr>
<tr>
<td>January 1, 1982</td>
<td>35¢</td>
<td>$10.54</td>
<td>$1.25</td>
<td>$11.79</td>
</tr>
<tr>
<td>July 1, 1982</td>
<td>3% + 22¢</td>
<td>$10.86</td>
<td>$1.47</td>
<td>$12.33</td>
</tr>
</tbody>
</table>

September 23, 1986 Agreement:
This agreement provided for the following general wage increases:

- December 1, 1985: 2.0%
- December 1, 1986: 2.25%
- December 1, 1987: 2.25%

The agreement also provided for lump sum payments as follows:

1. Employees with 2,150 or more straight time hours paid for during the period July 1, 1984 through July 31, 1985 to be paid $565.00 within 60 days of the date of the agreement.

2. Employees with 2,000 or more straight time hours during the period October 1, 1985 through September 30, 1986 to be paid $375.00 during the first half of December of 1986.

3. Employees with 2,000 or more straight time hours during the period October 1, 1986 through September 30, 1987 to be paid $473.00 during the first half of December of 1987.

4. Employees with 1,000 or more straight time hours during the period October 1, 1987 through March 31, 1988 to be paid $243.00 during the first half of June of 1988.

Note: Employees with fewer than the designated number of straight time hours to be paid an amount derived by multiplying the lump sum amount by the number of straight time hours actually credited to the employee and dividing by the designated number of straight time hours.
The agreement also established provisions for revisions in the Cost-of-Living Adjustment (COLA). The cost-of-living allowance, which was 13 cents per hour effective June 30, 1986, was to be adjusted as follows:

3. Adjustment July 1, 1987 based on the CPI for March 1987 compared with the CPI for September 1986.

COLA adjustments were to be subject to the following caps:

(a) Adjustment effective July 1, 1986 to take into account a maximum of 4% of September 1985 CPI;
(b) Adjustment effective January 1, 1987 to take into account a maximum of 8% of September 1985 CPI, less the increase from September 1985 to March 1986;
(c) Adjustment effective July 1, 1987 to take into account a maximum of 4% of the September 1986 CPI;
(d) Adjustment effective January 1, 1988 to take into account a maximum of 8% of September 1986 CPI, less the increase from September 1986 to March 1987.

The formula to be used as the basis for calculating COLA adjustments was as follows:

The number of points in the CPI during a measurement period, as limited by the cap, will be converted into cents on the basis of one cent for each 0.3 full points.

COLA adjustments were limited by the following offsets:

(a) Any increase to be paid effective July 1, 1986 was limited to that in excess of 19¢ per hour
(b) The combined increases, if any, to be paid as a result of the adjustments effective July 1, 1986 and January 1, 1987 were limited to that in excess of 48¢ per hour;
(c) Any increase to be paid effective July 1, 1987 was limited to that in excess of 20¢ per hour;
(d) The combined increases, if any, to be paid as a result of the adjustments effective July 1, 1987 and January 1, 1988 were limited to that in excess of 51 cents per hour.

On June 30, 1988 the cost-of-living allowance then in effect was to be rolled into the basic rates of pay and the cost-of-living allowance in effect was to be reduced to zero.

June 4, 1991 Agreement:

This agreement provided for the following general wage increases:

- July 1, 1991 3.0 percent
- July 1, 1993 3.0 percent
- July 1, 1994 4.0 percent

The agreement also provided for lump sum payments as follows:

1 - Employees with 2,000 or more straight time hours between April 1, 1990 and March 31, 1991 to be paid $2,000 within 60 days of the agreement.
2 - Employees with 2,000 or more straight time hours between April 1, 1991 and March 31, 1992 to be paid a lump sum of $1,116.00 on July 1, 1992, less any reduction
for co-payment of the increase in the payment rate for health benefits under the National Health and Welfare Plan for 1992.

3 - Employees with 1,000 or more straight time hours between April 1, 1992 and September 30, 1999 to be paid a lump sum of $1,116.00 on January 1, 1993, less any reduction for co-payment of the increase in the payment rate for health benefits under the National Health and Welfare Plan for 1993.

4 - Employees with 2,000 or more straight time hours between October 1, 1992 and September 30, 1993 to be paid a lump sum of $1,149.00 on January 1, 1994, less any reduction for co-payment of the increase in the payment rate for health benefits under the National Health and Welfare Plan for 1994.

5 - Employees with 2,000 or more straight time hours between October 1, 1993 and September 30, 1994 to be paid a lump sum of $797.00 on January 1, 1995, less any reduction for co-payment of the increase in the payment rate for health benefits under the National Health and Welfare Plan for 1995.

Note: Employees with fewer than the designated number of straight time hours to be paid a lump sum for each period prorated for the number of hours for which the employee was paid during the period, with reductions for any co-payment of the increase in the payment rate for health benefits.

The agreement also provided for the following cost-of-living allowance and adjustments after January 1, 1995:

1 - First allowance payable effective July 1, 1995, based on the Consumer Price Index (CPI) for September 1994 as compared with the CPI for March 1995. The maximum increase that may be taken into account is 3 percent of the September 1994 CPI.

2 - Second allowance payable effective January 1, 1996, based on the CPI for March 1995 as compared with the CPI for September 1995. The maximum increase that may be taken into account is 6 percent of the September 1994 CPI, less the increase from September 1994 to March 1995.

3 - Further allowances conforming to this schedule will be applicable to periods subsequent to those specified in the Agreement.

Formula-The number of points change in the CPI during a measurement period will be converted into cents on the basis of one cent equals 0.3 full points.

Limitation-Only 50 percent of the increase in the CPI shall be considered in any measurement period.

Reduction for health benefit co-payment cost-of-living allowances payable effective July 1, 1995, January 1, 1996 and thereafter are subject to reductions based on increases in the payment rate for health benefits under the National Health and Welfare Plan.

Skill Adjustment – Pursuant to Article V of the June 4, 1991 Agreement, employees assigned to positions of Signalman/Mechanic and above received a differential of $.65 per hour when performing skill differential tasks as outlined in the Arbitration Agreement of November 24, 1992.

August 8, 1996 Agreement:

This agreement provided for the following general wage increases:

- Dec. 1, 1995 3.5%
- July 1, 1997 3.5%
- July 1, 1999 3.5%
- July 1, 2000 3.5%
The agreement also provided for a signing bonus and compensation allowances as follows:

1. Employees with 2,000 or more straight time hours during 1995 to be paid a $400 signing bonus.

2. On July 1, 1996, each employee to be paid a compensation allowance equal to three percent of the employee’s compensation (less any lump sums) for 1995, less any reduction for co-payment of the increase in the payment rate for health benefits under the National Health and Welfare Plan for 1996.

3. On July 1, 1998, each employee to be paid a compensation allowance equal to 3.5 percent of the employee’s compensation (less any compensation allowances) for 1997, less any reduction for co-payment of the increase in the payment rate for health benefits under the National Health and Welfare Plan for 1998.

The agreement also included the following cost-of-living provisions:

1. The $0.09 cost-of-living allowance in effect on July 1, 1995, to be rolled into the basic rates of pay on November 30, 1995.

2. On December 31, 1999, a cost-of-living allowance to be rolled into the basic rates of pay, based on the CPI for March 1995 (as compared with the CPI for March 1996) and the CPI for March 1997 (compared with the CPI for March 1998). The minimum increase to be taken into account is 4% of the March 1995 and March 1997 CPI amounts and the maximum increase to be taken into account is 6% of the March 1995 and March 1997 CPI amounts.

3. On July 1, 2000, a cost-of-living allowance to be paid based on the CPI for September 1999 as compared with the CPI for March 2000. The maximum increase that may be taken into account is 3% of the September 1999 CPI.

4. On January 1, 2001, a cost-of-living allowance to be paid based on the CPI for March 2000 as compared with the CPI for September 2000. The maximum increase that may be taken into account is 6% of the September 1999 CPI, less the increase from September 1999 to March 2000.

5. Further allowances conforming to this schedule will be applicable to periods subsequent to those specified in the Agreement.

Formula - The number of points change in the CPI during a measurement period will be converted into cents on the basis of one cent equals 0.3 full points.

Limitation - Only 50% of the increase in the CPI shall be considered in any measurement period.

Reduction for health benefit co-payment - only the cost-of-living allowances payable on December 31, 1999 subject to reduction based on increases in the payment rate for health benefits under the National Health and Welfare Plan.

Skill Adjustment - the skill differential provided under the Arbitration Agreement of November 24, 1992, to be increased to $0.85 per hour for all hours worked by employees assigned to positions of Signalman/Mechanic and above, effective January 1, 2000.

September 24, 2003 Agreement

This agreement provided for the following general wage increases:

<table>
<thead>
<tr>
<th>Date</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2002</td>
<td>2.5%</td>
</tr>
<tr>
<td>July 1, 2002</td>
<td>3.5%</td>
</tr>
<tr>
<td>July 1, 2003</td>
<td>3.0%</td>
</tr>
<tr>
<td>July 1, 2004</td>
<td>3.25%</td>
</tr>
</tbody>
</table>
On October 1, 2001, twenty-seven (27) cents-per-hour of the cost-of-living allowance payable pursuant to Article II, Part C of the Agreement dated August 8, 1996 (“Article II, Part C”) shall be rolled in to basic rates of pay. Article II, Part C shall be eliminated effective June 30, 2002. Cost-of-living allowance payments made to employees for periods on or before June 30, 2002 shall be retained. Any cost-of-living allowance payments made to employees for periods on and after July 1, 2002 shall be recovered from any retroactive wage increase payments made under Article I.

**July 1, 2007 Agreement**
This agreement provided for the following general wage increases:
- July 1, 2005 2.5%
- July 1, 2006 3.0%
- July 1, 2007 3.0%
- July 1, 2008 4.0%
- July 1, 2009 4.5%

**February 6, 2012, Agreement**
This agreement provided for the following general wage increases:
- 2.0% July 1, 2010
- 2.5% July 1, 2011
- 4.3% July 1, 2012
- 3.0% July 1, 2013
- 3.8% July 1, 2014
- 3.0% January 1, 2015

In addition to the general wage increases, the Agreement provides for a lump sum payment equal to 1% of straight-time earnings for the 12-month period beginning November 1, 2010. The lump sum will be calculated inclusive of the first two general wage increases.
SECTION B

SUMMARY OF BENEFITS

The following is a summary of benefits other than wages, commencing with the Washington Job Protection Agreement of May 1936.

Washington Job Protection Agreement of May 1936
Compensation guarantee under specific schedule, and/or moving allowance, real estate loss protection, for employees adversely affected by “coordination” involving two or more carriers.

1941 Vacation Agreement:
One week vacation for employees who worked 160 days the preceding calendar year, effective 1942.

February 23, 1945 Agreement:
Two weeks vacation for employees with five years service, effective 1945.

August 21, 1954 Agreement:
Vacation qualifying time in preceding year reduced to 133 days. Three weeks vacation after 15 years service, effective 1954. Some sickness absence could be counted toward qualifying days of service for vacation purposes (10 days for employees with up to 5 years, 20 days for those with up to 15 years, and 30 days for those with over 30 years). Holiday pay for 7 holidays for “regularly assigned” employees, effective May 1, 1954. Carrier to pay part of the benefits for employee health and welfare benefits, $3.40 per month, same amount to be paid by employee.

December 21, 1955 Agreement:
Carrier to pay full $6.80 for employee health and welfare benefits, effective March 1, 1956.

November 1, 1956 Agreement:
Carrier to pay $11.05 per month for employee health and welfare benefits. $4.25 for dependents’ health and welfare benefits.

August 19, 1960 Agreement:
Qualifications relaxed for holiday pay, effective July 1, 1960. Vacation qualifying time in preceding year reduced to 120, 110 and 100 days for 1, 2 and 3-week vacation, respectively. Qualifying time for 2-week vacation reduced from 5 to 3 years. Dependents’ health and welfare benefits increased to match employee’s, except medical expense benefits, with such benefits extended to furloughed employees for up to 3 months effective March 1, 1961. $4,000 paid life insurance for employee. Improvement in schedule of sickness absence days that could be counted toward qualifying days for vacation purposes (10 for up to 3 years service, 20 days for 3-15 years service, 30 days for 15 or more years service).
June 5, 1962 Agreement:
Rule requiring no less than five working days advance notice of abolition of positions or force reduction.

November 20, 1964 Agreement:
Employee’s birthday added as a paid holiday, effective January 1, 1965.
$2,000 life insurance (paid by carrier) for employee retiring after March 1, 1964.
4 weeks vacation after 20 years service, effective 1965.

February 7, 1965 Mediation Agreement:
This is generally referred to as the “job stabilization” agreement for employees with two years employment relationship as of October 1, 1964.

January 13, 1967 Agreement:
Vacation qualifying time for 3 weeks vacation reduced from 15 to 10 years.
Award of Arbitration Board No. 298,

September 30, 1967:
Meal and lodging allowances for traveling crews (camp car gangs, etc.) and certain travel allowances, with each committee having an option of choosing between this or retaining existing rules.
$1.00 meal allowance if carrier furnishes cook and kitchen facilities.
$2.00 meal allowance for batching facilities.
$3.00 meal allowance if meals obtained in restaurants or commissaries (these allowances for each calendar day).
$4.00 maximum lodging allowances.
(above allowances for employees living and working away from home)
Travel time between work points paid for at straight time rate outside regular hours.
9¢ auto mileage for travel in private automobile between work points.
Travel time at two minutes per mile.

April 21, 1969 Agreement (our organization only):
2 weeks vacation after 2 years service, on 110 days in previous calendar year (reduced from 3 years), effective 1968.
Guaranteed pay for holidays, effective January 1, 1968.
Certain benefits for off-track vehicle death or dismemberment, effective July 1, 1969:
$100,000 death.
$50,000 to $100,000 for loss of eye, foot or hand, or combination thereof.
Medical and hospital care, up to $3,000 for one person for one accident, less amount payable under carrier-financed hospitalization (Travelers, etc.).
Time loss payment, 80% of basic pay, maximum of $100, weekly, up to 156 weeks, minus amounts received under Railroad Unemployment Insurance Act.

November 16, 1971 Agreement:
Good Friday in lieu of birthday-holiday effective January 1, 1972.
Veterans Day added as paid holiday effective January 1, 1973.
Fifth week of vacation added after 25 years, effective 1973. Military service counts toward length of vacation.

Jury duty pay up to 60 days per year, effective January 1, 1973.

Double-time-after-sixteen-hours rule, effective 75 days after November 16, 1971 except where committee on individual road advises carrier in writing within 60 days of November 16, 1971 of desire to preserve in entirety existing rules dealing with double time.

Provisions for examining feasibility of eventual elimination of camp cars, subject to final handling by special committee.

Establishment of joint committee to establish guidelines for apprenticeship training programs.

Moving allowances, with 30-mile criteria, for change of residence due to "technological, operational or organizational" changes.

Change in force reduction rule, eliminating advance notice under certain emergency conditions, and suspension of operations due to a labor dispute between the carrier and any of its employees.

Permits carrier to deduct outside earnings if dismissed employee returned to work after discipline case.

Supplemental sickness benefits effective July 1, 1973, with effort to be made to finalize plans prior to January 1, 1973.

**AMTRAK protective benefits, 1971:**

In 1971, the U.S. Secretary of Labor certified certain employee protective benefits for railroad employees affected by discontinuance of intercity rail passenger service pursuant to the National Passenger Service Act of 1970. These benefits, identified as APPENDIX C-1, afford protection similar to the Washington Job Protection Agreement, with a 6-year limitation.

**April 27, 1973 Agreement:**

Cost free union dues deduction, subject to negotiation on individual railroads within 60 days following request by the organization.

Establishment of Standing Committee to review and study subjects of mutual interest during the term of this agreement (subjects involved in recent requests for fringe benefit improvements).

**May 9, 1973 Agreement:**

Supplemental sickness benefit plan effective July 1, 1973 pursuant to letter of understanding dated November 16, 1971 which has been signed in conjunction with our November 16, 1971 Agreement. These benefits subsequently covered by Provident Life and Accident Insurance Company Group Policy No. R-5000, effective July 1, 1973, covering shop craft and signal employees.

**AMTRAK protective benefits 1973:**

Under date of July 5, 1973, an agreement was signed by the National Railroad Passenger Corporation and various railway labor organizations, to provide protection for employees of the National Railroad Passenger Corporation affected by discontinuance of intercity rail passenger service as defined in Section 405 of the Act. That agreement, identified as APPENDIX C-2, generally follows the pattern of APPENDIX C-1.
January 29, 1975 Agreement:
Christmas Eve (the day before Christmas is observed) was added as the tenth holiday, effective in 1976. See Section F.
Commencing June 1975, the carriers were required to provide each General Chairman with a copy to the President of the Organization, a list of employees who are hired or terminated, their home addresses, and Social Security numbers if available, otherwise the employees' identification number. See Section W.
A National Dental Plan was established effective March 1, 1976, with the entire cost borne by the railroads. This plan is administered by Aetna Life Insurance Company, Hartford, Connecticut. See Section H.

July 14, 1976 Agreement:
This Agreement revised the supplemental sickness benefit program effective January 1, 1976.

July 27, 1978 Agreement:
Vacations: Eligibility requirements for a three-week vacation was changed from ten years to nine and for a four-week vacation from twenty to 18 years, effective 1979.
Health & Welfare: There were improvements in the health and welfare benefits for active employees, early retirement major medical expense benefits for those retiring at or after age 61, improvements in the dental plan.
Jury Duty: There were changes in the jury duty provisions. See Section M.
Off-Track Vehicle Accident Benefits: Benefits of the April 21, 1969 Agreement were increased 50% for most categories, effective 90 days after date of agreement. See Section L for details.
Bereavement Leave: Bereavement leave, not in excess of three calendar days following death of an employee’s brother, sister, parent, child, spouse or spouse’s parent, effective 30 days after date of agreement. See Section X for details.

June 22, 1979 Agreement:
This revised and improved the supplemental sickness benefit program that was established by a letter of understanding dated November 16, 1971, to become effective July 1, 1973. The plan is administered by the Provident Life and Accident Insurance Company under Group Policy No. R-5000. The revisions covered by the June 22, 1979 Agreement became effective July 1, 1979.

January 8, 1982 Agreement:
Vacations: Effective with the calendar year 1982, the eligibility requirement for a three-week vacation is reduced from nine years to eight, and for a four-week vacation it is reduced from eighteen years to seventeen.
Health & Welfare: Improvements in benefits under Travelers Group Policy GA-23000, effective January 1, 1982, including an increase in life insurance from $6,000 to $10,000, and the AD&D from $4,000 to $8,000.
Early Retirement Major Medical Benefits: Maximum amount payable under this plan increased from $50,000 to $75,000, effective January 1, 1982.
Supplemental Sickness: Benefits provided in the June 22, 1979 Agreement were improved effective January 1, 1982.
Personal Leave: (new benefit): One personal leave day for employees who have met the qualifying vacation requirements during eight calendar years under vacation rules in effect on January 1, 1982; and two such days for those meeting similar requirements during seventeen calendar years.

Entry Rate: First 12 months, 85% of the applicable rate of pay, including COLA. Second 12 months 92%.

Change in Residence due to Technological, Operational or Organizational Change: A note was added to explain this applies not only to the employee who is initially displaced but also to any other employee who is subsequently displaced.

Holidays: Effective January 1, 1983, add the day after Thanksgiving and substitute New Year’s Eve for Veterans’ Day.

September 23, 1986 Agreement:

Health & Welfare: Continued benefits under the National Plan and added provisions for hospital pre-admission and utilization review.

June 4, 1991 Agreement:

Health & Welfare: Modified benefits under the National Plan to provide for establishment of managed care networks wherever feasible and conversion of the previous National Plan coverage to comprehensive health care benefit coverage.

Managed care networks to provide benefits with no annual deductibles or out-of-pocket maximums, no claim forms, $15 employee co-payments for emergency room care and office visits, 100 percent coverage of hospital charges and inpatient mental and substance abuse care, and 100 percent coverage of prescription costs after a $5 employee co-payment ($3 for generic drugs).

Under the comprehensive health care plan, established annual deductibles of $100 per covered individual and $300 per family, with annual out-of-pocket maximums of $1,500 per individual and $3,000 per family. Under the deductibles and out-of-pocket maximums, the plan is to pay 85 percent of health care expenses. Provided for coverage for items including mammograms, childhood disease immunization, pap smears and colorectal cancer screening. Provided for a mail order prescription drug benefit for maintenance drugs. Changed utilization review and case management to cover all non-emergency confinements and lengths of stay in any facility, home care and in-patient and out-patient procedures and treatment.

Changed coordination of benefit rules to provide for payment of benefits only up to the maximum benefit available under the more generous of applicable plans, except when both spouses are employees covered by the plan.

Continued benefits under the Early Retirement Major Medical Benefit Plan, with changes in coordination of benefits and utilization review and case management on the same basis as the comprehensive health care benefit plan. Established a mail order prescription drug benefit.

Supplemental Sickness: Increased benefits, effective July 1, 1991. Established that an employee eligible to receive benefits during the initial Railroad Unemployment Insurance Act (RUIA) registration period would receive the basic benefit under the plan, as well as an amount equal to the RUIA benefit that would have been payable except for the initial waiting period requirement under RUIA. Adopted administrative and procedural changes to expedite the handling of claims.

Employee Protection: Amended the February 7, 1965 Agreement to cover employees with ten or more years’ employment relationship as of June 4, 1991 and increase the transfer allowance to $800.

Change in Residence: Increased the transfer allowance to $800.
AUGUST 8, 1996 AGREEMENT:

Health & Welfare - Modified the eligibility requirements so that an employee would have to render compensated service or receive vacation pay of at least seven days during the qualifying month.

Dental benefits - Modified the eligibility requirements so that an employee would have to render compensated service or receive vacation pay of at least seven days during the qualifying month. Beginning in 1999, the maximum annual benefit to increase to $1,500, the lifetime orthodontic benefit to increase to $1,000, the payment rate for Type B services to increase to 80%, coverage for implant service to be added, and a toll-free telephone number for the plan to be established.

Vision care - Provided for establishing a Vision Care Plan to become effective January 1, 1999. Managed vision care networks to be established to provide coverage for annual examinations, lenses and eyeglass frames.

Supplemental Sickness: Provided for adjustment of benefits in accordance with wage increases through July 1, 2000.

401(k) Plan - Provided for the establishment of 401(k) plans not later than January 1, 1997.

Employee Protection - Amended the February 7, 1965 Agreement to cover employees who have or attain 10 years of employment relationship.

SEPTEMBER 24, 2003 AGREEMENT:

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

Plan Benefit Changes

(a) The Plan’s Comprehensive Health Care Benefit (“CHCB”) is amended to include one routine physical examination (including diagnostic testing and immunizations in connection with such examination) each calendar year for covered employees and their eligible dependents. Such CHCB benefit shall cover 100% of the Eligible Expenses involved up to $150, and 75% of such Eligible Expenses in excess of $150.

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

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

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

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

(f) The MMCP will not require a co-payment on behalf of a participant or beneficiary with respect to any visit to a physician’s office solely for the administration of an allergy shot.
(g) A Hearing Benefit will be provided. Such arrangement shall provide a Maximum Benefit of $600.00 annually for each covered person for covered expenses. Covered expenses shall consist of charges for medically necessary tests and examinations to establish whether and to what extent there is a hearing loss and charges for a permanent hearing aid that is medically necessary to restore lost hearing or help impaired hearing. Such Benefit may, at the carriers’ option, be administered through the Plan or as a separate arrangement administered by the National Carriers’ Conference Committee, and will include standard limitations, conditions and exclusions.

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

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

(j) This Section shall become effective with respect to employees covered by this Agreement as soon as practicable.

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

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

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

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

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

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

(f) With respect to geographic areas where the Plan’s MMCP is not currently available, but Aetna U.S. Healthcare or United HealthCare is capable of administering the Plan’s MMCP on a cost-neutral or better basis, the Plan’s MMCP benefits shall be provided.

(g) The Individual and Family Out-of-Network Deductibles under the Plan’s MMCP will be increased to $200 and $600, respectively.
(h) During a prescribed election period preceding January 1, 2004, and preceding each January 1 thereafter, employees may certify to the Plan or its designee in writing that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group health plan or health insurance policy that they identify by name and, where applicable, by group number, and for that reason they elect to forego coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. Such election is hereafter referred to as an “Opt-Out Election” and, where exercised, will eliminate an employer’s obligation to make a contribution to the Plan and/or dues offset payment to a Hospital Association for foreign-to-occupation health benefits for the employee and his dependents.

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

If an event described below in the final paragraph of this subsection (h) occurs subsequent to an employee’s Opt-Out Election, the employee may, upon providing the Plan or its designee with proof satisfactory to it of the occurrence of such event, revoke his or her Opt-Out Election. An employee may also revoke his or her Opt-Out Election by providing the Plan or its designee with proof satisfactory to it that, after the employee made the Opt-Out Election, a person became a dependent of the employee through a marriage, birth, or adoption or placement for adoption. An employee who revokes an Opt-Out Election will, along with his or her dependents, be once again covered (effective the first day of the first month following such revocation that the employee and/or his dependents would have been covered but for the Opt-Out Election the employee had previously made) for foreign-to-occupation health benefits under the Plan or, in the case of an employee who is a member of a Hospital Association, by the Plan (for dependent coverage) and by the Hospital Association (for employee coverage).

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

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

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

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

(j) The Plan design changes contained in this Section shall become effective as soon as practicable except as otherwise provided.

Employee Cost-Sharing Contributions

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

(b) Effective July 1, 2002, the per month employee cost-sharing contribution amount set forth in subsection (a) shall be changed to $81.18.
(c) Effective July 1, 2003, the per month employee cost-sharing contribution amount set forth in subsection (b) shall be changed to $79.74.
(d) Effective July 1, 2004, the per month employee cost-sharing contribution amount set forth in subsection (c) shall be changed to $100.00.

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

Retroactive Contributions
Retroactive employee cost-sharing contributions payable for the period on and after July 1, 2001 shall be offset against any retroactive wage payments provided to the employee under Article I, Sections 1 and 2 of this Agreement.

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

SUPPLEMENTAL SICKNESS
The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article VII of the August 8, 1996 National Agreement (Sickness Agreement), shall be further amended as provided.

JULY 1, 2007 AGREEMENT
Health & Welfare - The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Plan Benefit Changes - MMCP
(a) The Plan's Managed Medical Care Program ("MMCP") will be offered to all employees in any geographic area where the MMCP is not currently offered and United Healthcare, Aetna, or Highmark BlueCross Blue Shield has a medical care network ("white space"). For purposes of this subsection, such "network" shall mean a "point-of-service" network in the case of United Healthcare and Aetna, and a preferred provider network in the case of Highmark BlueCross BlueShield. Plan participants and their beneficiaries who live in a white space may choose between coverage under MMCP or the Comprehensive Health Care Benefit, subject to subsection (b) below.
(b) The parties may, by mutual agreement and subject to such evaluation and conditions as they may deem appropriate, designate specific geographic areas within the white space as mandatory MMCP locations. Plan participants and their beneficiaries who live in mandatory MMCP locations shall not have a choice between CHCB and MMCP coverage, but shall be enrolled in the MMCP.
(c) United Healthcare and Aetna, respectively, shall apply "nationwide market reciprocity" to participants and their beneficiaries who are enrolled in MMCP. The term
“nationwide market reciprocity” is intended to mean, by way of example, that a participant enrolled in MMCP with UHC in market A is permitted to get in-network MMCP benefits from a UHC point-of-service network provider in market B.

(d) This Section shall become effective with respect to employees covered by this Agreement on July 1, 2007 or as soon thereafter as practicable.

**Design Changes To Contain Costs**

(a) The Plan’s MMCP shall be revised as follows:

1. The Office Visit Co-Payment for In-Network Services shall be increased to $20.00 for each office visit to a provider in general practice or who specializes in pediatrics, obstetrics-gynecology, family practice or internal medicine, and $35.00 for each office visit to any other provider;
2. The Urgent Care Center Co-Payment for In-Network Services shall be increased to $25.00 for each visit;
3. The Emergency Room Co-Payment for In-Network Services shall be increased to at least $50.00 for each visit, but if the care received meets the applicable Plan definition of an Emergency, the Plan will reimburse the employee for the full amount paid for such care, except for $25.00 if the visit does not result in hospital admission. For purposes of this Paragraph, the phrase “at least” shall be interpreted and applied consistent with practice under the Plan preceding the date of this Agreement;
4. The Annual Deductible for Out-of-Network Services shall be increased to $300.00 per individual and $900.00 per family;
5. The Annual Out-of-Pocket Maximum for Out-of-Network Services shall be increased to $2,000 per individual and $4,000 per family.

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

1. The Annual Deductible shall be increased to $200.00 per individual and $400.00 per family;
2. The Annual Out-of-Pocket Maximum shall be increased to $2,000 per individual and $4,000 per family.

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

1. Generic Drug – increase to $10.00;
2. Brand Name (Non-Generic) Drug On Program Administrator’s Formulary – increase to $20.00;
3. Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary – increase to $30.00;
4. Brand Name (Non-Generic) Drug on Program Administrator’s Formulary that is not ordered by the patient’s physician by writing “Dispense as Written” on the prescription and there is an equivalent Generic Drug-increase to $20.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug;
5. Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary that is not ordered by the patient’s physician by writing “dispense as Written” on the prescription and there is an equivalent Generic Drug-increase to $30.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug.

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

1. Generic Drug – increase to $20.00;
2. Brand Name (Non-Generic) Drug On Program Administrator’s Formulary – increase to $30.00;
3. Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary – increase to $60.00.
(e) For purposes of the Plan, the term “children” as used in connection with determining “Eligible Dependents” under the Plan, shall be defined as follows:

“Children include:
- natural children,
- stepchildren,
- adopted children (including children placed with you for adoption), and
- your grandchildren, provided they have their legal residence with you and are dependent for care and support mainly upon you and wholly, in the aggregate, upon themselves, you, your spouse, scholarships and the like, and governmental disability benefits and the like.”

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

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

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

**Monthly Employee Cost-Sharing Contributions**

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers’ Monthly Payment Rate for 2007.

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

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

1. 15% of the Carrier’s Monthly Payment Rate for 2010, or
2. $200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

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

1. the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
2. the Dental Plan for employee and dependent dental benefits, and
3. the Vision Plan for employee and dependent vision benefits,

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

(e) The Carriers’ Monthly Payment Rate for 2007 has been determined to be $1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be $166.25.
Pre-Tax Contributions
Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Retroactive Contributions
Retroactive employee cost-sharing contributions payable for the period on and after July 1, 2005 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1 and 2 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

Prospective Contributions
For months subsequent to the retroactive period covered by Section 3, employee cost-sharing contributions will be made for the employee by the employee’s employer. The employer shall deduct the amount of such employee contributions from the employee’s wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

SUPPLEMENTAL SICKNESS
The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article IV of the September 24, 2003 National Agreement (Sickness Agreement), shall be further amended as provided in this Article.

February 6, 2012, Agreement

General Wage Increases
- 2.0% July 1, 2010
- 2.5% July 1, 2011
- 4.3% July 1, 2012
- 3.0% July 1, 2013
- 3.8% July 1, 2014
- 3.0% January 1, 2015

In addition to the General Wage Increases (GWI), the Agreement provides for a lump sum payment equal to 1% of straight-time earnings for the 12-month period beginning November 1, 2010. The lump sum will be calculated inclusive of the first two general wage increases.

The amount of retroactive pay and lump sum each employee receives will be based on the rate of pay and hours worked. Retroactive wages will be payable on or before sixty (60) days after the date of the Agreement. The lump sum shall be payable on or before ninety (90) days after the date of the Agreement.

To be eligible for the retroactive pay, members must have an employment relationship with the carrier on the date of this Agreement or must have retired or died subsequent to June 30, 2010. To be eligible for the lump sum payment, members must have an employment relationship with the carrier on the date of this Agreement or must have retired or died subsequent to October 31, 2010.
Health and Welfare Plan Changes

Employee Cost Sharing Contribution

Employee monthly Health and Welfare contributions will remain fixed at $200 per month until July 1, 2016, at which time the monthly contributions will be capped at $230 until the next agreement is negotiated. Employee Health and Welfare contributions will be made on a pre-tax basis.

Plan Design Changes

In compliance with the Presidential Emergency Board’s (PEB) recommendations, the Plan’s health and welfare provisions will be amended. The changes recommended by the PEB mirror the United Transportation Union’s Plan that was ratified earlier this year with the addition of a phase-in period.

All Plan design changes become effective July 1, 2012.

There are no changes to the out-of-network services under Managed Medical Care Program (MMCP) or benefits under the Comprehensive Health Care Benefit (CHCB).

MMCP Annual Deductibles

Annual deductibles will be $200 per individual and $400 per family, as phased in below:

- July 1, 2012  $100 per individual and $200 per family
- January 1, 2013  $150 per individual and $300 per family
- January 1, 2014  $200 per individual and $400 per family

The annual family deductible applies regardless of the number of covered family members. The family deductible is the maximum amount the employee and his/her eligible dependents will have to pay in any calendar year before the Plan applies payments. The annual family deductible applies to only “In-Network” services provided under MMCP where a fixed-copayment does not apply.

Coinsurance and Out-of-Pocket Maximums

Coinsurance of 5% will apply for “In-Network” services under MMCP where a fixed-dollar copayment does not apply (i.e., $20/35 per office visit) up to the annual out-of-pocket maximums, on a phased in basis as described below:

- July 1, 2012  $500 per individual and $1,000 per family
- January 1, 2013  $750 per individual and $1,500 per family
- January 1, 2014  $1,000 per individual and $2,000 per family

Once the out-of-pocket maximum is reached, no coinsurance charges will be applied. The family out-of-pocket maximum applies regardless of the number of covered family members. Copayments and deductible payments do not apply to the out-of-pocket maximums — they must be paid in addition. Only the 5% coinsurance charges apply towards the annual out-of-pocket amounts.
The Urgent Care Center Copayment for In-Network services decreases from $25 to $20 for each visit.

In cases where a fixed-dollar copayment of $20 currently applies to an In-Network office visit, the copayment shall be reduced to $10 if the office is in a “convenient care clinic.” The Plan shall not cover radiological services performed at a convenient care clinic.

The Emergency Room Copayment for In-Network services increases to $75 for each visit, but shall not apply if the visit results in admission to the hospital.

**Comprehensive Health Care Benefit**

No changes.

**Prescription Drug Program**

**Retail Prescription (Up to a 21-day supply)**

Drug Card Program copayments per prescription are revised as follows:

<table>
<thead>
<tr>
<th>Current</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic</td>
<td>$10</td>
</tr>
<tr>
<td>Formulary</td>
<td>$20</td>
</tr>
<tr>
<td>Non-Formulary</td>
<td>$30</td>
</tr>
</tbody>
</table>

**Mail Order Prescription (Up to a 90-day supply)**

Drug Program copayments per prescription are revised as follows:

<table>
<thead>
<tr>
<th>Current</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic</td>
<td>$20</td>
</tr>
<tr>
<td>Formulary</td>
<td>$30</td>
</tr>
<tr>
<td>Non-Formulary</td>
<td>$60</td>
</tr>
</tbody>
</table>

[Formulary drugs denote medications on the provider’s preferred drug list.]

**Preventive Care**

Routine Physicals, Preventive Care, and Well Child Care with your Primary Care Physician are all covered at 100% with no copayment or deductible.

**Dental, Vision, and Hearing**

There are no changes to the dental, vision, or hearing plans.

**Flexible Spending Accounts**

The Carriers shall establish and administer a Health Flexible Spending Arrangement (FSA) effective January 1, 2013. A FSA allows an employee to set aside a portion of their pre-tax earnings to pay for qualified medical expenses. Money deducted from an employee’s pay into a FSA is not subject to payroll taxes. One significant disadvantage of using a FSA is that funds not used by the end of the plan year are forfeited.
Supplemental Sickness Benefits

The Supplemental Sickness Benefits (SSB) shall be adjusted (increased) to restore the same ratio of benefits to rates of pay as existed on December 31, 2009.

Commencing on July 1, 2012, and on the date of each GWI thereafter, SSB benefits will be adjusted to restore the same ratio of benefits to rates of pay as existed on the effective date of the new Agreement. SSB benefits will thus be adjusted each time a general wage increase is applied.

Job Responsibility Study

The Agreement establishes a joint job responsibility study to determine facts in connection with the productivity, technical ability, effort, and job responsibilities of Signal Maintenance and Signal Installer positions in a non-binding study.

If the Study Committee cannot reach agreement over disputed issues of fact, those issues may be presented for final determination to a neutral selected by agreement of the Committee’s members. The information developed will be used for the purpose of serving as a basis for a voluntary agreement to resolve the parties’ respective positions and interests during the term of this Agreement or to provide pertinent information to the parties for formal negotiations in the next round of bargaining.

Moratorium

No party to this Agreement shall serve, prior to November 1, 2014, (not to become effective before January 1, 2015), any notice or proposal for the purpose of changing the provisions of this Agreement.

Side Letters

- **Side Letter No. 1** — The Carriers will make all reasonable efforts to pay the retroactive portion from the general wage increases as soon as possible and no later than 60 days after the date of the Agreement.
- **Side Letter No. 2** — Retroactive wage increases shall be applied only to employees who have an employment relationship on the date of this Agreement or who retired or died subsequent to June 30, 2010.
- **Side Letter No. 3** — Confirms the parties’ understanding that the January 1, 2015, 3% GWI will constitute a complete resolution of the compensation adjustment for year 2015.
- **Side Letter No. 4** — Confirms the understanding that the prescription drug management rules and the therapeutic drug categories are those that have been recommended by the Plan’s current pharmacy benefit manager, Medco Health Solutions. This Side Letter also describes how changes are approved.
SECTION C

Agreement of May, 1936, Washington, D. C.

This agreement is entered into between the carriers listed and defined in Appendices "A", "B" and "C" attached hereto and made a part hereof, represented by the duly authorized Joint Conference Committee signatory hereto, as party of the first part, and the employees of said carriers, represented by the organizations signatory hereto by their respective duly authorized executives, as party of the second part, and, so far as necessary to carry out the provisions hereof, is also to be construed as a separate agreement by and between and in behalf of each of said carriers and its employees who are now or may hereinafter be represented by any of said organizations which now has (or may hereafter have during the life of this agreement) an agreement with such carrier concerning rates of pay, rules or working conditions.

The signatories hereto, having been respectively duly authorized as aforesaid to negotiate to a conclusion certain pending issues concerning the treatment of employees who may be affected by coordination as hereinafter defined, hereby agree:

Section 1. That the fundamental scope and purpose of this agreement is to provide for allowances to defined employees affected by coordination as hereinafter defined, and it is the intent that the provisions of this agreement are to be restricted to those changes in employment in the Railroad Industry solely due to and resulting from such coordination. Therefore, the parties hereto understand and agree that fluctuations, rises and falls and changes in volume or character of employment brought about solely by other causes are not within the contemplation of the parties hereto or covered by or intended to be covered by this agreement.

Section 2 (a). The term "coordination" as used herein means joint action by two or more carriers whereby they unify, consolidate, merge or pool in whole or in part their separate railroad facilities or any of the operations or services previously performed by them through such separate facilities.

(b) The term "carrier" as used herein when it refers to other than parties to this agreement means any carrier subject to the provisions of Part I of the Interstate Commerce Act; when it refers to a party to this agreement it means any company or system listed and described in Appendices "A", "B" or "C" as a single carrier party to this agreement.

(c) The term "time of coordination" as used herein includes the period following the effective date of a coordination during which changes consequent upon coordination are being made effective; as applying to a particular employee it means the date in said period when that employee is first adversely affected as a result of said coordination.

Section 3 (a). The provisions of this agreement shall be effective and shall be applied whenever two or more carriers parties hereto undertake a coordination; and it is understood that if a carrier or carriers parties hereto undertake a coordination with a carrier or carriers not parties hereto, such coordination will be made only upon the basis of an agreement approved by all of the carriers parties thereto and all of the organizations of employees involved (parties hereto) of all of the carriers concerned. No coordination involving classes of employees not represented by any of the organizations parties hereto shall be undertaken by the carriers parties hereto except in accord with the provisions of this agreement or agreements arising hereunder.

(b) Each carrier listed and established as a separate carrier for the purposes of this agreement, as provided in Appendices "A", "B" and "C", shall be regarded as a
separate carrier for the purposes hereof during the life of this agreement; provided,
however, that in the case of any coordination involving two or more railroad carriers
which also involves the Railway Express Agency, Inc., the latter company shall be
treated as a separate carrier with respect to its operations on each of the railroads
involved.

(c) It is definitely understood that the action of the parties hereto in listing and
establishing as a single carrier any system which comprises more than one operating
company is taken solely for the purposes of this agreement and shall not be construed
or used by either party hereto to limit or affect the rights of the other with respect to
matters not falling within the scope and terms of this agreement.

Section 4. Each carrier contemplating a coordination shall give at least ninety
(90) days written notice of such intended coordination by posting a notice on bulletin
boards convenient to the interested employees of each such carrier and by sending
registered mail notice to the representatives of such interested employees. Such notice
shall contain a full and adequate statement of the proposed changes to be effected by
such coordination, including an estimate of the number of employees of each class
affected by the intended changes. The date and place of a conference between
representatives of all the parties interested in such intended changes for the purpose of
reaching agreements with respect to the application thereto of the terms and conditions
of this agreement, shall be agreed upon within ten (10) days after the receipt of said
notice, and conference shall commence within thirty (30) days from the date of such
notice.

Section 5. Each plan of coordination which results in the displacement of
employees or rearrangement of forces shall provide for the selection of forces from the
employees of all the carriers involved on bases accepted as appropriate for application
in the particular case; and any assignment of employees made necessary by a
coordination shall be made on the basis of an agreement between the carriers and the
organizations of the employees affected, parties hereto. In the event of failure to agree,
the dispute may be submitted by either party for adjustment in accordance with Section
13.

Section 6 (a). No employee of any of the carriers involved in a particular
coordination who is continued in service shall, for a period not exceeding five years
following the effective date of such coordination, be placed, as a result of such
coordination, in a worse position with respect to compensation and rules governing
working conditions than he occupied at the time of such coordination so long as he is
unable in the normal exercise of his seniority rights under existing agreements, rules and
practices to obtain a position producing compensation equal to or exceeding the
compensation of the position held by him at the time of the particular coordination,
except however, that if he 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 which he elects to retain, he shall thereafter be treated for the purposes of
this section as occupying the position which he elects to decline.

(b) The protection afforded by the foregoing paragraph shall be made effective
whenever appropriate through what is hereby designated as a “displacement allowance”
which shall be determined in each instance in the manner hereinafter described. Any
employee entitled to such an allowance is hereinafter referred to as a “displaced”
employee.

(c) Each displacement allowance shall be a monthly allowance determined by
computing the total compensation received by the employee and his total time paid for
during the last twelve (12) months in which he performed service immediately preceding
the date of his displacement (such twelve (12) months being hereinafter referred to as the “test period”) and by dividing separately the total compensation and the total time paid for by twelve, thereby producing the average monthly compensation and average monthly time paid for, which shall be the minimum amounts used to guarantee the displaced employee, and if his compensation in his current position is less in any month in which he performs work than the aforesaid average compensation 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 monthly time during the test period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the average monthly time paid for during the test period.

Section 7 (a). Any employee of any of the carriers participating in a particular coordination who is deprived of employment as a result of said coordination shall be accorded an allowance (hereinafter termed a coordination allowance), based on length of service, which (except in the case of an employee with less than one year of service) shall be a monthly allowance equivalent in each instance to sixty per cent (60%) of the average monthly compensation of the employee in question during the last twelve months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the coordination. This coordination allowance will be made to each eligible employee while unemployed by his home road or in the coordinated operation during a period beginning at the date he is first deprived of employment as a result of the coordination and extending in each instance for a length of time determined and limited by the following schedule:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Period of Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 yr. and less than</td>
<td>2 yrs. 6 months</td>
</tr>
<tr>
<td>2 yrs. “ “ “</td>
<td>3 “ 12 “</td>
</tr>
<tr>
<td>3 yrs. “ “ “</td>
<td>5 “ 18 “</td>
</tr>
<tr>
<td>5 yrs. “ “ “</td>
<td>10 “ 36 “</td>
</tr>
<tr>
<td>15 yrs. and over</td>
<td>60 “</td>
</tr>
</tbody>
</table>

In the case of an employee with less than one year of service, the total coordination allowance shall be a lump sum payment in an amount equivalent to sixty (60) days pay at the straight time daily rate of the last position held by him at the time he is deprived of employment as a result of the coordination.

(b) For the purposes of this agreement the length of service of the employee shall be determined from the date he last acquired an employment status with the employing carrier and he shall be given credit for one month’s service for each month in which he performed any service (in any capacity whatsoever) and twelve such months shall be credited as one year’s service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee organization he will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

(c) An employee shall be regarded as deprived of his employment and entitled to a coordination allowance in the following cases:

1. When the position which he holds on his home road is abolished as result of coordination and he is unable to obtain by the exercise of his seniority rights another position on his home road or a position in the coordinated operation, or
2. When the position he holds on his home road is not abolished but he loses that position as a result of the exercise of seniority rights by an employee whose position is abolished as a result of said coordination, or by other employees, brought about as a proximate consequence of the coordination, and if he is unable by the exercise of his seniority rights to secure another position on his home road or a position in the coordinated operation.

(d) An employee shall not be regarded as deprived of employment in case of his resignation, death, retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally, dismissal for justifiable cause in accordance with the rules, or furloughed because of reduction in forces due to seasonal requirements of the service; nor shall any employee be regarded as deprived of employment as the result of a particular coordination who is not deprived of his employment within three years from the effective date of said coordination.

(e) Each employee receiving a coordination allowance shall keep the employer informed of his address and the name and address of any other person by whom he may be regularly employed.

(f) The coordination allowance shall be paid to the regularly assigned incumbent of the position abolished. If the position of an employee is abolished while he is absent from service, he will be entitled to the coordination allowance when he is available for service. The employee temporarily filling said position at the time it was abolished will be given a coordination allowance on the basis of said position until the regular employee is available for service and thereafter shall revert to his previous status and will be given a coordination allowance accordingly if any is due.

(g) An employee receiving a coordination allowance shall be subject to call to return to service after being notified in accordance with the working agreement, and such employee may be required to return to the service of the employing carrier for other reasonably comparable employment for which he is physically and mentally qualified and which does not require a change in his place of residence, if his return does not infringe upon the employment rights of other employees under the working agreement.

(h) If an employee who is receiving a coordination allowance returns to service the coordination allowance shall cease while he is so reemployed and the period of time during which he is so reemployed shall be deducted from the total period for which he is entitled to receive a coordination allowance. During the time of such reemployment however he shall be entitled to protection in accordance with the provisions of Section 6.

(i) If an employee who is receiving a coordination allowance obtains railroad employment (other than with his home road or in the coordinated operation) his coordination allowance shall be reduced to the extent that the sum total of his earnings in such employment and his allowance exceeds the amount upon which his coordination allowance is based; provided that this shall not apply to employees with less than one year’s service.

(j) A coordination allowance shall cease prior to the expiration of its prescribed period in the event of:

1. Failure without good cause to return to service in accordance with working agreement after being notified of position for which he is eligible and as provided in paragraphs (g) and (h).
2. Resignation.
3. Death.
4. Retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally.

5. Dismissal for justifiable cause.

Section 8. An employee affected by a particular coordination shall not be deprived of benefits attaching to his previous employment, such as free transportation, pensions, hospitalization, relief, etc., under the same conditions and so long as such benefits continue to be accorded to other employees on his home road, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

Section 9. Any employee eligible to receive a coordination allowance under section 7 hereof may, at his option at the time of coordination, resign and (in lieu of all other benefits and protection provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Separation Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 yr. and less than 2 yrs.</td>
<td>3 months’ pay</td>
</tr>
<tr>
<td>2 yrs. “ “ “</td>
<td>6 “ “</td>
</tr>
<tr>
<td>3 yrs. “ “ “</td>
<td>9 “ “</td>
</tr>
<tr>
<td>5 yrs. “ “ “</td>
<td>12 “ “</td>
</tr>
<tr>
<td>10 yrs. “ “ “</td>
<td>12 “ “</td>
</tr>
<tr>
<td>15 years and over</td>
<td>12 “</td>
</tr>
</tbody>
</table>

In the case of employees with less than one year’s service, five days’ pay, at the rate of the position last occupied, for each month in which they performed service will be paid as the lump sum.

(a) Length of service shall be computed as provided in Section 7.

(b) One month’s pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination.

Section 10 (a). Any employee who is retained in the service of any carrier involved in particular coordination (or who is later restored to service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as result of such coordination and is therefore required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects and for the traveling expenses of himself and members of his family, including living expenses for himself and his family and his own actual wage loss during the time necessary for such transfer, and for a reasonable time thereafter, (not to exceed two working days), used in securing a place of residence in his new location. The exact extent of the responsibility of the carrier under this provision and the ways and means of transportation shall be agreed upon in advance between the carrier responsible and the organization of the employee affected. No claim for expenses under this Section shall be allowed unless they are incurred within three years from the date of coordination and the claim must be submitted within ninety (90) days after the expenses are incurred.

(b) If any such employee is furloughed within three years after changing his point of employment as a result of coordination and elects to move his place of residence back to his original point of employment, the carrier shall assume the expense of moving his household and other personal effects under the conditions imposed in paragraph (a) of this section.

(c) Except to the extent provided in paragraph (b) changes in place of residence subsequent to the initial changes caused by coordination and which grow out of the
normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this section.

Section 11 (a). The following provisions shall apply, to the extent they are applicable in each instance, to any employee who is retained in the service of any of the carriers involved in a particular coordination (or who is later restored to such service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as a result of such coordination and is therefore required to move his place of residence:

1. If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by his employing carrier for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the coordination to be unaffected thereby. The employing carrier shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other party.

2. If the employee is under a contract to purchase his home, the employing carrier shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligations under his contract.

3. If the employee holds an unexpired lease of a dwelling occupied by him as his home, the employing carrier shall protect him from all loss and cost in securing the cancellation of his said lease.

(b) Changes in place of residence subsequent to the initial change caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this Section.

(c) No claim for loss shall be paid under the provisions of this section which is not presented within three years after the effective date of the coordination.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of lease, or any other question in connection with these matters, it shall be decided through joint conference between the representatives of the employees and the carrier on whose line the controversy arises and in the event they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and the carrier, respectively; these two shall endeavor by agreement within ten days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser, and in the event of failure to agree then the Chairman of the Interstate Commerce Commission shall be requested to appoint the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the salary of the appraiser selected by such party.

Section 12. If any carrier shall rearrange or adjust its forces in anticipation of a coordination, with the purpose or effect of depriving an employee of benefits to which he should be entitled under this agreement as an employee immediately affected by a
coordination, this agreement shall apply to such an employee as of the date when he is
so affected.

Section 13. In the event that any dispute or controversy arises (except as
defined in Section 11) in connection with a particular coordination, including an
interpretation, application or enforcement of any of the provisions of this agreement (or
of the agreement entered into between the carriers and the representatives of the
employees relating to said coordination as contemplated by this agreement) which is not
composed by the parties thereto within thirty days after same arises, it may be referred
by either party for consideration and determination to a Committee which is hereby
established, composed in the first instance of the signatories to this agreement. Each
party to this agreement may name such persons from time to time as each party desires
to serve on such Committee as its representatives in substitution for such original
members. Should the Committee be unable to agree, it shall select a neutral referee and
in the event it is unable to agree within 10 days upon the selection of said referee, then
the members on either side may request the National Mediation Board to appoint a
referee. The case shall again be considered by the Committee and the referee and the
decision of the referee shall be final and conclusive. The salary and expenses of the
referee shall be borne equally by the parties to the proceeding; all other expenses shall
be paid by the party incurring them.

NOTE: On a carrier party to the February 7, 1965 Agreement, mediation Case
No. A-7128, the provisions of this Section 13 do not apply. Instead, disputes are to be
handled by the DISPUTES COMMITTEE (Special Board of Adjustment No. 605)
established pursuant to Article VII of that Agreement.

Section 14. Any carrier not initially a party to this agreement may become a
party by serving notice of its desire to do so by mail upon the members of the Committee
established by Section 13 hereof. It shall become a party as of the date of the service of
such notice or upon such later date as may be specified therein.

Section 15. This agreement shall be effective June 18, 1936, and be in full force
and effect for a period of five years from that date and continue in effect thereafter with
the privilege that any carrier or organization party hereto may then withdraw from the
agreement after one year from having served notice of its intention so to withdraw;
provided, however, that any rights of the parties hereto or of individuals established and
fixed during the term of this agreement shall continue in full force and effect,
notwithstanding the expiration of the agreement or the exercise by a carrier or an
organization of the right to withdraw therefrom.

This agreement shall be subject to revision by mutual agreement of the parties
hereto at any time, but only after the serving of a sixty (60) days notice by either party
upon the other.

Signed at Washington, D.C.
May 21, 1936
ICC rulings on Washington
Job Protection Agreement

The Interstate Commerce Commission has from time to time ruled on cases covered by the Washington Job Protection Agreement. and these rulings are quoted here:

Conditions for Protection of Employees, Commonly Referred to as the Burlington
Conditions, Prescribed by the ICC in its Order Issued November 1, 1944 in Finance
Docket No. 14426, Chicago, Burlington & Quincy Railroad Company Abandonment

1. If, as a result of the abandonment permitted herein, any employee of the Chicago, Burlington & Quincy Railroad Company, hereinafter referred to as the carrier, is displaced, that is, placed in a worse position with respect to his compensation and rules governing his work conditions, and so long thereafter as he is unable, in the exercise of his seniority rights under existing agreements, rules, and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the monthly compensation received by him in the position from which he was displaced. The latter compensation is to be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of this abandonment (thereby producing average monthly compensation and average monthly time paid for in the test period). If his compensation in his retained position in any month is less than the aforesaid average compensation in the test period, he shall be paid the difference, less compensation at the rate of the position from which he was displaced for time lost on account of his voluntary absences in his retained or current position, but if in his retained position he works in any month in excess of the average monthly time paid for in the test period, he shall be compensated for the excess time at the rate of pay of the retained position; provided, however, that nothing herein shall operate to affect in any respect the retirement on pension or annuity rights and privileges in respect of any employee; provided, further, that if any employee elects not to exercise his seniority rights he shall be entitled to no allowance, and provided, further, that no allowance shall be paid to any employee who fails to accept employment, with seniority rights in a position, the duties of which he is qualified to perform. The period during which this protection is to be given hereinafter called the protective period, shall extend from the date on which the employee was displaced to the expiration of 4 years from the effective date of our certificate herein; provided, however, that such protection shall not continue for a longer period following the effective date of our certificate herein than the period during which such employee was in the employ of the carrier prior to the effective date of our certificate.

2. If, as a result of the abandonment herein permitted, any employee, hereinafter referred to as a dismissed employee, of the carrier, is deprived of employment with said carrier because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as result of the abandonment herein permitted, he shall be accorded a monthly dismissal allowance equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to
the date he is first deprived of employment as a result of this abandonment. This allowance shall be made during the protective period to each dismissed employee while unemployed, provided, however, that no such allowance shall be paid to any employee who fails to accept employment, with seniority rights, in a position, the duties of which he is qualified to perform.

The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the carrier, should agree upon a procedure by which the carrier shall be currently informed of the wages earned by such employee in employment other than with the carrier, and the benefits received.

The dismissal allowance shall cease prior to the expiration of the protective period in the event of the failure of the employee without good cause to return to service after being notified by the carrier of a position, the duties of which he is qualified to perform and for which he is eligible, or in the event of his resignation, death, retirement on pension, or dismissal for good cause.

3. No employee affected by the abandonment permitted herein shall be deprived during the protective period of benefits attached to his previous employment, such as free transportation, pensions, hospitalization, relief, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees on his home road, in active service or on furlough, as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

4. Any employee retained in the services of the carrier involved in the abandonment herein permitted, or who is later restored to service after being entitled to receive a dismissal allowance, and required to change the point of his employment as a result of the transaction, and within the protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects, for the traveling expenses of himself and his immediate family, and for his own actual wage loss, not to exceed 2 days, the exact extent of the responsibility of the carrier to be agreed upon in advance by the said carrier and the employees affected; provided, however, that changes in place of residence, subsequent to the initial change caused by the abandonment, which result from the exercise by the employee of his seniority rights shall not be considered as within the foregoing provision.

5. In the event that any dispute or controversy arises with respect to the protection afforded by the foregoing conditions Nos. 1, 2, 3, and 4, which cannot be settled by the carrier and the employee, or his authorized representatives, within 30 days after the controversy arises, it may be referred, by either party, to an arbitration committee for consideration and determination, the formation of which committee, its duties, procedure, expenses, et cetera, shall be agreed upon by the carrier and the employee, or his duly authorized representatives.

6. (a) The following condition shall apply, to the extent it is applicable in each instance, to any employee who is retained in the service of the carrier (or who is later restored to service after being entitled to receive a dismissal allowance), who is required to change the point of his employment within the protective period as a result of the abandonment herein permitted and is therefore required to move his place of residence:

1. If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the carrier for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in
question shall be determined as of a date sufficiently prior to December 3, 1943, to be unaffected by the filing of the application herein. The carrier shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

2. If the employee is under a contract to purchase his home, the carrier shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

3. If the employee holds an unexpired lease of a dwelling occupied by him as his home, the carrier shall protect him from all loss and cost in securing the cancellation of his said lease.

(b) Changes in place of residence subsequent to the initial change caused by the consummation of the abandonment herein permitted and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this condition.

(c) No claim for loss shall be paid under the provisions of this condition which is not presented within 1 year after the date employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of lease, or any other question in connection with these matters, it shall be decided through joint conference between the representatives of the employees and the carrier and in the event they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and the carrier, respectively, and these two shall endeavor by agreement within 10 days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including compensation of the appraiser selected by such party.

Chicago & N. W. Ry. Co. Merger
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During the period of 4 years from the effective date of our order herein such transaction will not result in employees of the carrier or carriers by railroad affected by such order being in a worse position with respect to their employment, except that the protection afforded to any employee pursuant to this section shall not be required to continue for a longer period, following the effective date of such order, than the period during which such employee was in the employ of such carrier or carriers prior to the effective date of such order.

Conditions for Protection of Employees, Commonly Referred to as the “Oklahoma Conditions,” Prescribed by the ICC in its Order Issued May 17, 1944 in Finance Docket 14221, Oklahoma Railway Company Trustees Abandonment of Operation, etc.

4. If, as a result of the abandonment of operation herein permitted and the purchases, etc., herein authorized, hereinafter referred to as the transaction, any employee of Robert K. Johnston and A. C. DeBolt, trustees of the Oklahoma Railway Company, of The Atchison, Topeka and Santa Fe Railway Company, or of Joseph B.
Fleming and Aaron Colnon, trustees of The Chicago, Rock Island and Pacific Railway Company, hereinafter respectively referred to as the Oklahoma, the Santa Fe and the Rock Island, and collectively as the carriers, is displaced, that is placed in a worse position with respect to his compensation and rules governing his work conditions, and so long thereafter as he is unable, in the exercise of his seniority rights under existing agreements, rules, and practice, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the monthly compensation received by him in the position from which he was displaced. The latter compensation is to be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of this transaction (thereby producing average monthly compensation and average monthly time paid for in the test period). If his compensation in his retained position in any month is less than the aforesaid average compensation in the test period, he shall be paid the difference, less compensation at the rate of the position from which he was displaced for time lost on account of his voluntary absences in his retained or current position, but if in his retained position he works in any month in excess of the average monthly time paid for in the test period, he shall be compensated for the excess time at the rate of pay of the retained position; provided, however, that nothing herein shall operate to affect in any respect the retirement on pension or annuity rights and privileges in respect of any employee, provided, further, that if any employee elects not to exercise his seniority rights he shall be entitled to no allowance, and provided, further, that no allowance shall be paid to any Oklahoma employee who fails to accept employment, with seniority rights in Oklahoma City, Oklahoma, with the Santa Fe or Rock Island if either of said two last-named carriers offers him a position, the duties of which he is qualified to perform. The period during which this protection is to be given, hereinafter called the protective period, shall extend from the date on which the employee was displaced to the expiration of 4 years from the effective date of our order herein; provided, however, that such protection shall not continue for a longer period following the effective date of our order herein than the period during which such employee was in the employ of the carriers prior to the effective date of our order.

5. If, as a result of the transaction herein approved, any employee, hereinafter referred to as a dismissed employee, of the carriers is deprived of employment with said carriers because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as result of the transaction herein approved, he shall be accorded a monthly dismissal allowance equivalent to one twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of this transaction. This allowance shall be made during the protective period to each dismissed employee while unemployed, provided, however, that no such allowance shall be paid to any Oklahoma employee who fails to accept employment, with seniority rights in Oklahoma City, Okla., with the Santa Fe or Rock Island, if either of said two last named carriers offers him a position, the duties of which he is qualified to perform.

The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the carriers, should agree upon a procedure...
by which the carriers shall be currently informed of the wages earned by such employee
in employment other than with the carriers, and the benefits received.

The dismissal allowance shall cease prior to the expiration of the protective
period in the event of the failure of the employee without good cause to return to service
after being notified by the carriers of a position, the duties of which he is qualified to
perform and for which he is eligible, or in the event of his resignation, death, retirement
on pension, or dismissal for good cause.

6. No employee affected by the transaction approved herein shall be deprived
during the protective period of benefits attached to his previous employment, such as
free transportation, pensions, hospitalization, relief, et cetera, under the same conditions
and so long as such benefits continue to be accorded to other employees on his home
road, in active service or on furlough, as the case may be, to extent that such benefits
can be so maintained under present authority of law or corporate action or through future
authorization which may be obtained.

7. Any employee retained in the services of the carriers involved in the
transaction herein approved or who is later restored to service after being entitled to
receive a dismissal allowance, and required to change the point of his employment as a
result of the transaction, and within the protective period is required to move his place of
residence, shall be reimbursed for all expenses of moving his household and other
personal effects, for the traveling expenses of himself and his immediate family, and for
his own actual wage loss, not to exceed 2 days, the exact extent of the responsibility of
the carriers to be agreed upon in advance by the said carriers and the employees
affected; provided, however, that changes in place of residence, subsequent to the initial
change caused by the transaction, which result from the exercise by the employee of his
seniority rights shall not be considered as within the foregoing provisions.

8. In the event that any dispute or controversy arises with respect to the
protection afforded by the foregoing Conditions Nos. 4, 5, 6, and 7, which cannot be
settled by the carriers and the employee, or his authorized representatives, within 30
days after the controversy arises, it may be referred by either party, to an arbitration
committee for consideration and determination, the formation of which committee, its
duties, procedure, expenses, et cetera, shall be agreed upon by the carriers and the
employee, or his duly authorized representatives.

9. (a) The following condition shall apply, to the extent it is applicable in each
instance, to any employee who is retained in the service of any of the carriers (or who is
later restored to service after being entitled to receive a dismissal allowance), who is
required to change the point of his employment within the protective period as a result of
the transaction herein approved and is therefore required to move his place of
residence:

1. If the employee owns his own home in the locality from which he is required to
move, he shall at his option be reimbursed by his employing carrier for any loss suffered
in the sale of his home for less than its fair value. In each case the fair value of the home
in question shall be determined as of a date sufficiently prior to May 17, 1943, to be
unaffected by the filing of the applications herein. The employing carrier shall in each
instance be afforded an opportunity to purchase the home at such fair value before it is
sold by the employee to any other person.

2. If the employee is under a contract to purchase his home, the employing
carrier shall protect him against loss to the extent of the fair value of any equity he may
have in the home and in addition shall relieve him from any further obligation under his
contract.
3. If the employee holds unexpired lease of a dwelling occupied by him as his home, the employing carrier shall protect him from all loss and cost in securing the cancellation of his said lease.

(b) Changes in place of residence subsequent to the initial change caused by the consummation of the transaction herein approved and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this condition.

(c) No claim for loss shall be paid under the provisions of this condition which is not presented one year after the date employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of lease, or any other question in connection with these matters, it shall be decided through joint conference between the representatives of the employees and the carrier on whose line the controversy arises and in the event they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and the carrier, respectively, and these two shall endeavor by agreement within ten days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

New Orleans Union Passenger Terminal Case
Finance Docket No. 15920
Decided January 16, 1952

From the beginning, we have patterned the conditions which we prescribed after the Washington Agreement. Since the enactment of section 5(2)(f), the conditions prescribed by us differed from that agreement as to when the protection afforded was to begin, the duration thereof, and the amount of the annual allowance to be made because all such matters were regarded as being fixed by the statute. Under the circumstances here present, some additional protection for the employees involved must be afforded. In our opinion the Washington Agreement, subject to the limitations later shown, would provide the fair and equitable arrangement contemplated by the statute.

One provision of the Washington Agreement, to which specific objection has been raised by the applicants has never had our approval. It provides, in effect, that the coordination allowance to which an employee is entitled in case of dismissal will be reduced by the amount of compensation he receives from other railroad employment, but not otherwise. We have consistently required that there be appropriate deductions for earnings in all outside employment. See Chicago R.I. & G. Ry. Co. Trustees Lease, supra, Texas & P. Ry. Co. Operation, 247 I.C.C. 285, Chicago M., St. P. & P. R. Co. Trustees Construction, 252 I.C.C. 49 and 287, Chicago & N. W. Ry. Co. Trustee Abandonment, 254 I.C.C. 820 (not printed in full), Oklahoma Ry. Co. Trustees Abandonment, supra, and Chicago, B. & Q. R. Co. Abandonment, 257 I.C.C. 700. Accordingly, all earnings from outside employment should be included in computing any employee allowances which may be provided herein. Condition No. 5 of Oklahoma Ry. Co. Trustees Abandonment, supra, which relates to compensation for dismissed employees contains the following pertinent provision:
The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based.

The dismissal allowance, as used in the foregoing, has the same meaning as coordination allowance, as used in the Washington Agreement.

Based upon the conclusions stated herein and consistent with the circumstances in this proceeding and in conformity with the decision of the Supreme Court of the United States in Railway Labor Assn. v. U.S., supra, we find if that a fair and equitable arrangement for protecting the interests of the employees adversely affected by the transaction herein will be provided by applying the terms of the Washington Agreement of May 21, 1936, subject to the following limitations or restrictions:

(a) That employees adversely affected within 4 years from the effective date of the order approving the transaction shall receive as a minimum the protection afforded by conditions 4 to 9, inclusive, in Oklahoma Ry. Co. Trustees Abandonment, 257 I.C.C. 177 (197-201), as prescribed in the report and order approving the transaction, for the period they are adversely affected prior to May 17, 1952 (4 years from the effective date of the order of approval), and any such employee so adversely affected who has received under such conditions total dismissal or displacement compensation less than that which he would receive by applying the Washington Agreement, as limited, for the full protective period therein provided from the time he is first adversely affected, shall continue to receive benefits under the terms of the Washington Agreement, as limited, until the total compensatory benefits provided therein for his particular period of service have been paid.

(b) That in applying the Washington Agreement the coordination allowance provided therein for dismissed employees shall be reduced with respect to any employee who is otherwise employed to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his coordination allowance, exceed the amount upon which his coordination allowance is based; such employee or his representative, and the carriers, to agree upon a procedure by which the carriers shall be currently informed of the wages earned by such employee in employment other than with the carriers, and the benefits received.

The intent and effect of the foregoing findings are that all employees adversely affected by the transaction involved should receive the protection afforded by the Washington Agreement, reduced as to dismissed employees to the extent that they receive compensation in other employment or under unemployment insurance laws; and that employees adversely affected prior to May 17, 1952 (4 years from the effective date of the order of approval) are to receive as a minimum the protection afforded by the Oklahoma Conditions as prescribed in the previous report for the period they are adversely affected prior to May 17, 1952, but if the total amount of such compensation is less than they would receive under the Washington Agreement, as limited, applied from the date of adverse affect, then they are entitled to the remaining benefits they would have enjoyed under the latter. While it is unlikely under the existing circumstances that the situation will arise, should the amount of compensation to which an employee is entitled under the original Oklahoma conditions applied to May 17, 1952, equal or exceed the amount to which he would be entitled under the Washington Agreement, as limited, then he would be entitled to nothing under the latter.

An appropriate order will be entered.

COMMISSIONER CROSS did not participate in the disposition of this proceeding.
SECTION D

National Vacation Agreements (1982)


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

Articles of Agreement

1. (a) Effective with the calendar year 1973, an annual vacation of five (5) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.

(b) Effective with the calendar year 1973, an annual vacation of ten (10) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred ten (110) days during the preceding calendar year and who has two (2) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred ten (110) days (133 days in the years 1950–1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of two (2) of such years, not necessarily consecutive.

(c) Effective with the calendar year 1982, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has eight (8) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950–1959, inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of eight (8) of such years, not necessarily consecutive. *(Revised by Article III of the January 8, 1982 agreement)*

(d) Effective with the calendar year 1982, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has seventeen (17) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959, inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of seventeen (17) of such years, not necessarily consecutive. *(Revised by Article III of the January 8, 1982 agreement)*

(e) Effective with the calendar year 1973, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of
continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty-five (25) of such years, not necessarily consecutive.

(f) Paragraphs (a), (b), (c), (d) and (e) hereof shall be construed to grant to weekly and monthly rated employees, whose rates contemplate more than five days of service each week, vacations of one, two, three, four or five work weeks.

(g) Service rendered under agreements between a carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.

(h) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for an employee with less than three (3) years of service; a maximum of twenty (20) such days for an employee with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) years or more years of service with the employing carrier.

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

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

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

(l) An employee who is laid off and has no seniority date and no rights to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an
employee does not return to service in the following year for the same carrier he will be
compensated in lieu of the vacation he has qualified for provided he files written request
therefor to his employing officer, a copy of such request to be furnished to his local or
general chairman. (From Article III—Vacations—Section 1 of 11-16-71 Agreement, with
paragraphs 1(c) and 1(d) revised by Article III of the July 27, 1978 Agreement.)

2. (Not reproduced here as it has no application to employees represented by the
Brotherhood of Railroad Signalmen.)

3. The terms of this agreement shall not be construed to deprive any employee of
such additional vacation days as he may be entitled to receive under any existing rule,
understanding or custom, which additional vacation days shall be under and in
accordance with the terms of such existing rule, understanding or custom. (From Section
3 of 12-17-41 Agreement)

An employee’s vacation period shall not be extended by reason of any of the ten
recognized holidays (New Year’s Day, Washington’s Birthday, Good Friday, Memorial
Day, Fourth of July, Labor Day, Veterans’ Day, Thanksgiving Day, Christmas Eve (the
day before Christmas is observed), and Christmas) or any day which by agreement has
been substituted or is observed in place of any of the ten holidays enumerated above, or
any holiday which by local agreement has been substituted therefor, falling within his
vacation period. (Article III—Vacations—Section 3 of 11-16-71 Agreement, as revised by
Article III—Holidays of the January 29, 1975 Agreement)

Note:

Article 3 of the Vacation Agreement, as amended by the January 29, 1975
Agreement, refers to ten holidays. While the January 3, 1982 agreement did not officially
amend that section to incorporate reference to the changes in holidays, the provisions of
that section will apply to the eleven holidays recognized under the January 8, 1982
agreement; i.e., effective January 1, 1983, the “recognized holidays” in the second
paragraph of Article 3 of the Vacation Agreement, as amended January 29, 1975, will
include: New Year’s Day, Washington’s Birthday, Good Friday, Memorial Day, Fourth of
July, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve (the
day before Christmas is observed), Christmas, and New Year’s Eve.

4. (a) Vacations may be taken from January 1st to December 31st and due regard
consistent with requirements of service shall be given to the desires and preferences of
the employees in seniority order when fixing the dates for their vacations.

The local committee of each organization signatory hereto and the representatives of
the carrier will cooperate in assigning vacation dates.

(b) The Management may upon reasonable notice (of thirty (30) days or more, if
possible, but in no event less than fifteen (15) days) require all or any number of
employees in any plant, operation, or facility, who are entitled to vacations to take
vacations at the same time.

The local committee of each organization affected signatory hereto and the proper
representative of the carrier will cooperate in the assignment of remaining forces. (From
Sections 4 (a) and 4 (b) of 12-17-41 Agreement)

5. Each employee who is entitled to vacation shall take same at the time assigned,
and, while it is intended that the vacation date designated will be adhered to so far as
practicable, the management shall have the right to defer same provided the employee
so affected is given as much advance notice as possible; not less than ten (10) days’
notice shall be given except when emergency conditions prevent. If it becomes
necessary to advance the designated date, at least thirty (30) days’ notice will be given
affected employee.

If a carrier finds that it cannot release an employee for a vacation during the calendar
year because of the requirements of the service, then such employee shall be paid in
lieu of the vacation the allowance hereinafter provided. *(From Section 5 of 12-17-41 Agreement)*

Such employee shall be paid the time and one-half rate for work performed during his vacation period in addition to his regular vacation pay. NOTE: This provision does not supersede provisions of the individual collective agreements that require payment of double time under specified conditions. *(From Article I—Vacations—Section 4 of 8-21-54 Agreement)*

6. The carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers. Where a vacation relief worker is not needed in a given instance and if failure to provide a vacation relief worker does not burden those employees remaining on the job, or burden the employee after his return from vacation, the carrier shall not be required to provide such relief worker. *(From Section 6 of 12-17-41 Agreement)*

7. Allowances for each day for which an employee is entitled to a vacation with pay will be calculated on the following basis:
   (a) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.
   (b) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this agreement.
   (c) An employee paid a weekly or monthly rate shall have no deduction made from his compensation on account of vacation allowances made pursuant to this agreement.
   (d) An employee working on a piece-work or tonnage basis will be paid on the basis of the average earnings per day for the last two semi-monthly periods preceding the vacation, during which two periods such employee worked on as many as sixteen (16) different days.
   (e) An employee not covered by paragraphs (a), (b), (c), or (d) of this section will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service. *(From Section 7 of the 12-17-41 Agreement)*

8. The vacation provided for in this Agreement shall be considered to have been earned when the employee has qualified under Article 1 hereof. If an employee’s employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, non-compliance with a union shop agreement, or failure to return after furlough he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified therefor under Article 1. If an employee thus entitled to vacation or vacation pay shall die the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference. *(From Article IV—Vacations—Section 2 of 8-19-60 Agreement)*

9. Vacations shall not be accumulated or carried over from one vacation year to another. *(From Section 9 of 12-17-41 Agreement)*

10. (a) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater; provided that if the assignment is filled by a regularly assigned vacation relief employee, such employee shall receive the rate of the relief position. If an employee receiving graded rates, based upon length of service and experience, is designated to fill an assignment of another employee in the same occupational
classification receiving such graded rates who is on vacation, the rate of the relieving employee will be paid.

(b) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five per cent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the work load is agreed to by the proper local union committee or official.

(c) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees. *(From Section 10 of 12-17-41 Agreement)*

11. While the intention of this agreement is that the vacation period will be continuous, the vacation may, at the request of an employee, be given in installments if the management consents thereto. *(From Section 11 of 12-17-41 Agreement)*

12. (a) Except as otherwise provided in this agreement a carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and was paid in lieu therefor under the provision hereof. However, if a relief worker necessarily is put to substantial extra expense over and above that which the regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.

(b) As employees exercising their vacation privileges will be compensated under this agreement during their absence on vacation, retaining their other rights as if they had remained at work, such absences from duty will not constitute “vacancies” in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.

(c) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements. *(From Section 12 of 12-17-41 Agreement)*

13. The parties hereto having in mind conditions which exist or may arise on individual carriers in making provisions for vacations with pay agree that the duly authorized representatives of the employees, who are parties to one agreement, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this agreement, provided that such changes or understandings shall not be inconsistent with this agreement. *(From Section 13 of 12-17-41 Agreement)*

14. Any dispute or controversy arising out of the interpretation or application of any of the provisions of this agreement shall be referred for decision to a committee, the carrier members of which shall be the Carrier’s Conference Committees signatory hereto, or their successors; and the employee members of which shall be the Chief Executives of the Fourteen Organizations, or their representatives, or their successors. Interpretations or applications agreed upon by the carrier members and employee members of such committee shall be final and binding upon the parties to such dispute or controversy.

This section is not intended by the parties as a waiver of any of their rights provided in the Railway Labor Act as amended, in the event committee provided in this section fails to dispose of any dispute or controversy. *(From Section 14 of 12-17-41 Agreement)*

15. Except as otherwise provided herein this agreement shall be effective as of January 1, 1973, and shall be incorporated in existing agreements as a supplement
thereto and shall be in full force and effect for a period of one (1) year from January 1, 1973, and continue in effect thereafter, subject to not less than seven (7) months’ notice in writing (which notice may be served in 1973 or in any subsequent year) by any carrier or organization party hereto, of desire to change this agreement as of the end of the year in which the notice is served. Such notice shall specify the changes desired and the recipient of such notice shall then have a period of thirty (30) days from the date of the receipt of such notice within which to serve notice specifying changes which it or they desire to make. Thereupon such proposals of the respective parties shall thereafter be negotiated and progressed concurrently to a conclusion. (From Article III—Vacations—Section 2 of 11-16-71 Agreement)

Except to the extent that articles of the Vacation Agreement of December 17, 1941 are changed by this Agreement, the said agreement and the interpretations thereof and of the Supplemental Agreement of February 23, 1945, as made by the parties, dated June 10, 1942, July 20, 1942 and July 18, 1945 and by Referee Morse in his award of November 12, 1942, shall remain in full force and effect.

In Sections 1 and 2 of this Agreement certain words and phrases which appear in the Vacation Agreement of December 17, 1941, and in the Supplemental Agreement of February 23, 1945, are used. The said interpretations which defined such words and phrases referred to above as they appear in said Agreements shall apply in construing them as they appear in Sections 1 and 2 hereof. (From Article I—Vacations—Section 6 of 8-21-54 Agreement)

INTERPRETATIONS
DATED JUNE 10, 1942.

In connection with the Vacation Agreement dated Chicago, Illinois, December 17, 1941, the following interpretations have been agreed to:

GENERAL

After the basic interpretations have been disposed of, it may be necessary to agree upon some questions and answers in order to make clear to those, other than members of the respective committees, the proper application of this Vacation Agreement. Whether or not this shall be done is a matter for determination in the light of developments.

Inasmuch as there are so many matters about which we disagree, in the interest of agreement, the parties have agreed to present to the referee agreements herein evidenced. In so presenting them, it is agreed that the referee is requested not to use such agreements for the purpose of interpreting any article or section of the Vacation Agreement which may be in dispute, as these agreements are made without prejudice.

PREAMBLE

The Vacation Agreement is a separate agreement by and between and in behalf of each carrier and each group of its employees, as shown by the appendices attached thereto, for whom a request was made.

Article 1

The days referred to in the term “not less than 160 days” must be —

(a) days under one rules agreement with one organization, or one rules agreement with two or more federated organizations parties to the Vacation Agreement which were parties to such rules agreement on a particular carrier, which carrier and employees were both listed in appendices to the Vacation Agreement, or
(b) days under two or more rules agreements with one organization, or one federation of organizations, party to the Vacation Agreement which was party to such rules agreements on a particular carrier, which carrier and employees were both listed in appendices to the Vacation Agreement.

(c) Where employees of a joint facility or operation periodically become subject to agreements with different carriers, the change from an agreement with one carrier to an agreement with the same organization with another carrier shall not affect the vacation status of employees of such joint facility or operation.

(d) Except as above provided, an employee cannot combine days under more than one rules agreement.

**Article 3**

This article is a saving clause; it provides that an employee entitled, under existing rule, understanding, or custom, to a certain number of days vacation each year, in addition to those specified in Articles 1 and 2 of the Vacation Agreement, shall not be deprived thereof, but such additional vacation days are to be accorded under the existing rule, understanding, or custom in effect on the particular carrier, and not under this Vacation Agreement.

If an employee is entitled to a certain number of days vacation under an existing rule, understanding, or custom on a particular carrier, and to no vacation under this Vacation Agreement, such vacation as the employee is entitled to under such rule, understanding, or custom shall be accorded under the terms thereof.

**Article 5**

As the vacation year runs from January 1 to December 31, payment in lieu of vacation may be made prior to or on the last payroll period of the vacation year; if not so paid, shall be paid on the payroll for the first payroll period in the January following, or if paid by special roll, such payment shall be made not later than during the month of January following the vacation year.

**Article 7**

Article 7(a) provides:

“An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.”

This contemplates that an employee having a regular assignment will not be any better or worse off, while on vacation, as to the daily compensation paid by the carrier than if he had remained at work on such assignment, this not to include casual or unassigned overtime or amounts received from others than the employing carrier.

**Article 8**

Within the application of Article 8:

(1) An employee’s employment relation is not terminated when (a) laid off or cut off on account of force reduction if he maintains rights to be recalled; or (b) on furlough or leave of absence; or (c) absent on account of sickness or disability.

(2) An employee, who loses his seniority because of moving from one seniority roster or seniority district to another established under one rules agreement made with one organization or with two or more federated organizations or under two or more rules agreements made with one organization or federation of organizations parties to the Vacation Agreement, shall not be deemed to have terminated his “employment relation” under this article.

Signed at Chicago, Illinois, this 10th day of June, 1942.
INTERPRETATIONS
DATED JULY 20, 1942.

In connection with the Vacation Agreement dated Chicago, Illinois, December 17, 1941, the following interpretations, in addition to the interpretations evidenced by the agreement as to interpretations dated June 10, 1942, have been agreed to subject to the understanding as expressed under the heading “GENERAL” of the interpretations of June 10, 1942, which is herewith included by reference.

Article 4

Question 1: Meaning and intent of the second paragraph of Article 4(a)?
Answer: The second paragraph of Article 4(a) requires cooperation between local committees of each signatory organization and representatives of carriers in assigning vacation dates. To carry out this cooperative assignment of vacation dates, a list will be prepared showing the date assigned to each employee entitled to a vacation, and this list will be made available to the local committee of the signatory organizations; such portion of any list as may be necessary for the information of particular employees will be made available to them in the customary manner.

Article 5

Question 1: May an employee at his option forego the taking of a vacation, remain at work and accept pay in lieu thereof?
Answer: No.

Article 8

Question 1: Is an employee, who has qualified for a vacation and who enters the armed service of the United Nations prior to taking his vacation, retaining his seniority, entitled to payment in lieu thereof?
Answer: Yes.

Articles 7 and 8

Question 1: Is an employee who is qualified for vacation and who, before his vacation is taken, either while on furlough, on leave of absence, or through understanding with management, accepts another position with the same carrier, which position is not covered by the rules agreement applying to his former assignment, but who retains his seniority in his former class, entitled to the vacation as qualified for or payment in lieu thereof?
Answer: It is agreed that such an employee would be entitled to vacation or payment in lieu thereof, such payment to be made under the provisions of Article 7(e). This means that such employee would receive no more vacation pay than he would have received had he taken vacation while on the position last held by him which was covered by the Vacation Agreement.

The foregoing will not apply, however, should such employee be granted a vacation or payment in lieu thereof in his new occupation on a basis as favorable as to pay as though granted under the provisions of this agreement.

Articles 10 and 13

Question 1: The words “regularly assigned vacation relief employee” are used in Article 10(a). The words “regular relief employee” are used in Article 12(b). The words “regularly assigned relief employee” are used in Article 12(c). Do these terms refer to
different types of employees than are referred to by the terms “vacation relief workers” as used in Article 6, and “relief worker” as used in Articles 10(b) and 12(a)?

**Answer:** It is agreed that the terms “vacation relief workers,” as used in Article 6, and “relief workers” as used in Articles 10(b) and 12(a), describe in general terms all persons who fill the positions of vacationing employees. The terms used in Articles 10(a), 12(b), and 12(c) are more restrictive and describe only those persons described generally in Articles 6, 10(b), and 12(a) who are assigned to regularly fill positions of absent employees. It is agreed that under Article 13 of the Vacation Agreement it may be desirable to negotiate special arrangements and rates for the establishment of regular relief positions to relieve certain employees while on vacation.

**Article 10(b)**

**Question 1:** Does the word “hiring” in Article 10(b) contemplate that the relief worker referred to must be a newly hired employee?

**Answer:** No. This word may be interpreted and should be applied as though it read “providing” or “furnishing” a relief worker. It does not require that a relief worker necessarily be a newly hired employee.

Signed at Chicago, Illinois, this 20th day of July, 1942.

**AWARD OF REFEREE**

IN THE MATTER OF A CONTROVERSY

Between the

FOURTEEN COOPERATING RAILROAD
LABOR ORGANIZATIONS

and

THE CARRIERS

INVOLVING INTERPRETATION AND APPLICATION
OF THE VACATION AGREEMENT OF DECEMBER 17, 1941

Referee—Wayne L. Morse

Washington, D.C.

November 12, 1942

I. INTRODUCTION

The parties to this dispute signed an agreement on December 17, 1941, providing for the terms and conditions governing and regulating vacations of the employees. The execution of the vacation agreement of December 17, 1941, was the culmination of several months of collective-bargaining negotiations, hearings before an Emergency Board, mediation proceedings, and, finally, decision by a referee.

All of the proceedings which led up to the vacation agreement of December 17, 1941, bear a very direct relationship to the problems presented to the referee in the instant case because they circumscribe the surrounding facts and circumstances out of which the vacation agreement was evolved.

On May 20, 1940, employee representatives served notice in writing on each of the carriers of a collective-bargaining demand for the adoption of a specific vacation plan set forth in the notice. The carriers were unwilling to grant the vacation request, and mediation under the auspices of the National Mediation Board followed.

The parties were unable to settle the vacation dispute in mediation, and the issue, along with several others, was finally submitted to an Emergency Board appointed by the President on September 10, 1941. This Board in its report to the President on November 5, 1941, recommended a vacation plan providing a six days’ vacation with
pay to all employees in the fourteen cooperating organizations who work substantially throughout the year.¹

The organizations of railway employees refused to accept the recommendations of the Emergency Board as a basis for settling their disputes with the carriers. The President thereupon reconvened the Emergency Board for the purpose of hearing any new evidence which the parties might wish to offer and for the additional purpose of serving as a special board of mediation if the parties so desired. The Board’s offer to serve as a special mediation board was accepted by the parties, with the result that on December 1, 1941, they reached a mediation settlement of their differences. This settlement has become known in the industry as the “Washington Mediation Settlement.”

The provisions of the settlement were set forth in a report of the Emergency Board to the President under date of December 5, 1941. Although the Washington mediation agreement did not finally determine the vacation issue, it did provide a basis for a final settlement. Thus the Emergency Board’s December 5, 1941 report to the President sets forth the following mediation agreement between the parties on vacations:

“That the recommendation in the report of November 5, 1941, that there shall be a vacation of 6 consecutive workdays with pay for all employees in the fourteen cooperating organizations who work substantially throughout the year, or who are attached to the industry as a result of reasonably continuous employment, shall be approved, with the additional provision that employees in the clerk and telegrapher classifications who have given 2 years of service shall receive a 9-day vacation with pay, and those who have a record of 3 years of service or more shall receive an annual vacation of 12 days with pay. The parties shall agree that the details covering the rules, conditions, and arrangements which shall govern the granting of vacations shall be worked out by the parties in negotiations immediately following the acceptance of the mediation settlement.

“The parties shall agree with the Emergency Board that if they are unable to reach an agreement within a reasonable time upon all the details of the vacation proposal, they will submit all disagreements to a member of the Board selected by them, or to some other third party agreed to by them, for final settlement. They shall agree that the decision of any such referee shall be binding upon them as to vacation arrangements and as to the formula which shall determine what particular employees shall receive vacations.”

Following the Washington mediation settlement, the representatives of the parties proceeded to Chicago, where they held further conferences and negotiations on the vacation problem. However, they were unable to settle their differences in negotiations between themselves, and hence on December 10, 1941, in accordance with the Washington mediation settlement, they selected the writer to serve as referee of the dispute and render a decision which would be binding upon both parties. Hearings were held before the referee, and on December 17, 1941, he issued an award containing the terms of the vacation agreement which, in his opinion, should be accepted by the parties in settlement of the vacation dispute.

It is to be noted that at the December, 1941, hearings before the referee the parties submitted an exhibit setting forth in parallel columns their respective proposals on the several sections of a vacation contract. The exhibit showed that they had reached complete agreement on many of the sections of a vacation contract, and hence the referee approved and adopted each section which the exhibit showed the parties had agreed to in substance. As to those sections in regard to which the parties had been

¹ Details of the vacation plan recommended by President’s Emergency Board are set forth on pages 56 to 61 of its report.
unable to reach an agreement, the referee either adopted the proposal of one of the parties or rewrote such a section in accordance with what he thought the section should contain in light of the record submitted to him.

Article 14 of the vacation agreement was written and approved by the parties themselves, and reads as follows:

"14. Any dispute or controversy arising out of the interpretation or application of any of the provisions of this agreement shall be referred for decision to a committee, the carrier members of which shall be the Carriers’ Conference Committees signatory hereto, or their successors; and the employee members of which shall be the Chief Executives of the Fourteen Organizations, or their representatives, or their successors. Interpretations or applications agreed upon by the carrier members and employee members of such committee shall be final and binding upon the parties to such dispute or controversy.

“This section is not intended by the parties as a waiver of any of their rights provided in the Railway Labor Act as amended, in the event committee provided in this section fails to dispose of any dispute or controversy.”"

The parties accepted the referee’s award of December 17, 1941, and on the same date signed the vacation agreement contained therein. However, following the signing of the vacation agreement of December 17, 1941, the Joint Carrier-Employee Committee, which was charged under Article 14 of the agreement with the responsibility of interpreting and applying it, became deadlocked over a series of questions concerning the meaning of the contract. Thereupon on June 10, 1942, the Committee requested the National Mediation Board to nominate a referee to conduct hearings and issue an award in settlement of the disputed questions.

On June 17, 1942, the National Mediation Board nominated the writer to serve as referee in the dispute, and the representatives of the disputants notified the writer shortly thereafter that they had accepted him as referee. On July 20, 1942, the parties filed with the referee a jointly signed letter setting forth the agreement of submission and the terms of reference which were to govern the hearings before the referee. The letter reads as follows:

“Chicago, Illinois
July 20, 1942

“Honorable Wayne L. Morse
C/o War Labor Board
U.S. Department of Labor Bldg.,
Washington, D.C.

“Dear Sir:

“Pursuant to the understanding heretofore arrived at, as expressed in Mr. Robert F. Cole’s letter to the undersigned dated June 16, 1942, a copy of which you have, the parties to the Vacation Agreement have prepared for submission the questions upon which they are in dispute, together with the statement of their positions. A copy of this document is attached hereto.

“The parties have agreed that your decision upon the issues herewith submitted shall be final and binding.

“The following documents will be filed with the referee at the time of hearing:

“(1) The original report of the President’s Emergency Board dated November 5, 1941.
“(3) The submission to you as referee of the terms of the Vacation Agreement on December 10, 1941."
“(4) Your award as referee in the matter of the Vacation controversy dated December 17, 1941.

“(5) The Vacation Agreement dated December 17, 1941.

“(6) The interpretations, dated June 10, 1942, and July 20, 1942, by the parties hereto, of the Vacation Agreement, both of which are subject to the understanding as expressed in the second paragraph under the heading ‘General’ of Interpretations of June 10, 1942.


“(8) Mr. Cole’s reply of June 16, 1942, advising that you had accepted the appointment as referee in the present dispute.

“In addition to the foregoing documents, which as stated will be filed at the time of the hearing, the parties agree that they may, if desired, refer in argument to the following documents:

“(a) The record on the issue of the Vacation case before the President’s Emergency Board appointed September 10, 1941.

“(b) The briefs filed by the parties in that case with respect to the Vacation issue.

“(c) The record on the vacation issue made on the rehearing and reargument before the Emergency Board at Washington, D.C.

“(d) The report of the Chairman of the Emergency Board at the executive session held at the conclusion of the Mediation Proceedings in the Raleigh Hotel at Washington, D.C.

“In addition to all the foregoing, the parties reserve the right at the hearings to file additional illustrations under any of the issues, to introduce any evidence which they may deem desirable, and to argue the case. Any briefs to be filed will be filed at the beginning of the hearing.

“In the submission of the case the parties will conform to the wishes of the referee as indicated in the conference on June 20, 1942, with respect to the procedure to be followed; namely, that the record will be made on each issue separately.

“It is agreed that the presentation of evidence and argument will be opened as to each of the issues (not Articles) alternately by the parties; the carriers will open as to the first issue; the employees as to the second, etc.

“The parties request that the referee will afford to them an opportunity, after the award has been prepared and before it is officially released, to take up with him questions or objections involving the language or terminology of the award, for the purpose of clarification, with the understanding that further discussions or exceptions will be limited to matters of terminology and not to substantive matters decided.

“We understand that it is agreeable to you that the hearings will be held in the Roosevelt Room of the Morrison Hotel, Chicago, Illinois, beginning 10 a.m., July 28th, 1942. The parties have arranged for the services of a court reporter, who will supply the referee with daily transcripts of the proceedings.

“Respectfully,
For the Employees represented by
the Participating Labor
Organizations:
(Signed) B. M. Jewell,
Chairman,
Fourteen Participating Labor
Organizations.
For the Participating Carriers:
Hearings were held at the Morrison Hotel, Chicago, Illinois, from July 30, to August 2, 1942, following which the parties were given time in which to file supplementary memoranda, exhibits, and briefs, the last of which reached the referee on August 21, 1942. The parties submitted a very extensive record in this case, consisting of 949 pages of transcript plus several hundred pages of material in the form of briefs and exhibits. This award is based upon the record made by the parties.

In view of the fact that most of the questions presented to the referee involved disagreements as to what the parties intended or meant when they used certain language in the agreement of December 17, 1941, it became necessary for the referee in many instances to determine the meaning and intention of the parties by examining the surrounding facts and circumstances of the vacation dispute from its inception in May, 1941, as shown by the record. In doing so he applied the well-recognized rule of contract construction; namely, when the terms of a contract are ambiguous or their meaning uncertain, it is permissible to examine the surrounding facts and circumstances which led up to the execution of the contract in determining the intent of the parties.

Furthermore, it is to be remembered by the parties to this dispute that in preparing this award, the referee drew upon his knowledge of the background of this dispute because it was made clear to him by the parties that one of the primary reasons for his being selected as referee was the fact that, as Chairman of the President’s 1941 Emergency Board, he wrote the vacation section of the Board’s report of November 5, 1941, mediated the Washington settlement of December 1, 1941, and wrote those sections of the vacation agreement of December 17, 1941, which the parties had previously failed to settle for themselves in negotiations. Thus, to the extent that any of the questions presented in the instant case involved disagreements over the meaning of sections written into the December 17, 1941 vacation agreement by the referee, the task of the referee in this award simply became one of telling the parties what he meant and intended by the language which he used in the December 17 agreement. To that extent, this award is one of clarification as to the referee’s meaning as well as one applying the doctrines of contract construction to the language of the parties.

In addition, the referee wishes to point out that this award is not based upon any strict or literal interpretation of any section of the agreement when in the opinion of the referee such an interpretation would have done violence to the purpose of the agreement or would have produced an unfair, inequitable, and unreasonable result. The referee has adopted the same general point of view in this case which he has enunciated in many previous cases insofar as the interpretation of collective-bargaining contracts is concerned.

Thus, he has stated:
“It is well recognized that in interpreting and applying collective-bargaining contracts, boards of arbitration should endeavor to avoid inflicting unreasonable hardship upon either party to the contract. Harmonious industrial relations are not promoted by insisting upon a literal interpretation of a contract when such an interpretation will result in unfairness or unreasonable hardships. An insistence upon applying “the pound-of-flesh philosophy” simply does not promote sound industrial relations or result in maximum production.”

To the same effect in another decision this referee has stated:

“Labor disputes can seldom be settled on a fair and equitable basis, productive of harmonious labor relationships and conducive to maximum production by resorting to the legalisms and technicalities of contract law . . . Arbitration boards and courts are not prone, and rightly so, to apply the strict rules of contract construction to such collective-bargaining agreements, when it is clear from the record of a given dispute that the application of technical legal rules of construction would do violence to the intention of the parties and defeat the very purpose of the collective-bargaining agreement; namely, the promotion of harmonious labor relations.”

The referee is frank to say that as he listened to the presentation of the case by the parties and studied the written record he formed the impression that both sides to this dispute seemed to have lost sight of the primary purpose of the vacation agreement; namely, to give a vacation with pay each year to the employees involved in the dispute. It certainly was not the intention of the parties originally to make it as difficult as possible for employees to get a vacation, nor was it their intention to make the vacation grant as great a burden upon the carriers as possible. Yet it appeared to the referee that as the parties became more and more involved in their prolonged negotiations over the application of the vacation agreement, they became more formalistic in their demands upon each other and more insistent upon what they considered were their technical and literal rights insofar as interpreting and applying the agreement was concerned. Thus, by the time the dispute reached this referee for determination, the parties seemed to be firmly convinced that each of the sections of the agreement in dispute was subject to one — and only one — interpretation; namely, the one each partisan insisted upon.

As is common to all such disputes, the interpretations insisted upon by the partisans to the dispute were motivated primarily by their selfish, or at least biased, interests. It is not to be expected, under such circumstances, that even an interpretation by a non-partisan referee will be much more convincing than the interpretation advanced by an opposing partisan. However, in this instance the referee’s findings will at least have the advantage of non-partisanship based upon the impartial viewpoint of an outsider who is convinced that labor disputes should be settled on the basis of principles of ordinary common sense and well-recognized doctrines of equity. The referee believes that the following decisions on the several questions submitted by the parties constitute a fair, reasonable, and equitable settlement of this dispute.

II. DECISION

A. Referee’s Answers to Questions Raised Under Article 1 of the Vacation Agreement

Article 1 of the vacation agreement reads:

“1. Effective with the calendar year 1942, an annual vacation of six (6) consecutive work days with pay will be granted to each employee covered by this agreement who renders compensated service on not less than one hundred sixty (160) days during the preceding calendar year.”

Question No. 1: Meaning and intent of the words “consecutive work days.”
The parties disagree as to the meaning and intent of the words in the article “consecutive work days.”

Carriers’ Contention:
It is the contention of the carriers that the disputed words should be interpreted to mean:
“any consecutive days covered by an employee’s assignment upon which he would have worked had he not been on vacation, and this regardless of whether his assignment is for a full eight hour day or less. In other words, the carriers’ position is the consecutive work days mean days covered in the employee’s regular assignment as distinguished from days upon which he may be called or notified to work when there is no regular assignment to work.”

Labor’s Contention:
The labor organizations, on the other hand, contend that:
“The words ‘work days’ should be interpreted and applied in accordance with the respective rules agreements, or recognized practice thereunder. For example, the rules agreements generally provide that eight consecutive hours, exclusive of the meal period, shall constitute a day’s work. In such cases it is clear that a ‘work day’ is a day of eight hours. Likewise where less than eight hours is a recognized day’s work, as in certain offices, this would be a work day. The ‘work day’ does not include Sundays (or assigned rest days), or holidays on which an employee is assigned to work less than a full work day — such as an hour or two — and is paid only for such service and not for a full day, but does include Sundays (or assigned rest days), or holidays on which an employee is regularly assigned to work a full day.

“The word ‘consecutive’ should be interpreted as requiring that the ‘work days’ should be continuous and uninterrupted, except for Sundays (or assigned rest days) or holidays on which an employee is not regularly assigned to work a full day.”

Referee’s Decision:
It is the opinion of the referee that the words “consecutive work days” refer to days on which a full day’s work is performed and not a partial day’s work. However, it is to be distinctly understood that in overruling the carriers’ position on this question, the referee does not adopt the employees’ contention that the phrase “work days” should be interpreted and applied in accordance with the respective rules agreements or recognized practice thereunder. It is the view of the referee that the rules agreements are entitled to some consideration in determining what the parties intended by the words “work days,” but they certainly are not controlling.

When one reads the entire vacation agreement, keeping in mind its primary purpose of providing the employees with a vacation with pay from their work, it becomes clear that it was contemplated by the parties that the vacation days should be measured and paid for in terms of a full day’s work of eight hours, except in those instances in which less than eight hours is recognized in the industry as a full day’s work. It would not be fair or reasonable to include Sundays (or assigned rest days) or holidays on which an employee is assigned to work less than a full work day and is paid for less than a full day, when figuring the six consecutive work days under Article 1.

The carriers asked the referee for a ruling on the following illustration:
“An employee entitled to a six day vacation is assigned to work eight hours per day, six days per week, and by assignment to work three hours on Sunday; vacation of such employee commenced on Wednesday. Under the carriers’ contention, such employee’s vacation would extend from Wednesday to Monday,
inclusive. His six consecutive days would include the Sunday, even though assigned for less than a full day."

It is the referee’s ruling that under the foregoing carriers’ illustration the Sunday should not be included within the six consecutive-work-days formula of Article 1 because the employee does not work a full work day on Sunday. Hence, under the illustration, the employee’s vacation should extend from Wednesday to Tuesday, inclusive; but of course the employee would receive only six days’ pay, although he would be away seven days.

In view of the language of Article 7 of the vacation agreement, it would be grossly unfair to subject Article 1 to any other interpretation, because if the Sunday under the carriers’ illustration were counted within the six-consecutive-day formula, the employee would not receive a six-day vacation with pay but only approximately a five and one-half day vacation with pay.

This referee is satisfied that it was not contemplated by the parties when they signed the agreement of December 17, 1941, that the parties intended or meant anything else by the phrase “six consecutive work days” than six consecutive full work days, and he hereby rules accordingly.

**Question No. 2: Meaning and intent of the words “renders compensated service.”**

**Carriers’ Contention:**

The carriers interpret these words to mean:

“that to be considered as a day upon which compensated service is rendered, an employee must both work and receive compensation, and that the term would not embrace days for which the employee was compensated but upon which he performed no service.

“Illustration: An employee performs 150 days of compensated service in a given year. During the year he was sick and was allowed compensation for twelve days. The carriers contend that, as this employee rendered compensated service on only 150 days, he is entitled to no vacation in the succeeding year.”

**Labor’s Contention:**

It is the contention of the labor organizations that:

“The words ‘renders compensated service’ should be interpreted and applied as to include all and any compensation received from the employing carrier for time paid for. The application of the language is not confined to work actually performed.

“For example; compensation paid for any of the following is included:

“(a) Time paid for on account of standby or subject to call service where the employee does not actually work, but holds himself subject to call.

“(b) Time for which an employee is paid while off duty account of illness.

“(c) Time for which an employee is paid while off account of injury.

“(d) Time for which an employee is paid when excused from duty.

“(e) Time paid for while employee is on vacation with pay.

“(f) Time paid for while employee is absent from regular duty attending court, investigations or hearings on instructions of the carrier.

“(g) Time paid for because of suspension or dismissal.

“(h) Time paid for in settlements made because of improper application of rules agreements.

“(i) Time for which an employee is paid on Sundays (or as signed rest days) or holidays, but does not actually work.”

**Referee’s Decision:**

It is the decision of the referee that the interpretation of the words “renders compensated service” as advanced by the labor organizations cannot be sustained. The
meaning of the words themselves does not support the employees’ position. Furthermore, the surrounding facts and circumstances which led up to the adoption of Article I on December 17, 1941, by the referee do not support the employees’ interpretation of the disputed words. The November 5, 1941, report of the Emergency Board provided that “any employee who works, sickness and injury excepted, not less than 60 percent of the total work hours per year calculated on the basis of a 48-hour week, shall be entitled to a six-day vacation with pay.”

At the Washington mediation hearings in December, 1941, representatives of the employees objected strenuously to the 60 percent-of-the-total-work-hours-per-year formula as a method of determining eligibility for vacations. They pointed out that the formula when figured in terms of 8-hour days would require approximately 187 days of work and that such a requirement would exclude a very large number of employees from the vacation privilege.

This referee recalls distinctly that representatives of the employees expressed the view many times at the Washington mediation sessions that the vacation-eligibility yardstick should be expressed in terms of days and that the maximum days of service required should be 160.

At the Chicago hearings on December 10, 1941, the referee decided in favor of the 160-days-of-service yardstick for determining vacation eligibility, and he approved and adopted the language proposed by the employees as set out in Article 1 of the vacation agreement of December 17, 1941.

It is true that the language proposed by the employees and approved by the referee contained the words “renders compensated service on not less than 160 days during the calendar year.” But it certainly was not made clear to the referee that the employees were using the words “renders compensated service” in any technical sense or with the intent of making the test of vacation eligibility the days for which the employees received compensation rather than the days on which they rendered service or worked. If the representatives of the employees had advanced any such contention on December 10, 1941, it would have been rejected then just as it is rejected now, because the referee never intended to adopt any such formula as is now argued for by the employees.

When he approved the language “renders compensated service on not less than 160 days” he gave to that language its ordinary and literal meaning; namely, the performance of service or work on not less than 160 days for which compensation is paid. The interpretation now advanced by the employees would make the modifier “compensated” the controlling word in the clause, whereas, in accordance with all rules of grammatical construction, it is obvious that the word “service” is the controlling word. Thus the test is whether or not the employee renders service on not less than 160 days for which he is compensated.

It is not fair or reasonable to assume that the parties contemplated that an employee’s eligibility for a vacation was to be measured in terms of the compensation which he received from the carrier figured on the basis of days, but rather that his eligibility for a vacation was to be determined on the basis of the number of days of service which he rendered the carrier during the preceding calendar year, and for which days of service he received compensation. Hence, if he performed a minimum of 160 days of service for which he was compensated, he became eligible for a vacation.

It should be kept in mind that one of the main arguments for granting vacations at all is that American workmen who work a large share of the work days of the year deserve for themselves and their families the many benefits which flow from a vacation. Vacation plans generally adopt the principle of either a percentage of work hours per year or a minimum number of work days per year as the test for determining vacation eligibility.
Viewed from the standpoint of the general practice in determining vacation eligibility, it is a very novel theory which is advanced by the employees in this case that the counting of days on which no actual service is rendered but for which compensation, for some reason or another, is paid by the carriers should be included as part of the total days required for the granting of a vacation. Certainly the burden of supporting any such theory rested upon the employees and the responsibility for the ambiguity in Article 1 must be assumed by the employees, because the language was proposed by them and not by the carriers or by the referee.

It is a well-recognized doctrine of contract construction that when such an ambiguity arises, the words in dispute are to be used in light of their ordinary and common-usage meaning, and not in any technical or trade sense unless the surrounding facts and circumstances make clear that the parties intended the words to be applied in a technical or trade-usage sense. In this instance the common and ordinary meaning of the words “renders compensated service” permits of only one interpretation; namely, that it was intended that an employee should be required to perform or render service or work for which he was compensated on not less than 160 days during the preceding calendar year before he would become eligible for a vacation subject to the exemptions discussed later.

Although this referee rejects the interpretation which the employees place upon the words “renders compensated service,” he does not accept in full the interpretations placed upon the words by the carriers. It is his opinion that the interpretations of the carriers are too strict and literal and do violence to the intentions of the parties as they existed on December 17, 1941, when the vacation agreement was signed. The referee recalls that at the hearings before him on December 10, 1941, the parties were in agreement on the point that the application of the vacation agreement to the various properties represented by the carriers would not be successful if either or both of the parties thereto insisted upon a strict and literal application of the language of the contract, irrespective of unfair hardships which might result therefrom.

The parties agreed with the referee that the success or failure of the vacation agreement would depend upon the good faith of the parties in their future endeavors to apply the language of the contract, in a just and reasonable manner, to individual cases. Thus, this referee is satisfied that the spirit and intent which prevailed in the minds of the parties at the time the contract was signed supports a finding that the parties understood and intended that the contract should be interpreted and applied on the basis of such flexible and equitable rules of construction as would do justice in individual cases. In fact, it might be said that one of the implied conditions of this vacation agreement is that it was the intention of the parties that the vacation agreement should be broadly interpreted so as to avoid unfair results in individual cases. Obviously, the vacation agreement would be of doubtful value to the industry if it were interpreted and applied in a manner which was productive of disputes and industrial discord.

On December 17, 1941, the parties seemed to recognize that the problem of putting the vacation agreement into effect was such a complicated one, because of the many differences in practice on the various railroads, that no language which they or the referee could devise could be so clear and all-inclusive as to eliminate the possibilities of differences of opinion, when it came to applying the contract in exceptional cases. However, they seemed to be agreed that they could work out, in negotiations, any differences which might arise and to that end they provided in Article 14 for a Joint Committee to interpret and apply the agreement. As is so often the case, the good intentions of the parties on December 17, 1941, to apply the contract to individual cases in a fair and equitable manner gave way to insistence upon strict and narrow
interpretations as more and more disagreements developed between them concerning the meaning of the contract.

Hence, the referee feels, in regard to this second question which has arisen under Article 1, that both parties are insisting upon interpretations of the words “renders compensated service” which they would not have insisted upon if the question had been raised on December 17, 1941. He believes that the carriers, in some cases, have resorted to a very strict and narrow interpretation of the words in opposition to the very novel interpretation of the employees, and that by doing so they have lost sight of the unfair results which their interpretations would produce in certain exceptional cases. The referee does not propose to approve an interpretation of the words “renders compensated service” which will produce unfair results in individual cases not intended by the parties when they signed the agreement.

In the presentation of their case on this question the employees supported their theory of interpretation with a series of examples of “time paid for” by the carriers even though in many of the instances the employee was not actually at work on the railroad during the time for which he received compensation. It was the position of the employees that all such compensated time should be included in calculating the 160-day requirement for vacation eligibility. It is the opinion of this referee that some of the examples cited by the employees do fall within the meaning of the words “renders compensated service” and, hence, he proposes to rule on each of the examples presented by the employees.

“(a) Time paid for on account of standby or subject-to-call service where the employee does not actually work, but holds himself subject to call.”

It is the ruling of the referee that all such time as falls within employees’ example (a) should be included in calculating the 160-day requirement for vacation eligibility. The ruling is based upon the fact that standby or call-service time does involve performance of service. As counsel for the carriers states on page 123 of the transcript:

“…we agree that standby service, which is actually paid for by the carrier, may be counted toward qualification and we do that because our understanding of the phrase ‘standby service’ includes both the element of pay and the element of a definite restriction on the freedom of movement of the employee. He is held for service. And we say that if a man is held for service there are in that such elements of work as to make it a fair interpretation of the vacation agreement that he should have that day counted.”

During recent years this referee has been called upon to interpret and apply standby and call-service provisions of collective-bargaining contracts in the maritime industry. In all such cases he has consistently held that standby and call-service time involves the performance of service or work for the employer. Thus, in the case of the Marine Engineers Beneficial Association No. 97, Inc., vs. Alaska Packers Association, decided on December 16, 1939, this referee ruled:

“It is one thing for an assistant engineer to remain on board not subject to call, and quite a different thing for him to be required to remain on board subject to call. The restriction of being subject to call whenever loading or discharging operations are taking place…involves in and of itself, the performance of a service within the meaning of the terms as used in the agreement of May 24, 1939.”

The decision makes clear that when the orders of the employer require the employee to stand by subject to call, his freedom of action is restricted and he must be deemed to be in the service of the employer during that period of time. Similarly, in longshore cases this referee has ruled that standby time provided for within the terms of a collective-bargaining agreement constitutes working time. Hence, in this instance standby or call-
service time should be credited to the employee when calculating his eligibility for a vacation.

“(b) Time for which an employee is paid while off duty account of illness.”

“(c) Time off which an employee is paid while off account of injury.”

The foregoing two examples (b) and (c) will be treated together because under the terms of the contract the same principal applies to each. As stated before, the President’s Emergency Board in its report of November 5, 1941, recommended that any employee who works, sickness and injury excepted, not less than 60 per cent of the total work hours per year, calculated on the basis of the 48-hour week, shall be entitled to the six-day vacation with pay. It is to be noted that the vacation recommendation of the Emergency Board included the language “sickness and injury excepted.”

The practice of giving the employee the benefit of days lost due to sickness and injury when figuring his eligibility for vacation is common to most vacation agreements. However, the referee is satisfied that in this case the representatives of the employees, in their negotiations with the representatives of the carriers, waived the sickness and injury exception clause when they urged the adoption of the 160-day compensated service requirement for vacation eligibility.

Although this referee would like to give the employees the benefit of days lost due to sickness and injury in any calculation of vacation eligibility, he is not at liberty to do so, because he is satisfied that such was not the intention of the parties when the agreement of December 17, 1941, was signed. He believes that as a matter of sound vacation policy, time lost due to sickness and injury should not be counted against the employee when determining his vacation eligibility, irrespective of whether he does or does not receive any compensation during a period of physical incapacitation. It is not the fact that the employee may receive pay while he is ill or injured that should entitle him to credit for such days lost when it comes to determining his vacation rights, but rather the policy rests upon broad principles of fair dealing and sound industrial-relations ethics.

After all, if an employee becomes ill or injured but nevertheless remains on the employment roster and returns to work after recovery, he should not be discriminated against when it comes to granting vacations. In fact, as a usual thing, such an employee will probably need the benefits of a vacation even more than some of the employees who did not lose any time because of illness. It would appear that denying the employee credit for time lost as a result of illness and injury in determining his vacation rights constitutes a penny-wise and pound-foolish policy when evaluated in terms of labor morale, efficiency, and just ordinary fair treatment.

Nevertheless, the record of this case convinces the referee that the representatives of the employees gave up the sickness and injury exception clause in preference to a reduction in the vacation-eligibility yardstick from 60 per cent total work hours per year, calculated on the basis of the 48-hour week, as recommended by the Emergency Board and as proposed by the carriers at the December 10, 1941, hearings, to the 160-day figure. Hence, on the basis of the present wording of Article 1 of the agreement, the referee must rule that time lost due to illness or injury, even though the employee receives compensation benefits from the carrier, cannot be included in the 160-day vacation-eligibility figure as a matter of contract right.

“(d) Time for which an employee is paid when excused from duty.”

It is the ruling of the referee that if an employee is excused from duty and during such off-duty performs no service or work for the carrier, then the time spent while excused from duty cannot be counted toward the 160 days of service required for vacation eligibility. The fact that the carrier may continue the employee’s pay during the period of time that he is excused from duty is immaterial as far as this issue is concerned.
It is apparently true, as shown by the record on pages 106, 107, and 108, that certain carriers do include the time for which an employee is paid when excused from duty in their calculations of the 160-day requirement. Nevertheless, the fact that they do so does not create any contract right binding upon other carriers who take the position that such time does not fall within the meaning of Article 1 of the vacation agreement. Thus, when some carriers continue the regular pay of their employees while serving as jurors, or clerks or judges at elections and count the time so spent toward the 160-day vacation requirement, their action does not flow from any obligation under the vacation agreement of December 17, 1941, but rather from a labor relations policy quite independent of that agreement. Desirable as such a policy may be, this referee has no authority to amend the vacation agreement, even by way of interpretation, so as to provide for such a policy.

However, it is to be distinctly understood that if any employee is required to perform service for the carrier during the period of time when he is “excused from duty with pay,” then that time shall be counted toward the 160 days. Thus, if an employee is excused from his regular duties and sent as a representative of the carrier to conferences or sent on a public relations tour or some other such assignment, in the carrying out of which it can be said that the employee is performing service for the carrier, then that time shall be counted toward the 160 days.

“(e) Time paid for while employee is on vacation with pay.” Clearly, vacation time is not to be counted in figuring the 160-day vacation-eligibility requirement for the reason that while the employee is on vacation he is not performing service for the carrier. In fact, it is the opinion of the referee that the request of the employees that time paid for while an employee is on vacation should be counted toward the 160-day requirement, in and of itself rebuts the employees’ theory on Question No. 2 under Article 1.

It is a well-recognized doctrine of contract construction that if a certain interpretation of the language of a contract will produce absurd results, then that interpretation should be abandoned in favor of one which does not produce such results. It is submitted that the contention of the employees that the vacation period itself should be subtracted from the 160-day requirement when determining an employee’s eligibility for a vacation, amounts in fact to saying that the requirement is not 160 days at all, but only 154 days, and such a result abjures the plain meaning of the article.

“(f) Time paid for while employee is absent from regular duty attending court, investigations, or hearings on instructions of the carrier.”

It is the ruling of the referee that when an employee is absent from regular duty attending court, investigations, or hearings on instructions of the carrier, or performing any other service under instructions from the carrier, time so spent should be credited to the employee in figuring the 160 days’ vacation requirement. Here, again, the test is whether or not the employee performed service or work for the carrier.

“(g) Time paid for because of suspension or dismissal.”

It is the decision of the referee that if an employee is wrongfully suspended or dismissed by the carrier and subsequently reinstated, either through the operation of the regular grievance machinery or as the result of an admission by the carrier that it was at fault, the time during which the employee was suspended or dismissed shall be counted toward the 160-day vacation requirement. On the other hand, if the suspension or dismissal of an employee is due to his own fault, and the carrier subsequently, as a matter of leniency, agrees to reinstate the employee, the period of the suspension or dismissal shall not be counted by the employee in figuring the 160-day requirement unless the carrier voluntarily agrees to it as part of the leniency grant.

To hold that the employee should receive the benefit of the time lost during a suspension or a dismissal in calculating his vacation rights, even though the carrier was justified in suspending him or dismissing him but later returned him to work as a matter
of leniency, would serve only to discourage carriers from granting leniency in such cases. As was pointed out at the hearing, to so hold would tend to discourage carriers from granting leniency to employees in dismissal cases where the employee is at fault, with the result that such holding would work to the detriment of the employees themselves in such cases.

In the light of the meaning of the language in Article 1 of the agreement, an employee who is reinstated after a justifiable suspension or dismissal can not be said to have performed any service during the time he was suspended or dismissed, even though the carrier does agree to reinstate him with back pay. There are many reasons which may lead a carrier, under such circumstances, to reinstate the employee with back pay, but just because it grants him back pay it does not follow that it must also be deemed to have given him vacation credit for the days off duty.

“(h) Time paid for in settlements made because of improper application of rules agreements.”

There can be no doubt about the fact that if a carrier applies improperly a provision of the rules agreements, with the result that an employee is denied the right to work and under the grievance machinery the carrier is required to pay him for the time thus lost, such time should be counted toward the 160 days’ vacation requirement.

“(i) Time for which an employee is paid on Sundays (or assigned rest days) or holidays, but does not actually work.”

It is the ruling of the referee that if an employee does not perform any service on Sundays (or assigned rest days) or holidays and is not required to stand by for service on those days, but is free to do anything he pleases as far as the carrier is concerned, then such days cannot be counted toward the 160 days of service required in qualifying for a vacation, even though the carrier may have paid him for such days. Again the referee wishes to point out that it is not the pay which an employee receives from the carrier but the days on which he performs service for the carrier that determine whether or not any given day shall be counted toward the 160-day vacation requirement.

“(j) Time paid for deadheading.”

The record made by the employees also includes an illustration of time paid for deadheading. It is clear that whenever an employee is paid for time spent deadheading, it must be considered that he is still on duty and in the service of the company, and all such time should be counted toward the 160 days of service which, under the contract, an employee must perform before he becomes eligible for a vacation.

Finally, and by way of summary of the referee’s position on Question 2 under Article 1 which the parties asked him to decide, it is to be understood by both parties concerned that only those days on which an employee performed some service for the carrier, or was wrongfully deprived by the carrier of his right to perform service under the rules agreements, are to be counted in calculating the 160 days’ vacation qualification yardstick provided for under Article 1 of the agreement of December 17, 1941.

Question No. 3: Where the words “160 days” are used, what will constitute one such day?

Carriers’ Contention:

The carriers interpret these words to mean:

“that a day is to be considered as a 24-hour period from the time an employee first began service on any day. All compensated service on such day, regardless of the time or amount of compensation paid, will be considered as one day.”

Labor’s Contention:

The position of the labor organizations on this question is that:

“These days need not be consecutive, but may be any days of the calendar year preceding the year in which the vacation is to be taken. Each calendar day for
which an employee is paid by the employing carrier for some time, regardless of the amount of compensation, or the length of time paid for, will be counted as one day, provided, however;

“(1) An employee shall not be given credit for two days if tour of duty or a call extends from one calendar day into another; such an employee will be given credit for one day only on the day such tour of duty or call begins, except;

(a) An employee who has completed his tour of duty on a day and is called again on the same day for further duty extended into the next calendar day, which is not an assigned work day for him, will be given credit for an additional day, or except;

(b) If overtime continuous with regular hours is required and extends into the next calendar day, which is not an assigned work day for the employee, credit will be given for an additional day, or except;

(c) In cases where relief or extra employees are required to protect more than one shift or tour of duty in a calendar day, they will be given credit for one day for each shift or tour of duty worked, and

“(2) Where by special agreement, custom or recognized practice employees, as a matter of convenience, get in the equivalent of their full weekly assignment of hours during a lesser number of days than the number constituting a week’s assignment, they will be credited for the full number of days constituting the week’s assignment.”

Referee’s Decision:

It is the decision of the referee that the position of the carriers on this question cannot be sustained. On the other hand, the position of the labor organizations can be sustained only in part.

It is submitted that it would be a very unreasonable and unfair interpretation of Article 1 of the agreement to hold, as contended for by the carriers, that “A day is to be considered as a 24-hour period from the time an employee first began service on any day.” The term “day,” as used in collective-bargaining agreements, generally means “work day” and not “calendar day.” The length of a man’s work day generally is measured in terms of the work shift or tour of duty. Hence, it is possible for an employee under some circumstances to complete two or more work days in one calendar day of twenty-four hours if he is assigned to more than one shift or tour of duty in one calendar day. Thus, the referee rejects the contention of the carriers that a day, under Article 1 of the agreement, shall be considered as a 24-hour period from the time an employee first began service on any day and that all compensated service on such day, regardless of the time or the amount of compensation paid, shall be considered as one day.

The referee approves the following proposals of the labor organizations:

“The days need not be consecutive, but may be any days of the calendar year preceding the year in which the vacation is to be taken. Each calendar day for which an employee is paid by the employing carrier for some time, regardless of the amount of compensation, or the length of time paid for, will be counted as one day, provided, however;

“(1) An employee shall not be given credit for two days if tour of duty or a call extends from one calendar day into another; such an employee will be given credit for one day only on the day such tour of duty or call begins, except;

(a) An employee who has completed his tour of duty on a day and is called again on the same day for further duty extended into the next calendar day, which is not an assigned work day for him, will be given credit for an additional day.”
The referee rejects the interpretation of the employees as set forth in paragraph (1) (b) of their contentions that “if overtime continuous with regular hours is required and extends into the next calendar day, which is not an assigned work day for the employee, credit will be given for an additional day.”

It is generally recognized that work performed during overtime hours immediately following regular hours and paid for at overtime rates shall not be considered as constituting an extra day of service, even though the overtime hours may extend into the next calendar day. Thus, if an employee’s regular shift is from 3:00 p.m. to 11:00 p.m., and on some occasion he is required to work two hours overtime, it cannot be said that he has worked two days, but rather that he has worked a day of ten hours, two hours of which were paid for at the overtime rate.

The interpretation urged by the employees on this point would place a very unreasonable burden upon the carriers and would add an additional penalty for overtime work and this, in the opinion of the referee, was not contemplated by the parties when they signed the agreement.

The referee approves the interpretation of the employees as set forth in paragraph (1) (c) of their position on this point when they stated:

“(c) In cases where relief or extra employees are required to protect more than one shift or tour of duty in a calendar day, they will be given credit for one day for each shift or tour of duty worked.”

It would seem to be clear that under such circumstances a relief employee performs more than one day of work within a 24-hour period, when measured in terms of regular work shift or tours of duty, and he should receive credit for the same. The referee believes that the position taken on this point by the spokesman for the employees, as set forth on pages 153 and 154 of the transcript, is a very reasonable one. The statement reads:

“. . . an extra or relief employee, may fill the tour of two different employees in one calendar day. In such case the regular employees if they had continued work on their own assignment, each would have been credited with one day and these extra or relief employees in such instance should have credited to them one day for each such tour of duty.

“It will be remembered also that these extra employees are not getting overtime for it. That is part of their job. That is part of their relief or extra job. They take the work when they can get it and work when they can get it and they take the pay of the man whose job they are filling generally.

“Relief or swing employees filling tour of duty of absent employees may not only work two tours of duty in one calendar day but they fill six tours of duty in less than six calendar days and if they do they should be credited with a day for each tour of duty. That is all they have got an opportunity to work in that week. They are hanging around; they are on the roll and they have to be available for call, for they are generally worked first in and first out, and they are penalized if they do not respond when they are called by being put at the bottom of the list, and if they get in six tours of duty in one week, why shouldn’t they have credit for six days for the purpose of a vacation here.”

The referee also approves the position of the labor organizations as set out in paragraph (2) of the Joint Submission on this question. The paragraph reads:

“(2) Where by special agreement, custom or recognized practice employees, as a matter of convenience, get in the equivalent of their full weekly assignment of hours during a lesser number of days than the number constituting the week’s assignment, they will be credited for the full number of days constituting the week’s assignment.”
It is to be noted that the cases covered by the paragraph are limited to those where by special agreement, custom, or recognized practice employees are permitted to work a full weekly assignment of hours in a lesser number of days than the usual number of days which would otherwise constitute a week’s assignment. In view of the fact that such working arrangements are entered into with the consent of both parties and that the employees under such circumstances do not receive overtime pay when they work, for example, a 12-hour day instead of a regularly scheduled 8-hour day, it would seem to be only fair and reasonable to give them credit for the extra time worked in calculating the 160-day vacation requirement. Thus, if under such an arrangement an employee works four 12-hour days at straight-time rates during the week, instead of six 8-hour days which would under ordinary circumstances be assigned to him, it is only fair to allow him credit for six days toward the 160-day vacation qualification formula.

When such special arrangements are consented to by the parties to a collective-bargaining agreement, the presumption always is that they work to the mutual benefit of both parties to the agreement. Thus, by way of example in this instance, it is to be assumed that the performance of the work of six regular 8-hour days in four days of 12 hours each is a benefit not only to the employees but to the carrier as well. It would not be fair under such circumstances to penalize the employee two days of “vacation credit” when computing his eligibility for a vacation.

On pages 155 to 159 of the transcript the employee spokesman presented a series of examples of arrangements entered into between employees and the carriers which permit men to perform the equivalent of a full week’s work assignment during a lesser number of days than it would take the men to perform the work if they worked only the regular shifts. As to such arrangements, the labor representative stated:

“We say further that in certain instances, either as a matter of convenience to the employees or to the carriers, or both, arrangements are made whereby employees get the equivalent of a full week’s assignment in during a lesser number of days than is recognized as constituting that week’s assignment. This practice is established by agreement, or by arrangement with the carrier and accepted by the employees, and we say that these employees should not be penalized for the purpose of crediting days to qualify for vacation....

“Bridge and building gangs, signal gangs, extra gangs and other maintenance forces who travel from place to place over an operating division or over an entire system are frequently required by the carriers to live in camp cars. This means that these employees are away from home during the entire week. As a result of rules appearing in some agreements, and as a result of established practice on other carriers these employees are permitted to work beyond their regular 8-hour day on Monday, Tuesday, Wednesday, Thursday, and Friday, in order to make up part or all of their Saturday 8-hour shift, and thereby enabling them to get home earlier on Saturday and at times on Friday night. In other words, by working in excess of 8 hours and setting aside the penalty overtime for such work they are permitted, at times, to get in a full 6-day week during the first five (5) days of the week, in order that they might have part or all of Saturday at home with their families.

“Under these circumstances we say that these are the equivalent of six days and should be counted as such for the purpose of crediting the vacation agreement.”

This referee agrees fully with the interpretation advanced by the representative of the employees on this point. He is satisfied that such an interpretation falls within the spirit, intent, and meaning of Article 1 of the vacation agreement of December 17, 1941.
B. Referee’s Answers to Questions
Raised Under Article 2 of the Vacation Agreement

Article 2 of the vacation agreement reads in part:
“2. Subject to the provisions of Section 1 as to qualifications for each year, effective with the calendar year 1942 annual vacations with pay of nine and twelve consecutive work days will be granted to the following employees, after two and three years of continuous service respectively:
“(a) The following described employees if represented by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees: . . .”

Question No. 1: Meaning and intent of the words “subject to the provisions of Section 1 as to qualifications for each year.”

Carriers’ Contention:
The carriers interpret this phrase:
“to require, as a condition to a vacation of nine or twelve days, that the employees have rendered compensated service on not less than 160 days, not only in the preceding year but in each of some two consecutive years for a nine day vacation, or each of some three consecutive years for a twelve day vacation.”

Labor’s Contention:
According to the position of the labor organizations:
“This language is included in Article 2 solely for the purpose of making it clear that the employees who are to receive nine or twelve days’ vacation, as the case may be, must qualify in the calendar year preceding the vacation year in the same manner as the employees who are to receive six days’ vacation under Article 1.
“The vacation agreement continues from year to year, and the language in question is intended only to provide that for the first vacation year, and for each vacation year thereafter, employees are to receive vacations only if they have rendered compensated service on not less than 160 days in the calendar year preceding that in which the vacation is to be taken.”

Referee’s Decision:
It is the decision of the referee that the interpretation which the labor organizations seek to place on the words “subject to the provisions of Section 1 as to qualifications for each year” cannot be sustained.

It is to be remembered that the disputed language involved in this question was agreed to by the parties themselves and set forth in a joint submission of proposals on December 10, 1941. The referee adopted the language in his draft of Article 2 and set it forth in the vacation agreement of December 17, 1941. The language specifically relates to Section 1 (Article 1) of the agreement and, hence, it must be read and interpreted in connection with the provisions of Article 1 of the agreement. The words “qualifications for each year” very definitely refer to the 160-day vacation eligibility formula. It is well recognized in contract law that words of an agreement shall not be ignored and treated as surplusage if they are susceptible of being given a meaning consistent with the other language in the section in which they occur. There can be no doubt about the fact that the parties intended the words “subject to the provisions of Section 1 as to qualifications for each year” to be read in connection with Article 1 of the agreement and not treated as surplusage. It is impossible to escape the conclusion that the parties intended the words to constitute a rule that a nine or twelve days’ vacation would be granted only after the employees concerned rendered compensated service on not less than 160 days during each of two or three calendar years (not necessarily consecutive) in one or more occupations embraced in paragraph (a) or paragraph (b), respectively, of Article 2.
The referee concurs in the following statement on the problem taken from the carriers’ brief, pages 14 and 15:

“The opening phrase of this Article was agreed upon by the parties before the submission to the Referee in December, when the parties were still in dispute as to the basic formula for qualification to be stated in Article 1. It was agreed, however, that the basic formula for a vacation which would be inserted in Article 1 would be based upon some minimum amount of service during the preceding calendar year, and it was also agreed that the additional vacation days allowed under Article 2 would be conditioned upon service in two or three years. Obviously, therefore, the opening clause of Article 2 was written to require as to these additional qualifying years whatever minimum standard of service was finally prescribed in Article 1. The parties were agreed that whatever requirement was finally determined to be a reasonable minimum period of service under Article 1 would likewise be a reasonable requirement under Article 2. If this were not so, the word ‘each’ could not have been intelligently inserted, as it would have been necessary only to repeat the language of Article 1 as to service, using the words ‘during the preceding year.’ The employees’ assertion that the requirement of 160 days’ service applies only to the preceding year can be supported, therefore, only by eliminating from the sentence the word ‘each.’”

In connection with this question the carriers submitted two illustrations of problems for decision, but after receiving the referee’s tentative award the parties agreed to withdraw one of the illustrations.

“(a) Clerk first entered the service of the carrier January 2, 1938 and performed 80 days of compensated service in that year. In 1939 he performed 100 days of compensated service. In 1940 he performed 110 days of compensated service. In 1941 he performed 160 days of compensated service. According to the carriers’ interpretation, the clerk would be entitled to six days’ vacation in 1942.”

(Illustration (b) was withdrawn by agreement of the parties.)

It is the ruling of the referee that the carriers’ claim that the employee under illustration (a) would be entitled to six days’ vacation in 1942 is a correct interpretation and illustration of the words “subject to the provisions of Section 1 as to qualifications for each year.”

**Question No. 2:** Meaning and intent of the words “after two and three years of continuous service.”

The parties have withdrawn the question and agreed upon the following application of the vacation agreement:

An employee who has qualified by rendering compensated service on 160 days in each of two or three calendar years (not necessarily consecutive) in one or more of the occupations embraced in paragraph (a) or paragraph (b), respectively, of Article 2, is entitled to nine (9) or twelve (12) days’ vacation, as the case might be, in a subsequent calendar year, provided in the calendar year preceding a vacation year he has rendered compensated service on 160 days in one or more occupations embraced in paragraph (a) or paragraph (b), respectively.

**Illustrations**

“(a) An employee who entered service on May 1, 1941, and rendered compensated service in 1941 on not less than 160 days in one or more occupations embraced in paragraph (a) of Article 2, will be entitled to six days’ vacation in 1942 under Article 1. This employee renders compensated service on not less than 160 days in the calendar year 1942 in one or more occupations embraced in paragraph (a) of Article 2, and will be entitled to nine days’ vacation in 1943, regardless of when vacation is taken in that year. This employee similarly
renders compensated service on not less than 160 days in the calendar year 1943 in one or more occupations embraced in paragraph (a) of Article 2, and will in 1944 be entitled to twelve days’ vacation regardless of when vacation is taken in that year.”

“(b) An employee who enters service in May, 1941, and renders compensated service in calendar year of 1941 on not less than 160 days in one or more occupations embraced in paragraph (a) of Article 2, will be entitled to six days’ vacation in 1942 under Article 1. This employee then renders in 1942 compensated service on 65 days as a clerk and 120 days as a trucker, and will be entitled to six days’ vacation in 1943. This employee then renders in 1943 compensated service on 180 days as a clerk, and will be entitled to nine days’ vacation in 1944 regardless of when vacation is taken in that year. This employee then renders in 1944 as a clerk compensated service on not less than 160 days, and will be entitled to twelve days’ vacation in 1945.”

“(c) An employee who has rendered compensated service in each of three calendar years (not necessarily consecutive) on not less than 160 days in one or more of the occupations embraced in paragraph (a) of Article 2, will be entitled to twelve days’ vacation in any subsequent year which follows an immediately preceding year in which he rendered compensated service on not less than 160 days in one or more of the occupations embraced in paragraph (a) of Article 2.”

These three illustrations are also applicable to employees engaged in occupations embraced in paragraph (b) of Article 2; it being understood that service under paragraphs (a) and (b) of Article 2 cannot be combined; neither can service in positions covered in paragraph (b) of Article 2 be combined with service in positions specifically excepted therein.

(Original illustration under this question was withdrawn by agreement.)

**Question No. 3:** Does the word “years” mean service years or calendar years?

**Referee’s Decision:**

It is the decision of the referee that the word “years,” as used in Article 2 of the vacation agreement, means any calendar year during which compensated service is rendered in one or more occupations embraced in paragraph (a) or paragraph (b), respectively, of Article 2 on not less than 160 days.

**Question No. 4:** The parties have withdrawn the question and agreed upon the following application of the vacation agreement:

To be entitled to the nine or twelve days’ vacation as provided for in Article 2, the two or three years of service must be performed in one or more of the occupations embraced in paragraph (a) or in paragraph (b), respectively, of Article 2, and not in some other classification.

This agreement is reflected in the following illustration:

“An employee entered service in November, 1939, as a trucker; performed 130 days’ service as trucker in 1940; 204 days as trucker in 1941; promoted in December, 1941, to a clerical position; rendered 170 days’ service in 1942 as a clerk. This man would be entitled to six days’ vacation in 1942 earned as a trucker in 1941, and likewise six days’ vacation in 1943 because he had only one year’s qualifying service in a position enumerated in Article 2.”

**Question No. 5:** Assuming qualifications, is the length of vacation to be determined by the occupation to which the employee is assigned at the time of taking vacation?

**Carriers’ Contention:**

The carriers’ interpretation of Article 2 is:

“...that the length of vacation is to be determined by the occupation in which the employee qualified.”
Labor’s Contention:
Labor took the position that the job classification held by the employee at the time of taking his vacation should be considered as controlling.

Referee’s Decision:
In the light of the agreement under Question No. 4, a clerk, for example, cannot qualify for a nine or twelve days’ vacation unless he has performed service on at least 160 days in one or more occupations embraced in paragraph (a) of Article 2 during the preceding calendar year and service on at least 160 days for the carrier in some capacity embraced in the occupations covered in paragraph (a) of Article 2, during some one or two previous calendar years.

Illustrations
“(a) An employee entered service in January, 1938, and worked on at least 160 days as a clerk in each of the calendar years 1938, 1940, and 1941. In January, 1942, he became a trucker and took his vacation in March of that year. Such employee is entitled to twelve days’ vacation in 1942.”
“(b) An employee entered service as a trucker in January, 1939, and performed service as such on at least 160 days in each of the calendar years 1939, 1940, and 1941. In January, 1942, he took service in an occupation covered by Article 2 (a) and was in such occupation when granted his vacation. This employee is entitled to six days’ vacation in 1942.”

C. Referee’s Answers to Questions Raised Under Article 4 of the Vacation Agreement
Article 4 of the vacation agreement reads:
“4 (a) Vacations may be taken from January 1st to December 31st and due regard consistent with requirements of service shall be given to the desires and preferences of the employees in seniority order when fixing the dates for their vacations.
“(b) The management may upon reasonable notice of thirty (30) days or more, if possible, but in no event less than fifteen (15) days require all or any number of employees in any plant, operation, or facility, who are entitled to vacations to take vacations at the same time.
“The local committee of each organization affected signatory hereto and the proper representative of the carrier will cooperate in the assignment of remaining forces.”

Question No. 1: Meaning and intent of the first paragraph of Article 4 (a).

Carriers’ Contention:
The carriers’ interpretation of Article 4 (a) is that:
“. . . vacations, if afforded thereunder, may be allowed during the entire calendar year; that the phrase ‘and due regard consistent with the requirements of service shall be given to the desires and preferences of the employees’ embraces all elements of the service, including the necessity of continuous operation and maintenance, avoidance of impairment of efficiency in operation and maintenance, economy and efficiency in the conduct of the carrier’s business; assuming such due regard, the preferences of the employees in seniority order will be observed when vacations are afforded under this paragraph.”

Labor’s Contention: The labor organizations contend that:
“Article 4 (a), first paragraph requires that the desires and preferences of the employees, in seniority order, shall be given ‘due regard’ when fixing vacation
dates. In this fixing and assigning of vacation dates, the ‘due regard’ so given must be ‘consistent with the requirements of the service.’ Neither management nor employees are given arbitrary or unqualified rights.

“The words ‘requirements of the service’ mean real and actual service demands, not mere matters of managerial preference. In like manner they do not refer merely to current inconveniences, or operating problems that can be controlled by reasonable adjustment or planning. The service requirements referred to are not to be determined by what in management’s opinion is most desirable, but rather by what is actually required for continuing carrier operations.

“The granting of vacations is the primary objective, and actual service demands, not managerial preference or convenience, must be the controlling factor. To the extent that service requirements will permit, senior employees must be permitted to select vacation dates in keeping with their desires and preferences during the vacation year, which extends from January 1, to December 31.”

Referee’s Decision:

At the outset of this discussion of the disputes over Article 4 of the vacation agreement, the referee wishes to point out that on December 10, 1941, each party submitted to him a proposed draft of a vacation agreement. Article 4 in each of these drafts contained identical language, thus showing that the parties were in complete agreement, at least as to the words which should be used in expressing their intentions concerning the subject matter of Article 4. At the hearing before the referee on December 10, 1941, no time was devoted to a discussion of Article 4 because of the fact that the parties informed the referee that they were in agreement as to the contents of that article. Hence, when the referee wrote the vacation agreement of December 17, 1941, he adopted verbatim the language of Article 4 as jointly agreed upon by the parties. The referee was very much surprised to discover that subsequent to the signing of the vacation agreement the parties fell into a serious disagreement as to what they meant and intended by the language of Article 4.

Although it is to be hoped that the referee’s interpretations of the language of Article 4 may be helpful to the parties, he is convinced that the problems which have arisen under this article can be solved only by good-faith negotiations between the parties. It is necessary for them to carry out the spirit and intent which controlled their thinking on December 10, 1941, when they set up a cooperative plan for the administering of vacations and incorporated that plan in Article 4 of the proposed agreement, which was later approved by the referee.

A very careful study of the statements of the parties and of the exhibits and briefs filed by them and made a part of the record in this case has left the referee, rightly or wrongly, with the feeling that the parties to date have dealt with each other at “arms’ length,” insofar as their disagreements over this article are concerned. The record made by the parties has given the referee the impression that each side to the dispute has been too insistent upon an interpretation of the article which would protect its own selfish interests at the expense of the legitimate interests of the other party. It would appear that the carriers have been adamant in their contention that they should maintain final and complete managerial control over the granting of vacations. The employees, on the other hand, seem to have taken the position that their convenience, when it comes to granting vacations, should be the paramount consideration in applying Article 4. To a certain extent the impression is created by the record that if employees are unable to get their vacations during the summer months they feel that their rights under Article 4 have not been fully protected.

About all the referee can do in an attempt to resolve the disputes which have arisen between the parties in regard to Article 4 of the agreement is to set forth the rights and
obligations of the parties which he believes they intended to create when, on December 10, 1941, they agreed upon the language of the article. In determining the meaning and intent of any paragraph of Article 4, it is necessary to relate it to the entire article, and what is more, the entire article must be interpreted and applied in light of the meanings of the agreement when read in its entirety.

The referee must weigh the language of the second paragraph of Article 4 (a) when interpreting the meaning of the first paragraph because, obviously, the two paragraphs are not independent of each other. In fact, it is the opinion of the referee that the four paragraphs of Article 4 must be considered together when interpreting any one paragraph, and that Article 4 itself must be interpreted in light of its relationship to Articles 5 and 6.

Thus in interpreting Article 4 (a) the referee has reached the following general conclusions:

1. It was the intention of the parties when they agreed upon Article 4 to cooperate in administering the granting of vacations. To that end, they specifically provided in paragraph 2 of Article 4 (a) that the local committee of each organization signatory to the agreement and the representatives of the carriers would cooperate in assigning vacation dates. Thus, they restricted the management’s control over the administering of the granting of vacations. The adoption of a procedure whereby representatives of the employees and of the carriers shared a joint responsibility in assigning vacation dates necessarily gave to the representatives of the employees the right to a voice in determining whether or not in given instances the desires and the preferences of the employees in seniority order as to vacation dates were consistent with requirements of service. However, it appears that when the employees attempted to exercise a voice in determining whether or not the granting of certain vacations would interfere with requirements of service, some of the carriers took the position that the employees were attempting to interfere with managerial rights.

2. The record shows that in some instances the carriers prepared vacation lists without consulting with local committees of the employees. In some instances they refused to grant some employees a vacation, and in other instances they fixed vacation dates with no apparent relationship to seniority order but justified their action on the basis of what the management considered was “consistent with requirements of service.” The spokesman for the employees, beginning on page 268 of the transcript, referred to the problem as follows:

“Our discussions of those words (requirements of service) in relationship to the vacation agreement have indicated that the issue is in fact whether under these words the management is given the right solely and arbitrarily to determine (a) whether vacations shall be taken or denied, (b) whether the vacation date preferable to the employees in their seniority order shall be granted if consistent with service requirements or whether the carrier shall be the sole judge and give little or no consideration to the preferences or desires of the employees.

“The assigning dates for vacations to employees on a goodly number of railroads has been made up by the railroad officials without any consultation at all with the employees’ representatives and sent out to the general chairmen of the organizations. Sure, they could be heard and they were heard, because they wrote letters, and they discussed them. The answer in many instances was that the requirements of the service would not permit giving any other dates than those listed, that the vacation system did not require the furnishing of vacation relief workers, that the vacation relief workers, therefore, were not being furnished and would not be furnished.
“Certain of the men were being denied their vacations and being paid in lieu thereof, so far as there is anything said by the management, because they say the requirements of the service demand that treatment.

“That is the type of arbitrary, ex parte consideration and action that I am talking about. They are moving apparently on the theory that they have got a sole and absolute right to determine what preference shall be given to the employees’ desires as to the seniority order, as to vacation dates, and whether or not the requirements of the service will or will not permit the granting of a vacation and do or do not require the pay in lieu thereof.”

(3) Whenever the carriers failed to fix vacation dates in consultation with representatives of the employees, they violated the terms of Article 4 of the agreement, because it is clear that the language of the article, when read in its entirety, gave to the employees a voice in assigning vacation dates.

As pointed out by the spokesman for the employees, on page 275 of the transcript:

“The language of the paragraph does not require that vacation dates shall be fixed solely as desired or as requested or as preferred by the employees in seniority order. It does provide that due regard in this matter shall be given to the desires and preferences of the employees in their seniority order. The due regard here provided for is not solely, wholly and only a managerial prerogative. It is required that the duly authorized representative of the labor organizations involved shall be consulted, shall receive the cooperation of management and shall cooperate with management in assigning vacation desires and preferences of the employees in seniority order as to vacation dates will be recognized.”

(4) If in a given case the representatives of the carrier and of the employees are unable to reach an agreement in the assigning of vacation dates under Article 4 (a), the resulting grievance would have to be handled through the grievance machinery established under Article 14. Obviously, in finally determining that grievance it would be necessary to pass judgment upon whether or not the action taken by the carrier was “consistent with requirements of service,” in accordance with the meaning of that clause as it appears in Article 4 (a).

(5) It is the opinion of the referee that the interpretation which the carriers seek to place upon the clause “consistent with requirements of service” is a too narrow one. It does not appear from the language of the first paragraph of Article 4 (a) that it was the intention of the parties that the carriers could disregard the desires and preferences of the employees in fixing vacation dates or could deny a vacation altogether just because the granting of a vacation at a particular time might increase operating costs or create problems of efficient operation and maintenance. Obviously, the putting into effect of the vacation plan is bound to increase the problems of management, but, as the employees point out, the carriers cannot be allowed to defeat the purpose of the vacation plan or deny the benefits of it to the employees by a narrow interpretation of the clause “consistent with requirements of service.”

It is the opinion of the referee that it was not intended by the parties that the desires and preferences of the employees in seniority order should be ignored in fixing vacation dates unless the service of the carrier would thereby be interfered with to an unreasonable degree. To put it another way, the carrier should oblige the employee in fixing vacation dates in accordance with his desires or preferences, unless by so doing there would result a serious impairment in the efficiency of operations which could not be avoided by the employment of a relief worker at that particular time or by the making of some other reasonable adjustment. The mere fact that the granting of a vacation to a given employee at a particular time may cause some inconvenience or annoyance to the management, or increased costs, or necessitate some reorganization of operations,
provides no justification for the carriers refusing to grant the vacation under the terms of Article 4 of the agreement.

As both parties point out in the record, it is impossible for a referee to lay down a blanket interpretation of the clause “consistent with the requirements of service” which can be applied on a rule-of-thumb basis. However, this referee is satisfied that when the parties adopted Article 4 they did not intend that vacation dates should be fixed in an arbitrary manner by the carriers. Rather, they intended that vacation dates should be fixed by joint action of the representatives of the employees and of the carriers. Hence, the referee rules that the parties should proceed to administer the vacation plan in accordance with the principles that he has set forth in his foregoing observations on this question.

Before leaving the question, he desires to caution the employees to remember that Article 4 as well as other articles of the vacation agreement did not give them the right to have their vacation dates fixed for the most part in the summer months. The request of the employees to have the vacation period run from April 1 to September 30 was turned down by the President’s Emergency Board in this language:

“The period during which vacations may be taken shall be from January 1 to December 31 each year. Due regard consistent with efficient operations shall be given to the desires and preferences of employees when fixing the dates for their vacations.”

In accordance with the recommendation of the Emergency Board the parties themselves agreed in Article 4 of the vacation agreement that the vacation period should be from January 1 to December 31 of each year. It is the opinion of the referee that much less difficulty would arise under Article 4 of the agreement if the employees would be more reasonable in agreeing to scheduling a portion of the vacations during the winter months. Possibly some pro rata formula applied on a twelve months’ basis could be worked out. In any event the carriers are not obligated to grant an unreasonable portion of vacations during the summer months.

In connection with their position on the first question raised under Article 4, the carriers asked the referee to rule on the following illustration:

“A seniority district is 1,700 miles long. The units of territory in which each employee works are 15 to 25 miles long. Thus, in the 1,700 mile stretch of territory there are probably 75 or more positions. The senior man works at one extreme end of the territory; the next senior man works at the other extreme end; the third senior man works next to the senior man. The three senior employees desire to take their vacations in consecutive order. This might necessitate relief workers traveling 1,700 miles from the territory of the first worker to the territory of the second worker, and back almost 1,700 miles to the territory of the third worker. The carriers maintain that in such circumstances they are not required to give vacations in seniority order.”

The referee is inclined to agree with the position taken by the employees on this particular illustration; namely, that it is a very extreme illustration and one which presents exceptional circumstances. Nevertheless, it is the view of the referee that if such a situation should arise, the carrier should not be expected to give vacations in seniority order. Article 4 does not require that vacations must under all circumstances be given in seniority order. It requires only that due regard should be given to the desires and preferences of the employees in seniority order when fixing dates for their vacations.

It is to be expected that if such a set of facts as those contained in the illustration should be presented to a representative of the employees, there would be little difficulty in working out an arrangement which would avoid the inefficiencies resulting from granting vacations in seniority order under such circumstances.
The referee notes that the spokesman for the employees, on page 277 of the transcript, expresses a similar point of view in the following language:

“The organizations have not and do not contend that the senior men on a seniority district can designate only one choice for a vacation date and that this date must be accorded to them. In actual practice on a very large number of railroads, the men are designated three or more, sometimes six and twelve, alternate choices and the local committee and local management are making up vacation schedules, taking into consideration the expressed preferences of the man, as thus indicated, the practicable problems in respect to providing relief and other pertinent facts related to the requirements of the service. This is the sensible and fair method of applying the provisions of the vacation agreement.”

Question No. 2: Meaning and intent of the second paragraph of Article 4 (a).
The parties notified the referee that they had reached an agreement on this dispute, thus making it unnecessary for him to rule on it specifically. However, the referee could not ignore the language of the second paragraph of Article 4 (a) when interpreting other parts of the article.

Question No. 3: Meaning and intent of the first paragraph of Article 4 (b).

Carriers’ Contention:
It is the contention of the carrier:

“... That they have the right to give vacations at the same time to all or any number of employees in any plant, operation or facility who are entitled to vacations, upon the notice prescribed in the article.

“The carriers interpret the meaning and intent of the words, ‘all or any number of employees in any plant, operation, or facility’ to mean any number of employees in a plant, operation, or facility such as a shop, section, bridge gang, office, station, etc., or a department thereof.”

Labor’s Contention:
The labor organizations contend that:

“Article 4 (b) does not permit management to ignore the desires and preferences of employees, and to require all employees on an entire system, or of an entire department, or an entire group, to take vacations at the same time. The language is restricted to a plant, operation or facility, and does not extend to an entire system, department or group.

“This paragraph was discussed during negotiations primarily in the light of requirements encountered in railroad shops where the work of a group of employees of the same and of related crafts or classes is coordinated and interdependent. Where this interdependent plant activity, and this coordinated operation exists, to the extent that the absence of some of the workers occasioned by taking of vacations in seniority preference order would impair or prevent the proper functioning of the plant, operation or facility, then it was intended that Article 4 (b) may be utilized. The language of the paragraph specifically refers to all or ‘any number of’ employees in a plant, operation or facility, and thus was clearly intended to apply to instances of interdependent and coordinated operations such as are to be found in all, or portions of a given plant, operation or facility.

“Article 4 (b) supplements and qualifies Article 4 (a) in instances where coordinated and interdependent functions are essential to service requirements, but it does not wipe out the rights accorded in Article 4 (a) to other employees who can be allowed vacations on an individual seniority preference basis.

“Where vacations are necessarily granted under Article 4 (b) the desires and preferences of employees in their seniority order must still be recognized as the
fundamental basis for fixing and assigning vacation dates to the full extent that service requirements will permit.”

Referee’s Decision:

It is the decision of the referee that the first paragraph of Section (b) of Article 4 does not give to the management the unqualified right to require all or any number of employees in any plant, operation, or facility to take vacations at the same time. The paragraph must be read in light of the over-all purpose of the entire Article 4, of which it is a part.

After studying the conflicting arguments of the parties as to the meaning of the paragraph and the intention of the parties insofar as the conferring of rights is concerned, the referee has come to the conclusion that it was not the intention of the parties that Section (b) of Article 4 should supersede or nullify Section (a) of Article 4. Rather, Section (b) of Article 4 must be read in light of the general purpose of the vacation agreement; namely, that individual employees who qualify should receive vacations and they should receive them, whenever possible, subject to the requirements of the service, in accordance with their desires and preferences granted in seniority order. To that end, the parties provided in Section (a) of Article 4 for joint machinery to effectuate the granting of vacations on a cooperative basis.

In Section (b) of Article 4 the parties recognized that there are instances in which, in the interests of efficiency, economy, and sound operation practices, group vacations should be granted. However, it would violate one of the obvious purposes of Article 4, when read in its entirety, to hold that the carriers must cooperate with the representatives of the employees when fixing vacation dates for individual employees, but that they can act independently when granting group vacations.

It is the referee’s view on this question that under Article 4 representatives of the carriers and of the employees are bound to work out together on a cooperative basis joint plans for the granting of vacations to individuals and to groups. The primary thing that the first paragraph of Section (b) of Article 4 does is to make the granting of group vacations permissible under the agreement, when the granting of such group vacations would be in the interests of the requirements of service. It places the labor organizations in a position in which they cannot object to the granting of group vacations when it can be shown that such vacations are justifiable in the interests of the requirements of service.

Further, when the first paragraph of Section (b) of Article 4 is read in connection with the second paragraph of the section, it becomes clear that there is placed upon the shoulders of the labor organizations the responsibility and duty of cooperating with management in arranging their group vacations. However, the paragraph does not vest arbitrary power in management to grant group vacations as and when it pleases, irrespective of the desires and interests of the employees.

It is true that there is plenty of room for doubt and conflicting opinions as to the meaning of the first paragraph of Section (b) of Article 4, but when it is read in connection with the entire article and in light of the complete record made by the parties on the issue involved, this referee is satisfied that his ruling is a fair and reasonable interpretation of the purposes which the parties had in mind when they agreed upon the language last December. He is convinced that his interpretation gives unity of meaning to the article and will remove one of the principal sources of friction which has developed between the parties in administering the vacation agreement.

The referee feels that a statement of the spokesman of the employees, appearing on page 383 of the transcript, expresses quite well the view which should prevail in interpreting and applying the paragraph:
We say the paragraph should be read as though it were written ‘where the demands of the service and the desires and preferences of the employees in seniority order in fixing vacation dates and taking vacations in spite of proper planning impair or prevent the proper functioning of a particular plant, operation or facility, then and to that extent Article 4 (b) should be utilized to supplement and to qualify 4 (a).’

We say that even where group vacations are given under 4 (b) that so far as the service requirements will permit the desires and preferences in seniority order of the employees who are to take their vacations in a group should be given due regard.

We say the primary obligation under the vacation agreement is to give vacations under 4 (a), therefore, planning with that purpose in mind is required."

The following illustration was submitted by the carriers for a ruling by the referee:

“A bridge gang is assigned to take vacation from July 6th to 11th inclusive, all employees being relieved. It is the carriers’ position that this is permissible under Article 4 (b).”

In light of the referee’s foregoing interpretation of the first paragraph of Section (b) of Article 4, it is clear that if the requirements of the service make it desirable, a bridge gang — or, for that matter, shop gangs, section gangs, or any other group of employees in any plant, operation, or facility — could be granted their vacations at one and the same time. However, such an arrangement should be worked out in cooperation and consultation with representatives of the employees in accordance with the intent of Article 4 when read in its entirety. When making arrangements for group vacations, the desires and preferences of the group as a whole should be given due regard, subject, of course, to the best interests of the service. Here again, no rule of thumb can be applied in solving such problems as the parties present by this question. The multitude of conflicting factors which are inherent in such problems will make the administering of a vacation plan break down unless the two parties to it cooperate in a spirit of “give and take” and cast aside demands based upon technicalities and suspicious motives.

The parties should never forget that the primary purpose of the vacation agreement was to provide vacations to those employees who qualified under the vacation plan set up by the agreement. Any attempt on the part of either the carriers or the labor organizations to gain collateral advantages out of the agreement is in violation of the spirit and intent of the agreement.

It must be recognized by the carriers that the vacation plan is bound to cost a considerable sum of money. Although they are certainly entitled to exercise all economies consistent with good and efficient management and to eliminate sources of waste in formulating their plans for administering vacations, nevertheless they cannot be permitted, in the name of economy, to adopt policies and practices which permit them to make savings at the expense of the workers who are not on vacation.

There runs through the entire record of this case evidence that the employees, rightly or wrongly, entertain the suspicion that some of the carriers, at least, seek to interpret and apply the vacation agreement in every way possible which will save money at the expense of the workers. The referee is satisfied that harmony between the parties will never prevail in administering the vacation system, no matter how many referee’s decisions the parties obtain on disputed points, as long as such a suspicion exists. It can be removed only by the parties themselves reaching an understanding based upon mutual confidence.

The referee believes that the interpretation of the first paragraph of Section (b) of Article 4, as insisted upon by the carriers, is an example of an interpretation which stirs up fears and suspicions in the minds of the employees.
On the other hand, there is certainly plenty in the record of this case which shows that the representatives of the carriers suspect the representatives of the employees of advancing technical and strained interpretations of the contract in order to seek advantages for the employees not intended when the agreement was adopted. One cannot read the record as submitted by the carriers without recognizing that the carriers suspect the employees of using the vacation agreement to gain additional financial advantages for the employees over and above the paid vacations themselves. The vacation agreement was not designed to foster a “make-work” program or provide hidden wage increases, and it is respectfully suggested that the representatives of the employees should do everything in their power to remove from the minds of the representatives of the carriers the suspicion that any such motives lie back of the employees’ proposals for administering the vacation agreement.

The referee hesitates to make such comments, but he believes that he would fail in his obligations to the parties if he did not do so, because of the fact that he is convinced that the cause of a large share of the differences which have arisen between the parties in interpreting and applying the vacation agreement grows out of their suspicions of the motives of each other. Then, too, such feelings between the parties are important factors which the referee cannot ignore in rendering his decisions of interpretation because of their bearing upon the surrounding facts and circumstances in the dispute.

As he has endeavored to make clear elsewhere in this decision the language of the agreement of December 17, 1941, is for the most part language proposed by the parties themselves. Much of it is not susceptible of an interpretation which will leave no room for doubt as to what the parties intended and meant. Much of it is ambiguous, and understandably so, when one takes into account the pressure under which the parties labored when they drafted it and, what is more important still, the fact that the parties were initiating a complicated vacation system to be imposed upon a very complex industry. However, this referee has always been impressed, and still is, with the good faith of the parties and with their basic mutual respect for each other. He is satisfied that such differences as have developed between them over vacations are quite superficial, and, to the extent that they may exist after this award, they should be ironed out in negotiations between the parties conducted upon a “give-and-take” basis.

**Question No. 4: Meaning and intent of the second paragraph of Article 4 (b).**

**Carriers’ Contention:**

The carriers interpret this article:

“. . . to mean that, in the event employees in a plant, operation, or facility, who are not entitled to a vacation, cannot be efficiently utilized despite cooperative effort, they may be furloughed in accordance with the provisions of the rules of the applicable schedule on a particular carrier.”

**Labor’s Contention:**

On the other hand, labor contends:

“The language of this paragraph is a mandate to both parties to cooperate in assigning any remaining forces in those instances where all or any number of employees in any plant, operation or facility, who are entitled to vacations, are given vacations at the same time. The words ‘remaining forces’ do not refer exclusively to those employees who have not qualified for vacations, but also may include others. The parties are obligated to cooperate to see that those remaining forces are assigned to work and to avoid creating a condition which will make it impossible for the employees not included in the group vacation to continue at work. The purpose is to protect the remaining forces while other employees are on group vacations. This principle is also supported by the provisions of Article 10 (c), which read:
‘No employee shall be paid less than his normal compensation for the hours of his own assignment because of vacations to other employees.’

There is nothing in the second paragraph of Article 4 (b) that permits the remaining forces to be laid off. The respective rules agreements provide how, when necessary, expenses may be reduced, or how forces may be reduced, or increased, or restored, and the rules of such agreements relating to such matters and the established application thereof, are not in any way changed or modified.”

**Referee’s Decision:**

It is the opinion of the referee that the carriers’ interpretation of the second paragraph of Section (b) of Article 4, if applied as the general rule or practice, would defeat the purpose of the paragraph and the intent of the parties as expressed in Article 4. The referee is unable to find as broad a meaning in the second paragraph of Section (b) as the carriers would give to it. When the paragraph is read in its relation to the entire article, its most reasonable meaning would seem to be that the parties agreed that representatives of the employees and of the carriers would cooperate, in those instances in which group vacations were granted, in assigning to other jobs those employees of a group who were not entitled to a vacation along with the rest of the group. It does not follow that under group vacation situations no employee can be furloughed.

However, the paragraph in question leaves no room for doubt about the fact that the parties agreed that they should cooperate in working out arrangements for the assigning of the remaining men of a group to other jobs during that period of time when most of the members of a group are away on vacation. If it were contemplated that the policy under group vacation situations should be to furlough the members of the group who are not entitled to a vacation, the parties should have said so. However, they did not say so, but rather they did say that they would cooperate “in the assignment of remaining forces.” The referee objects to the broad interpretation of the language of the paragraph as advanced by the carriers because, in a sense, it would sanction a practice of discriminating against those employee members of a group who are not entitled to a vacation. It would amount, in one way, to paying for at least part of the cost of the vacations granted to those employees in a group by furloughing the members of the group not entitled to vacations and thereby saving their wages.

Of course, it cannot be denied that if the services of such employees are not needed and cannot be used elsewhere, the carriers have the right to dispense with such services in accordance with the rules agreement on furloughs. However, it is the opinion of the referee that when the parties agreed upon the language of the second paragraph of Section (b) of Article 4, they recognized that it would not be fair, as a regular practice when granting group vacations, to furlough those employees in the group who were not entitled to a vacation at that time. It is to be assumed that the parties realized that such a practice would be detrimental to labor morale and would be considered by the employees as grossly unfair. The referee believes that the parties agreed to cooperate in assigning such employees to other jobs in order to avoid the ill-feeling which would be bound to result from a policy of furloughing the men. As pointed out by the spokesman for the employees, the problem of taking care of remaining forces in group vacation situations could be solved in a large measure by long-time planning on a cooperative basis between representatives of the carriers and employees.

A statement, beginning on page 403 of the transcript, made by the spokesman for the employees bearing upon the negotiations which led up to the adoption of the language of Section (b) of Article 4, sheds some light upon the problem of what the parties intended by the language:

“...In the carriers’ first draft proposal after the reports of the Emergency Board of November and December 5, 1941, after dealing with group vacations they said,
‘...and may lay off without pay other employees who are not entitled to vacation during such time . . . local representatives shall cooperate in adjusting forces to the end there may be as little disturbance as possible.’

“We refused to agree to any words which even inferred that the employees not entitled to a vacation could be laid off.

“The last carriers’ proposal before agreement was reached on the language now in the agreement was:

“The local committee of each organization signatory hereto and the proper representative of the carrier will, if necessary under these conditions, (giving group vacations) adjust the remaining force.”

“Compare the above, their last proposal, with the agreed-to rule:

‘The local committee of each organization affected signatory hereto and the proper representative of the carrier will cooperate in the assignment of the remaining force.’

“There is no ‘if’ necessary under these conditions. It is a positive statement that they will cooperate. There is no adjustment of the remaining forces, which means furloughing.

“We want to call attention to the fact that in the last proposal of the carriers there are the words ‘if necessary under these conditions,’ referring to a group vacation.

“There are no such words in the rule that was agreed to, but the words are positive, that is, that they will cooperate.

“Now, the words . . . ‘adjust the remaining force’ . . . undoubtedly mean and were intended to mean that forces would be laid off, whereas in the rule agreed to the words are ‘assignment of the remaining force.’ No inference at all that the men will be laid off, but work will be cooperatively found that they can do and they will be given that work to do.

“We have always, all through these negotiations, refused to accept any proposed rule of the management that gave them the right to furlough the remaining forces.

“There are two other matters to be considered in interpreting this sentence.

“The first paragraph of Article 4 (b) does not require that all employees in a plant, operation or facility, shall take their vacation at the same time because it contains the words, ‘all or any number.’

“Thus it is clear that with proper planning, it ought to be, and in almost every instance it will be possible by giving part of the employees in a plant, operation or facility, where 4 (b) can properly be utilized, their vacation at one time and another part at another time, and thus obviate any difficulties or at least minimize the difficulties and permit them by cooperation to easily be overcome so that the remaining forces can be assigned to work and can work and not be compelled to lose employment and compensation because other employees are getting their vacations while they are not.”

The referee agrees with the employees that the language of the second paragraph of Section (b) of Article 4 places a very definite obligation upon the carriers to work out with representatives of the employees a program of assigning men to other jobs when most of their fellow workers in a group are granted a group vacation. If it becomes absolutely necessary to furlough an employee while his fellow workers are on vacation because there is no place where his service can be utilized, then such furlough should issue under the existing rules agreements and not under Section (b) of Article 4.
D. Referee’s Answers to Questions Raised Under Article 5 of the Vacation Agreement

Article 5 of the vacation agreement reads as follows:

“5. Each employee who is entitled to vacation shall take same at the time assigned, and, while it is intended that the vacation date designated will be adhered to so far as practicable, the management shall have the right to defer same provided the employee so affected is given as much advance notice as possible; not less than ten (10) days’ notice shall be given except when emergency conditions prevent. If it becomes necessary to advance the designated date, at least thirty (30) days’ notice will be given affected employee.

“If a carrier finds that it cannot release an employee for a vacation during the calendar year because of the requirements of the service, then such employee shall be paid in lieu of the vacation the allowance hereinafter provided.”

Question No. 1: Meaning and intent of the first paragraph of Article 5 respecting adherence to vacation dates which have been assigned.

Carriers’ Contention:

It is the position of the carriers that this paragraph should be interpreted to mean:

“. . . that the carrier shall adhere to the vacation dates as far as practical, but has the right to defer the same by giving the notice provided for in the paragraph.”

Labor’s Contention:

The position taken by the labor organizations is to the effect that:

“When the vacation date has been assigned it may not be changed by management, either by deferment or advancement, except in cases of real necessity growing out of actual service requirements and demands. Trivial reasons, or matters of managerial preference or convenience are not sufficient grounds for changing an assigned vacation date, as it would be ‘practicable’ to adhere to the vacation date that has been assigned.

“The provisions permitting deferment or advancement in assigned vacation dates are not to be interpreted or applied, because of managerial preference or convenience, so as to nullify or to be inconsistent with the provisions of Article 4, which permits employees seniority preference in the choice of vacation dates. The nearer the time approaches for an employee to commence his vacation, the more important it becomes to him that the date not be changed, and unless at least a ten day notice of necessary change has been given an employee, the date cannot be deferred except when emergency conditions prevent the giving of such notice. The emergency conditions referred to must be real emergencies; such as wrecks, fires, floods or other conditions that cannot be anticipated and avoided by reasonable planning or adjusting. In like manner, once a vacation date has been designated, it cannot be advanced under any circumstances, except by at least thirty days notice to the affected employee.”

Referee’s Decision:

It is the opinion of the referee that no disagreement of substance exists in fact between the parties as to the meaning and intent of the first paragraph of Article 5. The language of the paragraph gives to the management the right to defer vacations. As pointed out in the contentions of the employees, the language does not mean that management can defer vacations on the basis of trivial or inconsequential reasons. What the language of the paragraph does do is lay down a statement of policy that when a vacation schedule is agreed to and the employees have received notice of the same and have made their vacation plans accordingly, the schedule shall be adhered to unless the management, for good and sufficient reason, finds it necessary to defer some
of the scheduled vacations. When such a situation arises, the management is obligated to give the employee as much advance notice as possible and in any event, not less than ten days’ notice, except in case of an emergency. In case it becomes necessary to advance the scheduled vacation date, then the employee is entitled to a thirty days’ notice under the language.

Article 5 must be read in connection with Article 4. As this referee pointed out in his discussion of Article 4, the parties have agreed upon a plan of cooperating in the assignment of vacation dates through the action of local employee committees and representatives of the carriers. However, it must be obvious to all concerned that even under such a cooperative plan, someone must take final action on individual problems. The parties undoubtedly recognized that when they provided in Article 5 that the management should have the right to defer the vacation of an employee when that becomes necessary in the interests of the service. However, it does not follow that the language of Article 5 permits the management to exercise arbitrary and capricious judgment in deferring the vacation of an employee. If a management should follow such a course, then it is the opinion of the referee that the employees would have the right to make the matter a subject of grievance.

The referee agrees with the statement of counsel for the carriers, as set forth on page 410 of the transcript. As counsel says, the problem raises a question of good faith. There is no substitute for good faith. A management would not act in good faith towards its employees if it gave notice of a vacation schedule, permitted the employees and their families to make vacation plans accordingly, and then, for no good or substantial reason, arbitrarily deferred the vacations of some of the employees. Such a practice would not promote good labor relations. The important point for the parties to keep in mind is that the primary and controlling meaning of the first paragraph of Article 5 is that employees shall take their vacations as scheduled and that vacations shall not be deferred or advanced by management except for good and sufficient reason, growing out of essential service requirements and demands.

It is to be implied from the language, when read in connection with Article 4, that any management which acts in bad faith as far as deferring or advancing vacations is concerned, once they are scheduled, should answer to the grievance machinery just as in the case of any other bad-faith conduct which violates legitimate interests of the employees.

It is the view of the referee that his ruling on this question does not restrict unreasonably rights of management. Naturally no claim against the management would be sustained in a given instance if it acted reasonably and in good faith, and if it so acted it should have no fear of any complaint which might be filed against it under Article 5.

**Question No. 2:** Does a carrier have the option of either granting a vacation with pay to an employee or keeping him at work and paying him in lieu thereof?

**Carriers’ Contention:**
The position taken by the carriers on this question is that:

“. . . the carrier has this right depending upon the requirements of the service.”

**Labor’s Contention:**
The labor organizations, on the other hand, contend that:

“The answer to this question is, ‘No.’ The management is not permitted to exercise any such option. The second paragraph of Article 5, specifically provides the only condition under which an employee may not be released for a vacation and paid in lieu thereof.

“This condition is where an employee cannot be released because of the requirements of the service. The purpose of the vacation agreement is to grant
employees vacations with pay — not deny them vacations, keep them at work and pay them in lieu of vacations.

“The employee is obligated to take his vacation at the properly designated time. The management is obligated to release an employee for a vacation, and nothing short of real service requirements must be permitted to interfere. A carrier does not have the right to decline to release an employee for vacation because some additional payroll cost will accrue, or because of some preference or convenience to the carrier, or because some re-arrangement or adjustment of work will be necessitated.”

Referee’s Decision:

It is the view of the referee that when the language of the second paragraph of Article 5 is read in light of the primary purpose of the vacation agreement; namely, that all employees who can qualify should receive a vacation, the conclusion is inescapable that carriers do not possess the unrestricted right or option to keep an employee at work and grant him extra pay in lieu of a vacation. Here, again, the solution of the problem rests upon the exercise of good faith. As the spokesman for the employees points out, on page 425 of the transcript, the President’s Emergency Board, in its report of November 5, 1941, rejected the notion that vacations should be denied in the railroad industry because of “great pressure upon the railroads to maintain constant, rapid, and efficient service.” In its report the Emergency Board stated:

“Thus they urge that to accomplish this end it is necessary that there should be no disturbance in the continuity of railway operations. Further, they maintain that the probable dislocations and many adjustments that the adoption of a vacation plan would involve precludes its consideration under present emergency conditions. The Board has considered these arguments and although it appreciates the fact that the emergency has increased the responsibility and the strain upon the railroads of the country, it recognizes, too, that the pressure of the emergency and the more continuous operation of the railroads at near or full capacity has placed greater responsibilities and strain upon the workers in the industry. If a vacation plan is inherently sound under more normal conditions, it is equally sound under emergency conditions that increase the strain upon the physical and mental powers of the employees....

“It is admitted that the adoption of a vacation plan may cause dislocations and make necessary numerous adjustments which may be somewhat more difficult to overcome under the present emergency conditions. Despite this, it is the opinion of the Board that these difficulties are not insurmountable even under present conditions....”

This referee wrote the above-quoted language into the report of the Emergency Board, and he believed then, as he believes now, that all employees who qualify for a vacation should receive a vacation, except in those extraordinary instances in which the granting of a vacation to a given employee would seriously interfere with the requirements of service.

It is impossible to lay down in advance of considering a given set of facts any blanket rule which will determine for a certainty the circumstances which entitle the carrier to grant an employee extra pay in lieu of a vacation. However, one thing is certain and that is that a carrier cannot justify insisting that an employee accept extra pay in lieu of a vacation just because the taking of the vacation would cost the carrier a sum greater than an extra six, nine, or twelve days’ pay. It was not the intention of the Emergency Board or this referee, when vacations were granted to the employees, to make the granting of vacations dependent upon the financial convenience of the carriers. It was recognized that the granting of vacations would cost a considerable sum, and that factor
was taken into consideration when the length of vacations which should be granted was determined.

Likewise, the fact that granting a particular employee a vacation may be very inconvenient to the operation of an office and may require a considerable amount of re-arranging of the work of the office, does not justify refusing the vacation and granting extra pay in lieu thereof. There are undoubtedly some instances in which a given employee is the only person available and qualified to do certain work for a carrier, the performance of which cannot be interrupted by a vacation. Under such extraordinary circumstances the carrier would be justified in granting the employee extra pay in lieu of a vacation. It is conceivable that under war conditions there may be such a scarcity of employees in a certain job classification, performing work so vital to the requirements of service, that to interrupt it by the granting of vacations would seriously interfere with the war effort. There can be no doubt about the fact that under such circumstances the carriers have the right to grant extra pay in lieu of vacations. However, the referee is satisfied that the parties realize that such instances are bound to be few and far between in this industry and that as a general practice each employee is to be entitled to actually take his vacation with pay.

If the second paragraph of Article 5 is applied in a manner consonant with the foregoing mentioned general practice, it is difficult to see how any problem of interpretation of the article can arise.

E. Referee’s Answers to Questions
Raised Under Article 6 of the Vacation Agreement

Article 6 of the vacation agreement reads as follows:

“"The carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers. Where a vacation relief worker is not needed in a given instance and if failure to provide a vacation relief worker does not burden those employees remaining on the job, or burden the employee after his return from vacation, the carrier shall not be required to provide such relief worker.""

Question No. 1: Meaning and intent of the first sentence of Article 6 reading, “The carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers.”

Carriers’ Contention:

It is the contention of the carriers that this sentence should be interpreted to mean:

“. . . that a vacation relief worker (not necessarily an assigned vacation relief employee) will be provided by the carrier when such provision does not result in the utilization of workers not required by the needs of the service. Further, that the language 'but the vacation system shall not be used as a device to make unnecessary jobs for other workers' relates to the system as a whole and covers all situations which arise in connection with or grow out of the application of the Vacation Agreement, and that the test laid down in the rule would apply, not only to the position of the vacationing employee, but likewise to any positions the occupants of which are transferred in connection with changes brought about because of vacation."

Labor’s Contention:

On the other hand, the labor organizations contend that:

“"The first part of this sentence contains a clear requirement that 'the carriers will provide vacation relief workers.' This requirement is qualified by the remainder of this sentence and by the second sentence of the article. However, these qualifications do not nullify the requirement to provide vacation relief workers, but
after vacation relief workers have been provided, it is the number of them and their use which are qualified.

"The last four words 'jobs for other workers' refer to workers other than the 'vacation relief workers' specified in the first sentence. The sentence does not read: " * * * shall not be used as a device to make unnecessary jobs for "relief" workers,' nor does it read: " * * * make unnecessary jobs," but it does read: " * * * make unnecessary jobs for other workers."

"Therefore, these four words do not refer to 'vacation relief workers."

"Elsewhere in the Vacation Agreement (Article 12 (b) ) it is provided that the positions of employees absent on vacations will not constitute 'vacancies' under any existing rules agreement, consequently carriers are not required to bulletin such positions for the purpose of filling same from employees making application therefore. However, under the second sentence of the article when the position of a vacationing employee is to be filled and a regular relief employee is not utilized for that purpose, then effort must be made to observe the 'principle of seniority' as 'seniority' is defined and required to be observed in existing rules agreements. Under such circumstances if an employee holding a regular position is utilized to fill the position of a vacationing employee, the filling of the position made vacant by the utilization of such employee is governed by the provisions of existing rules agreements or recognized practices thereunder; nothing in this article or Vacation Agreement permits the 'blanking' of such position."

Referee's Decision:
The dispute which has arisen between the parties as to the meaning of Article 6 stems directly from another difference between them; namely, one over the relationship and applicability of existing working rules to the vacation agreement. Therefore, the referee wishes to discuss briefly the relationship between existing working rules and the vacation agreement before he rules specifically upon the disputed questions which the parties have raised under Article 6.

The record shows that Article 6 of the vacation agreement is based upon recommendation No. 5 on vacations, as set forth on page 61 of the November 5, 1941, report of the President’s Emergency Board. The recommendation reads:

"That the carriers should hire vacation relief workers and that a vacation system should not be used as a device to make unnecessary jobs for other workers. If a vacation relief worker is not needed in a given instance, and if failure to hire a vacation relief worker does not burden those employees remaining on the job, or burden the employee after his return from his vacation, the carrier should not be expected to replace every employee on vacation with a relief worker."

In discussing this recommendation in the body of the report, the Board stated on page 58:

"The carriers, in addition to their argument that the present time is not appropriate for the institution of a vacation plan, contended that the employees' proposal is so unreasonable, unworkable, and burdensome as not to furnish a proper basis for a vacation plan even in normal times. The provisions of the request, they argue, make the giving of vacations unnecessarily expensive. Moreover, the insistence of the employees that all existing working rules and conditions shall apply to the giving of vacations would interfere with an economic and efficient operation of the railroads.

"The Board is of the opinion that the views of the carriers on these points have merit and the recommendations of the Board give cognizance to them. With particular reference to the rules, as they may apply to the operation of a vacation plan, the Board believes that necessary adjustments need to be made. It should
be recognized by all concerned that the present rules were developed for the industry at a time when the parties did not contemplate arranging for vacations with pay. It would appear that some of the existing rules if strictly applied to the vacation problem would result in excessive vacation costs to the carriers. It is possible that some of the rules would work other types of hardships upon both carriers and employees and hence that they should be adjusted to meet the vacation situation. These adjustments in the rules, because of their technical nature, cannot be determined to the best advantage by this Board; they must of necessity be decided upon by the parties involved. It is the opinion of the Board that any changes in the working rules as they apply to vacations should be the subject of negotiations between the proper officials of the carriers and the employee organizations. It is, furthermore, the view of the Board that the rules should be disturbed as little as is necessary to permit the operation of a vacation plan on a reasonable and workable basis. Negotiation should be entered into immediately and any necessary changes in rules should be agreed upon by January 1, 1942.”

Thus it is seen that it was not the intention of the Emergency Board that the vacation plan should be administered independently of existing working rules, but rather, that in those instances in which existing working rules, if strictly applied, would produce unjust results, they should be modified through the process of collective-bargaining negotiations conducted between the parties.

At the mediation sessions which led to the so-called “Washington Settlement of December 1, 1941,” this referee held many conversations with representatives of the employees and of the carriers, and as a result of those conversations, he knows it to be a fact that the parties reached the Washington settlement with the understanding that the vacation plan was to be subject to the rules agreements but that the parties would negotiate adjustments of any working rules in any existing agreements which in their application would produce results contrary to the purpose of the vacation plan.

When the parties returned to Chicago and proceeded with their negotiations on vacations, which negotiations culminated in the vacation agreement of December 17, 1941, they well understood that existing rules agreements were applicable to the vacation plan unless modified in negotiations between them. In fact, when they came to write their proposals for a vacation contract, they agreed that Article 13 thereto should contain the following language:

“The parties hereto having in mind conditions which exist or may arise on individual carriers in making provisions for vacations with pay agree that the duly authorized representatives of the employees, who are parties to one agreement, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this agreement, provided that such changes or understandings shall not be inconsistent with this agreement.”

Thus the vacation agreement itself as adopted on December 17, 1941, shows that the parties recognized that existing rules agreements on the various railroad properties are applicable to the vacation agreement but that they may be changed in negotiations between duly authorized representatives of the parties.

At the hearing on August 1, 1942, as shown by the record, a lengthy discussion took place in regard to the way that various working rules in existing rules agreements might affect the administration of the vacation plan if the employees should insist upon a strict enforcement of them. The record shows that all parties concerned in the hearing recognized that existing rules agreements must be taken into account in interpreting and applying the vacation agreement, although there was a marked difference of opinion
between the parties as to just how some of the rules should be applied to the vacation agreement.

At several points in the transcript, chiefly on pages 524 and 536, the referee reminded the parties that it was understood by them at the time of their December, 1941, negotiations on vacations “that the working rules would remain in force and that it was not contemplated that they would remain in force either to make work unnecessarily or in order to raise technicalities,” which would work injustice and defeat the purpose of the vacation agreement. It is the duty of the referee to interpret and apply the vacation agreement in accordance with the meaning of its language, and if that results in a conflict with some working rule about which the referee was uninformed, then it is up to the parties to adjust the matter through the machinery for negotiations as provided for in Sections 13 and 14 of the agreement. However, the referee has no power to force the parties to make such adjustments in their rules, no matter how fair and reasonable such adjustments would be.

The referee has presented the foregoing review of the discussions and understandings as to the applicability of existing working rules agreements to the vacation contracts, because he considers those understandings of basic importance when it comes to interpreting the vacation agreement, particularly Article 6 thereof. Turning now to the dispute between the parties over the meaning and intent of the first sentence of Article 6, the referee wishes to make the following points:

(1) The sentence obligates the carriers to provide relief workers to perform the work of an employee while he is on vacation if his work is of such a nature that it cannot remain undone without increasing the work burden either of those employees remaining on the job or of the employee when he returns from his vacation. It does not mean that in every instance when an employee goes on a vacation the carrier must assign someone to do the work which the employee would otherwise have done had he not gone on his vacation.

The parties to the dispute made perfectly clear on pages 477 to 491 of the transcript that there are many types of jobs which can await the return of the vacationer without the need of having anyone perform any duties in connection with them while the employee is on his vacation. In the case of such jobs, the parties are agreed that no relief worker need be assigned by the carrier. Thus, on page 491 of the transcript, are to be found the following statements on this point:

“Mr. Davis (for employees): We recognize definitely that there are jobs where the men can be away on vacation and where no relief employee is necessary but, on the other hand, there are numbers of jobs where relief men are necessary to comply with the agreement.

“The Referee: Generally speaking, you point out that where it is so-called production work on the job, then no relief is necessary, but where it is a type of job where somebody else has to assume part of the burden, then you think relief is necessary.

“Mr. Davis: If it is a job that is required to be kept up currently. If it is a job that is a time proposition, it is a routine matter, that has to be done every day, somebody has to do the work.”

The representatives of the employees submitted many examples of instances in which relief workers would be unnecessary, such as the taking of a vacation by a member of a maintenance crew. It was pointed out that in the case of a crew of several men doing general rebuilding and reconditioning work, the absence from the crew of one of several men on vacation creates no burden on the remaining men, but simply means that they will accomplish less work while their fellow workmen are absent. Other examples of similar jobs in which the assignment of relief workers would be unnecessary
cited by the employees included repairmen, machinists, section men, bridge and building workers, and many types of clerical, office, station, and storehouse workers. Therefore, it is to be remembered that the language in the disputed sentence, “The carriers will provide vacation relief workers,” does not lay down any universal requirement that the position of every employee must be filled while he is on vacation.

(2) The term “vacation relief workers” is not used in a technical sense, but includes those special employees or extra employees, called “relief workers,” who, in many instances, are hired to fill the positions of employees who are absent from employment because of illness or to attend to business affairs, or to take a vacation, or for any other reason for which the company excuses them from duty. The term also includes those regular employees who may be called upon to move from their job to the vacationer’s job for that period of time during which the employee is on vacation.

(3) The language of the sentence, “but the vacation system shall not be used as a device to make unnecessary jobs for other workers,” is not subject to the interpretation that the employees place upon it. The last four words of the sentence, “jobs for other workers,” do not refer, as contended for by the labor organizations, “to workers other than the vacation relief workers” specified in the first part of the sentence. Although this part of the sentence is rather awkwardly worded, what it means is that the vacation system shall not be used as a device to make unnecessary jobs; or, in other words, the vacation system shall not be used to foster a so-called “make-work” program. It shall not be used to cause economic waste, which would be the result if the carriers were required, under the article, to hire a relief worker to fill the position of an employee on vacation if there in fact is no work to be done on the job while the employee is on vacation. Thus it is seen that the four words, “jobs for other workers,” do refer, contrary to the employees’ contention, to vacation relief workers in that the sentence, taken as a whole, means that the vacation system shall not be used to make unnecessary jobs for relief workers.

(4) It should be remembered by the parties that when the first sentence of Article 6 was written by this referee into the November 5, 1941, report of the President’s Emergency Board, and subsequently approved by the parties themselves on December 10, 1941, when they submitted their proposals for a vacation agreement, this referee was not familiar with the procedures followed in assigning relief workers or with the existing working agreements regulating the assignment of relief workers. It was understood that the parties would work out between themselves such adjustments of their rules as might be necessary in order to carry out the purpose and intent of Article 6.

As stated before, they specifically provided for negotiation procedures in Article 13 of the agreement to accomplish that very purpose. If they have not conducted such negotiations, it is a job which still lies ahead of them. It is not a matter which falls within the powers and jurisdiction of this referee. The submission agreement under which he has served as referee does not empower him to abolish or modify any existing working rules. The spokesman for the employees, on page 449 of the transcript, alleged that little progress has been made by the parties in negotiating working rules for relief workers. And on pages 536 and 537 the same spokesman expressed the view that Article 13 was placed in the vacation agreement for the purpose of negotiating adjustments of working rules to the vacation agreement. His statement is worthy of review at this point because of its bearing upon the relationship between the existing working rules agreements and the vacation agreement:

“Mr. Jewell: Mr. Referee, I do not think we have any quarrel at all with what you have said. I think you have got to have this in mind. We provided a method to deal with all those problems, and we provided it specifically in this agreement, Article 13.”
“The Referee: The information language.
“Mr. Jewell: Yes. The carriers have here and have been, as I understand their position, seeking to strike down these rules by interpretations rather than going back on the properties under Article 13 and saying, ‘This rule for this reason does not apply here,’ and working it out.
“The Referee: I will pass judgment on that point. I do not intend to abolish Rule 13 of the agreement.
“Mr. Jewell: I think you have that in mind.
“The Referee: Rule 13 of the agreement will remain standing after I get through writing my award.
“Mr. Jewell: Our statements here are on the assumption that the rules are left absolutely as they are, and they do not carry with them the statement or the assumption or the implication that the rules should or must remain as they are.
“The Referee: That is right.
“Mr. Jewell: But if they are to be changed, then the vehicle through which they may be changed and can be changed and should be changed is Article 13.
“The Referee: That is right, and especially that last part of your language,—should be changed, or I would say, must be changed.
“Mr. Jewell: All right, I will say must, for our group.
“The Referee: Must be changed.
“Mr. Jewell: Must be changed, that is right. There are certain things that must be changed, but they have got to be changed under Article 13, and we are not going to be agreeable that they should be changed by interpretation. This is my point, sir.”

(5) The carrier submitted the following illustrations in connection with the dispute over the first question in Article 6 and asked for a ruling on them:

“(a) The position of an employee entitled to twelve days vacation is filled during his absence for nine days and is blanked for three days because employment is unnecessary except for nine days. The carriers contend that it is only necessary to fill his position during the days when relief is required.”

It is the ruling of the referee that the contention of the carriers as to this illustration is sound, subject to the understanding that there was no need for the performance of any work in connection with this job during the three days that a relief worker was not employed. Or to put it another way: the carrier would not be obligated under the illustration to fill the job during the three days unless its failure to do so would place a burden, within the meaning of the second sentence of Article 6, upon those employees remaining on the job or upon the regular employee after his return from vacation.

“(b) On a signal section where there is employed a maintainer and an assistant maintainer, the maintainer goes on vacation. The carrier contends that the assistant maintainer may be moved up and paid the maintainer’s rate during his absence and the position of assistant maintainer unfilled.”

It is the opinion of the referee that under most signal maintenance jobs of the type referred to in the illustration, it would not be possible for the assistant maintainer to maintain the section without placing upon him a burden of work which would be in violation of the “burden provision” of the second sentence of Article 6. Of course, whether or not that provision is violated becomes a question of fact in each instance. The spokesmen for the employees, on pages 454 to 467 of the transcript, argued that a relief worker should be supplied under carriers’ illustration (b). The main theory of their argument is that “to have one man attempt to perform the work of two men on a signal maintenance district would obviously leave much of the work undone” and would mean that “the work that remains undone would have to be caught up when the two men are
again at work after the vacationing employee returns.” Further, they argue that the assigning of only one man to the job formerly performed by two would increase the responsibility of the one man to the point of a burden not contemplated under the rules. The referee is inclined to believe that the objections of the employees to the position of the carriers on this illustration are, for the most part, well taken. However, as indicated before, the employees agree that in any instance in which the “burden provision” in Article 6 would not be violated, a relief worker need not be employed.

“(c) A section gang is given vacation as a unit. Employees from adjoining sections are utilized to patrol the territory during their absence, doing only such work as may be necessary to keep the track in operating condition, all of this work being performed within their regular hours. Most of their time is spent upon their own section work, and inspection and work on the vacationers’ section being incidental. It is the carriers’ position that such handling is permissible under the Vacation Agreement.”

It is the opinion of the referee that the position taken by the carriers on this illustration is sound. He recognizes that there may be instances in which such an assignment of work would place an undue burden upon the section gang involved, but he doubts that such would be the ordinary result. The spokesman for the employees, on pages 467 and 468 of the transcript, insists that relief workers should be hired under the conditions of carriers’ illustration (c) on the ground that the proposal of the carriers would increase the burden of the section gang doing the work, and violate the 25 per cent distribution of work provision of Article 10 (b), and probably violate seniority rights of the men involved. If in a given case it could be shown that any such rights are violated, the relief workers would have to be supplied, at least until the particular rule violated is changed under the procedure of Article 13 or by some other procedure. However, this referee feels that under ordinary circumstances the position taken by the carriers in illustration (c) is a very reasonable one and falls within the meaning and intent of Article 6. A large share of the work of a section gang can be classified as “production work” similar to the many examples cited by the employees in regard to which they admitted that relief workers would not have to be hired.

“(d) In an office clerical employee ‘A’ goes on vacation. Clerical employee ‘B’ is moved up and paid ‘A’’s rate during such absence. Clerical employee ‘C’ is moved into ‘B’’s position and paid ‘B’’s rate. It is unnecessary that ‘C’’s position be filled. The carriers contend that it is permissible to blank ‘C’’s position.”

The referee believes that the rules agreements as they presently exist would not permit the carriers to blank C’s position. He is frank to say that he feels that an adjustment of the rules ought to be made to permit the blanking of C’s position under such circumstances, but the referee is without jurisdiction or authority to make such an adjustment in the rules for the parties. It seems to the referee that if, under the illustration, it is proper for the carriers to let A’s job go unfilled, and the employees admit that such action would be proper, then there is no really good reason for not allowing them to blank C’s job if B is moved up to A’s job and C is moved up to B’s job and C’s job does not need to be filled. The only reason advanced by the employees for their position is that existing working rules prohibit the blanking of C’s job. However, the referee can not escape the conclusion that the application of such a rule to the illustration amounts in fact to a “make-work” proposition, and is therefore contrary to the spirit and intent of Article 6 of the vacation agreement. However, in the absence of a definite adjustment, in accordance with Article 13 of the agreement, of the working rules on blanking jobs, such existing working rules would prevail in keeping with the understanding that the vacation agreement must be administered in a manner consistent with the existing working rules agreements.
**Question No. 2:** Meaning and intent of the second sentence of Article 6 and particularly the word “burden.”

**Carriers’ Contention:**

The carriers interpret the word “burden” as used in this paragraph to mean:

“. . . an overtaxing of employees, i.e., that it should be interpreted in accordance with the usual meaning of the word as applied in common usage and as found in the standard dictionary.”

**Labor’s Contention:**

It is the contention of the labor organizations that:

“In applying the second sentence of Article 6, consideration must be given to the provisions of other articles of the agreement related to the subject, particularly Article 10 (a) and (b).

“Under Articles 6 and 10:

“(1) The carrier may use vacation relief workers.

“(2) The carrier is privileged to let the work of a vacationing employee remain undone and not provide vacation relief workers, providing only:

(a) This does not burden other employees during his absence, or

(b) Burden the vacationing employee after his return from vacation.

“(3) The carrier may distribute the work of a vacationing employee to two or more employees with common seniority under a given rules agreement of a particular craft or class, provided such distribution is not in excess of 25% of the work load of a given vacationing employee, unless a larger distribution of this work load is agreed to by representatives of employees.

“Article 10 (b) of the Vacation Agreement does not permit the distribution of a portion of the work load of a vacationing employee to less than two employees. This provision is directly related to Article 6. If it is necessary for more than 25% of the work load of a vacationing employee to be done during his absence, the agreement contemplates the providing of a vacation relief worker.

“If all, or a portion of the work load of a vacationing employee is given to only one employee, then Article 10 (a) contemplates, and it should be considered, that the one employee has been designated to fill the assignment of the vacationing employee.

“The word ‘burden’ does not, as used in this article, have reference to expenditure of physical effort alone, neither can its meaning and intent be restricted to the number of hours worked. The word ‘burden’ can only be logically and reasonably interpreted as including the imposition of additional duties or responsibilities. These additional duties or responsibilities need not be such as to ‘over-burden’ or ‘over-tax’ the employees in order for them to be a ‘burden’ — there is no qualifying word preceding or succeeding ‘burden.’ ”

**Referee’s Decision:**

The referee agrees in general with the position taken by the carriers on this question. The word “burden” as used in Article 6 is a verb and means to overtax or to oppress. Counsel for the carriers in two different places in the transcript made very clear statements as to the meaning of the word “burden” as used in the second sentence of Article 6.

On page 581 he stated:

“In this case the word ‘burden’ is used, and I think if the problem is approached in the proper spirit by both sides it will be easy to decide, and without any elaboration on the word, whether in a given instance a fellow employee is burdened or is not burdened. If we could agree on the proposition that a man is not burdened so long as he is reasonably able to do the work, it seems to me that that
is a test which satisfies every requirement of the agreement and of an interpretation of an agreement.”

The spokesman for the employees objected to the foregoing statement of counsel for the carrier, principally on the ground that it stresses physical burden and does not take into account mental strain and the element of increased responsibility. To this, counsel for the carriers replied on page 586 by saying:

“If I could bring the matter a little closer to at least an attempt to reach an agreement, I would be willing to say that a man is not over-taxed so long as he is reasonably able to do the work or assume the responsibility. I am willing to bring responsibility into it. I did not leave that out by intent.”

It should be noted that counsel for the carriers and the spokesman for the employees agreed that the question as to whether or not in a given case arising under Article 6 the failure to provide a relief worker resulted in placing a burden upon the employees remaining on the job or upon the employee after he returned from his vacation was a question of fact which would have to be determined in light of the particular circumstances of the case.

Thus on page 585 of the transcript, the spokesman for the employees stated:

“There is not any question about it but what the question whether there is or is not a burden in a particular case has got to be determined by the facts. There is no other way to determine it. But we can never reach an agreement, and cannot indicate to you, Mr. Referee, that we ought to say the word ‘burden’ as used here is over-taxing.”

And to the same effect, counsel for the carriers stated on page 578 and on page 580:

“Now, the word ‘burden’ has, I think, a commonly accepted meaning, but whether a burden is imposed in a given instance cannot be determined en masse and by formula. We cannot sit in Chicago and say as to a certain situation existing in Miami, Florida, six months from now that will be a burden. I do not know whether there will be a burden or whether there will not. As to whether an employee is burdened in any particular case depends upon, at least, two factors: the experience, ability and amount of his own work to be done by an employee, and the amount and character of the physical work which he is asked to do while another employee is on a vacation.”

*       *       *

“So, it is a question of fact in each case. The carriers are entitled to have the word applied in accordance with the commonly accepted meaning. Burden means overtaxed, and if that definition is not acceptable to the organizations, perhaps they would agree with me that a man is not overtaxed so long as he is reasonably able to do the work.”

The referee rejects the argument of the employees that the word “burden” as used in Article 6 must not be given its ordinary meaning because of the provisions of Articles 10 (a) and 10 (b) of the agreement. The referee has studied very carefully the arguments which the spokesman for the employees made in that connection, but he is frank to say that he did not find the arguments to be at all convincing or relevant to the problem presented by the second question raised under Article 6.

It is a well-established rule of contract construction that words in an agreement should be given their ordinary and common and usual meaning unless convincing proof is advanced showing that a given word is used in some special, restricted, or technical sense. The referee is convinced from the record that in this instance the word “burden” was used in Article 6 in its ordinary sense and in accordance with the interpretation given to it by counsel for the carriers.
F. Referee’s Answers to Questions Raised Under Article 7 of the Vacation Agreement

Article 7 of the vacation agreement reads as follows:

“7. Allowances for each day for which an employee is entitled to a vacation with pay will be calculated on the following basis:

“(a) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.

“(b) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this agreement.

“(c) An employee paid a weekly or monthly rate shall have no deduction made from his compensation on account of vacation allowances made pursuant to this agreement.

“(d) An employee working on a piece-work or tonnage basis will be paid on the basis of the average earnings per day for the last two semi-monthly periods preceding the vacation, during which two periods such employee worked on as many as sixteen (16) different days.

“(e) An employee not covered by paragraphs (a), (b), (c), or (d) of this section will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service.”

**Question No 1:** Meaning and intent of that part of Article 7(a) reading: “An employee having a regular assignment.”

**Carriers’ Contention:**

It is the contention of the carriers that the:

“. . . interpretation of this phrase is that the words ‘regular assignment’ means a position which an employee has held with regularity and will continue to hold as distinguished from some position which the employee may be filling casually at the time of going on vacation.

“Illustration: Employee ‘A’ is assigned to the position of check clerk. This is his regular assignment. Employee ‘B,’ a manifest clerk, goes on vacation or is sick and employee ‘A’ is utilized to fill his job during his absence. Upon employee ‘B’’s return, employee ‘A’ goes on vacation. It is the carriers’ contention that employee ‘A’ would be paid while on vacation at his check clerk’s rate and not the rate of manifest clerk’s position.”

**Labor’s Contention:**

The labor organizations contend that:

“Although the parties under date of June 10, 1942, agreed to the following interpretation with respect to Article 7 (a):

‘This contemplates that an employee having a regular assignment will not be any better or worse off, while on vacation, as to daily compensation paid by the carrier than if he had remained at work on such assignment, this not to include casual or unassigned overtime or amounts received from others than the employing carrier.’ They have been unable to agree upon another issue between them arising out of the phrase ‘an employee having a regular assignment.’ It is our position that the words ‘regular assignment’ as used in Article 7 (a) were intended to mean any regular established job or position and, therefore, that the language ‘an employee having a regular assignment’ means an employee who is filling or occupying any regular established job or position.”

**Referee’s Decision:**
It is the decision of the referee that the preponderance of the evidence in the record clearly supports the position taken by the carriers on this question. The referee has considered carefully the comments and arguments of the parties on this question, as set forth on pages 594 to 636 of the transcript, as well as the statements made by them in their briefs and memoranda. It is his conclusion that the position taken by the employees as set forth in the joint submission document, if adopted, would lead to very unfair and unreasonable results. It is probably true, as contended by the employees, that the illustration of the problem as offered by the carriers presents exceptional facts and circumstances which would rarely occur and which could be avoided by a careful scheduling of vacations. Be that as it may, nevertheless the illustration does serve to point out some of the inherent unfairness of the employees’ position on the question. The referee believes that the carriers’ contention on the illustration is sound.

The record shows that the parties have made a good-faith attempt to negotiate a settlement of this dispute. Each side submitted to the other a statement of the formula or rule which they desired to have approved as the basis for interpreting and applying the words “regular assignment” as used in Section (a) of Article 7. The employees proposed the following language:

“As to an employee having a regular assignment, but temporarily working on another position at the time his vacation begins, such employee while on vacation will be paid the daily compensation of the position on which actually working at the time his vacation begins, provided it has been bulletined and assigned to such employee, or provided such employee has been working on such position, even though not bulletined and assigned for fifteen or more calendar days.”

As pointed out on page 628 of the transcript, the carriers proposed the following rule:

“As to an employee having a regular assignment but is temporarily working on another position at the time his vacation begins, such employee while on vacation will be paid the daily compensation of the position on which actually working at the time the vacation begins provided such employee had been working on such position for 30 days or more.”

During the hearing counsel for the carriers suggested to the employees by way of compromise that they add the following language to their proposal “and which he would have occupied during his vacation period had he not gone on vacation.” However, the representatives of the employees rejected the suggestion. The transcript of the record also shows on page 635 that just before the negotiations in which the parties attempted to compromise their differences broke off the carriers offered to reduce the thirty days’ period in their proposal to twenty days. The referee is satisfied that the carriers’ above-quoted proposal with the thirty days’ period changed to twenty days provides a fair and reasonable settlement of the dispute over the interpretation and application of Section (a) of Article 7, and he hereby approves and adopts it. Thus it will read as follows:

“As to an employee having a regular assignment, but temporarily working on another position at the time his vacation begins, such employee while on vacation will be paid the daily compensation of the position on which actually working at the time the vacation begins, provided such employee has been working on such position for twenty days or more.”

G. Referee’s Answer to Question
Raised Under Article 8 of the Vacation Agreement

Article 8 of the vacation agreement reads:

“8. No vacation with pay or payment in lieu thereof will be due an employee whose employment relation with a carrier has terminated prior to the taking of his
vacation, except that employees retiring under the provisions of the Railroad Retirement Act shall receive payment for vacation due."

**Question No. 1:** Is an employee who has been suspended or dismissed, and then later reinstated without loss of seniority, to be considered as having terminated his employment relation, within the meaning of Article 8?

**Carriers’ Contention:**

It is the position of the carriers on this question:

“... that such employee, if he is restored to service with pay for lost time or is paid for time during suspension, would not be deemed to have terminated his employment relation within the meaning of Article 8. To the contrary, if an employee was suspended or dismissed and restored to service with seniority rights unimpaired, but not paid for lost time, he would not be entitled to a vacation unless so understood at the time of his restoration.”

**Labor’s Contention:**

It is the contention of the labor organizations that:

“Such an employee has not terminated his employment relation. The fact that he is reinstated without loss of seniority is controlling. If a suspended or dismissed employee is returned to service without seniority he is in fact re-employed and not reinstated, and takes the status of a newly hired employee.

“It is a common practice in the industry for employees to be suspended or dismissed and later to be reinstated without loss of seniority. In some cases where reinstated without loss of seniority they are also paid for all or part of the time or wage loss. In other cases they are reinstated without loss of seniority but not paid for time or wage loss. In both types of cases the employee is not regarded as having had his employment status or employment relation terminated; neither has his employment status or employment relation been terminated under the terms of the Railroad Retirement Act.”

**Referee’s Decision:**

It is the decision of the referee that the position of the carriers on this question is clearly supported by the preponderance of the evidence. Much of what the referee said in his decision on Question 2 under Article 1, dealing with Item G, “Time Paid for Because of Suspension or Dismissal,” is applicable here also. Suffice to say at this point, the referee believes that the position of the labor organizations on this question is not a realistic one, but rather constitutes a very strained interpretation of the following language of Article 8: “whose employment relation with a carrier is terminated prior to the taking of his vacation.”

The position taken by the employees in their discussions of this problem, as set forth on pages 636 to 672 of the transcript, appear to the referee to be highly technical, especially their insistence that the criterion which should be considered as controlling in determining whether or not employment has been terminated is loss of seniority. They argue that if an employee is reinstated or returned to work by the carrier following a dismissal without loss of seniority, then his employment status never was terminated. However, the argument entirely overlooks the fact that when a man is dismissed for just cause, it falls within the discretion of the carrier to leave him off the payrolls permanently or, as an act of leniency, to put him back on the payroll with seniority. However, it is such dismissal that constitutes the termination of employment; such an employee’s return to service without loss of seniority, and in some instances also with all or part pay for lost time, is in fact an act of leniency by the carrier and in no way modifies or changes the meaning of “termination of employment relation” as it is referred to in Article 8 of the vacation agreement.
The referee feels that counsel for the carriers put the problem rather effectively when, on page 659 of the transcript, he stated:

“Now, Mr. Referee, I will agree that this is a small thing and the situation with which we are confronted does not occur every day, but I find myself just in this position:

“I think railroad managers are human. I know from my own experience that they listen with care and consideration to leniency pleas. But what Mr. Davis suggests, it seems to me, is simply this: that whenever from now on a plea is made for the reinstatement of a man, the man who gives it has to say to himself, ‘Here is a man who is guilty, his guilt was such as to justify discharge; I am asked as a humane matter to put him back. I am willing to put him back, but I don’t want to pay out fifty or sixty dollars of the company’s money for the privilege of being humane.’

“I would like to suggest this: I want men put back on a leniency basis where conditions justify. I do not want barriers erected towards the exercise of leniency by a railroad company. I do not want barriers put in the way of railroad officers being good to their men. I do not think that a railroad should be required to pay a price for the privilege of being good, and for the sake of the men about whom we are talking. I would urge that the position of the organizations is just wrong. I do not believe that their attitude is one which will bring about humane treatment of employees who have been rightfully discharged, but whom the management feels should be put back on a leniency basis.”

The referee agrees in general with the foregoing quoted statements of counsel for the carriers, and he is satisfied that it would not be reasonable to give to Article 8 the interpretation and meaning which the employees would place upon it. However, when a suspension is given as discipline (as distinguished from a dismissal), the employee relation shall not be deemed to have been terminated within the terms of Article 8 of the vacation agreement.

H. Referee’s Answers to Questions Raised Under Article 10 of the Vacation Agreement

Article 10 of the vacation agreement reads:

“10 (a) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater; provided that if the assignment is filled by a regularly assigned vacation relief employee, such employee shall receive the rate of the relief position. If an employee receiving graded rates, based upon length of service and experience, is designated to fill an assignment of another employee in the same occupational classification receiving such graded rates who is on vacation, the rate of the relieving employee will be paid.

“(b) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five per cent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the work load is agreed to by the proper local union committee or official.

“(c) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees.”

Question No. 1: Meaning and intent of Article 10 (b).

Carriers’ Contention:

The carriers’ interpretation of this article is:
“. . . that Article 10 (b) only comes into play when an employee has not been
designated to fill the assignment of another employee on vacation, as provided for
in Article 10 (a).

“Article 10 (b) is a pay rule, in that it enables the carrier to pay employees at
their own respective rates when the work of a vacationing employee is distributed
among two or more employees.

“Article 10 (b) permits of the distribution of work of a vacationing employee to
two or more employees and the payment to such employees of their own rates
subject to the qualifying clause (the 25% clause) in Article 10 (b). This clause, read
in connection with the first sentence of Article 10 (b), means that, in the event the
vacationing employee’s work is distributed among two or more employees and
such employees are paid the vacationing employee’s rate, or their own rates if
higher, then under such conditions there is no prohibition against such distribution
any more than there would be if one employee took over 100% of the vacationing
employee’s work as provided for in Article 10 (a). If, however, more than 25% of a
vacationing employee’s work is to be distributed to two or more employees who
are paid their own rate, if less than the vacationing employee’s rate, then the
alternative of hiring a relief worker or agreeing on a larger distribution of the work
load presents itself.

“Nothing in Article 10 (b) prohibits certain of the work of the vacationing
employee being allocated to one employee and his own rate paid where the
volume is insufficient to require the designation of another employee to fill the
place of the vacationing employee.

“The carriers do not find in Article 10 (b) any language to support a contention
that the distribution under Article 10 (b) must be necessarily among two or more
employees with common seniority under one rules agreement.

“The carriers find in the phrase ‘unless a larger distribution of the work load is
agreed to by the proper local union committee or official’ an obligation that such
agreements should be entered into when conditions justify.”

Labor’s Contention:
It is the contention of the labor organizations that:

“This article permits the work of a vacationing employee while on vacation to be
distributed to two or more employees with common seniority under a given rules
agreement of a particular craft or class, with payment of their own respective rates
to such employees, provided such distribution is not in excess of 25 per cent of the
work load of the vacationing employee, unless a larger distribution of this work
load is agreed to by the proper local union committee or union official. The article
forbids the distribution of the work load of a vacationing employee to less than two
employees, and it forbids the distribution of more than 25 per cent of the work load
of a vacationing employee among fellow employees without negotiation and
agreement. If more than 25 per cent of the work load is to be performed, the article
requires the use of a relief worker. This provision is related to Article 6, as we have
heretofore pointed out. Where a relief worker is required, the provisions of Article
10 (a) come into play regardless of whether he is a ‘regularly assigned vacation
relief employee’ or whether he is ‘an employee designated to fill an assignment of
another employee on vacation.’ “

Referee’s Decision:
It is the opinion of the referee that both parties to this dispute have attempted to read
meanings into Section (b) of Article 10 not intended or contemplated when the parties
agreed to the language on December 17, 1941. He feels that they have adopted a highly
legalistic and technical interpretative approach to the language, with resulting violence to
the objectives and purpose which the parties had in mind last December at the time of
their negotiations on the general problem and which the referee attempted to cover
when he wrote the language of Section (b) of Article 10.

Irrespective of the problems and difficulties which apparently have arisen in
connection with applying Article 10 (b), this referee would not be justified in amending
Section (b) of Article 10 by way of interpretation in order to eliminate some of those
problems. Sympathetic as he is with the view that any existing working rule which pro-
duces unjust or unreasonable results when applied to the vacation agreement should be
waived or set aside insofar as administering the vacation plan is concerned, the fact
remains that it does not fall within the referee’s prerogatives and jurisdiction under the
vacation agreement to change the working rules.

The parties have provided in Article 13 for the procedure which is to be adopted in
making any changes in the working rules. Hence, unless the referee can find that the
vacation agreement itself constitutes a modification of some given working rule, the
parties must be deemed to be bound by existing working rules until they negotiate
changes in them by use of the collective-bargaining procedures set out in Article 13.

It seems to the referee that much of the argument of counsel for the carriers in regard
to the meaning of Article 10 (b) rests upon an unexpressed premise; namely, that the
referee should, by interpretation, amend Article 10 (b) because of the fact that in its
present form it is very difficult of application, and because, in some instances, existing
working rules produce unjust results. However, the submission agreement which defines
and limits the jurisdiction of the referee in this case gives him no power to modify
working rules either by express amendment or by way of interpretation. This referee
does not propose to exceed his jurisdiction, at least knowingly and intentionally.

Before ruling upon the specific problems raised by the parties in their arguments as to
the meaning of Section (b) of Article 10, the referee wishes to call the attention of the
parties to the following points:

(1) Section (b) of Article 10 was written into the agreement for the primary purpose of
effectuating one of the basic policies of the President’s Emergency Board in regard to
the vacation issue. The Board was unanimously of the opinion that its grant of vacations
to the employees represented by the fourteen participating labor organizations should
not rest upon the so-called “keep-up-the-work” principle. The parties to this dispute will
recall that at the Chicago hearings before the Emergency Board there was a great deal
of discussion in regard to some of the vacation plans which already had been put into
operation on some of the roads, especially among office employees. Mr. George
Harrison, spokesman for the employees on this issue, pointed out that, by and large,
those vacation plans rested upon a “keep-up-the-work” principle. He argued that such a
principle is basically unsound because its application amounts, in fact, to a subterfuge
method of avoiding the costs of vacations with pay, so far as the carriers are concerned,
and places the entire financial burden upon the shoulders of the employees.

The members of the Emergency Board in their deliberations agreed with the thesis of
Mr. Harrison’s argument. They recognized the fact that in one sense an employee does
not receive a vacation with pay if in order to get that vacation he must do not only his
regular work but also some of the work of his fellow employees in the office when they
are away on their vacation and that they, in turn, must do his work while he is away on
vacation.

The record before the Emergency Board showed that, in some instances, railroad
employees working under then existing vacation plans were expected to work extra
hours without pay in order to keep up the work of fellow employees on vacation. The
Emergency Board thoroughly disapproved of that principle, and, in order to prevent its
inclusion within the vacation grant of the Board, this referee as a member of the Board

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was instructed to write language into the Board’s report on vacations which would require the employment of vacation relief workers. Although the Board was opposed to applying the “keep-up-the-work” principle to a vacation plan, it also wished to check any attempt on the part of the employees to use a vacation plan as an instrumentality for a “make-work” program. Recommendation No. 5 of the Board’s report on the vacation issue contained language which, in the opinion of the Board, would prevent the application of a “keep-up-the-work” principle and also would prevent the use of the vacation grant as a means of fostering a “make-work” program. It may be that the Board’s language in Recommendation No. 5 is not as clear as it might be, but this referee has no doubt as to what the Board intended by the language.

(2) Last December the parties to this dispute submitted proposals for a vacation agreement to this referee. It is significant to note that they were not in disagreement as to the language which should be contained in Article 6 of their proposed drafts. That language was almost identical with the language of Recommendation No. 5 of the Emergency Board’s report on the vacation issue. In view of the fact that the parties were in agreement on the language, this referee approved and adopted it as Article 6 of the vacation agreement of December 17, 1941. It is also significant to note that during the negotiations between the parties held in Chicago in December, 1941, and at the hearings before the referee on December 10, 1941, there was much discussion of the employees’ fears of and objections to the “keep-up-the-work” principle and to the carriers’ fears of and objections to the “make-work” program. Mr. George Harrison, speaking for the employees, stressed the point that the employees would rather have no vacation plan at all than have one which rested on the “keep-up-the-work” principle. Mr. Mackay and Mr. Johnston, as well as other carrier spokesmen, urged the referee to keep in mind the danger of imposing upon the carriers excessive vacation costs if the language of the vacation agreement failed to protect the carriers from the creation of unnecessary jobs.

As a result of a careful weighing of the arguments presented by spokesmen for the employees and for the carriers, and in order to protect the employees from the abuses of the “keep-up-the-work” principle and the carriers from the wastes of a “make-work” program, the referee adopted the language which now constitutes Article 6 and Article 10 (b) of the vacation agreement of December 17, 1941.

(3) In an earlier part of this award, the referee has discussed the meaning of Article 6. He has pointed out that the article “obligates the carriers to provide relief workers to perform the work of an employee while he is on vacation, if his work is of such a nature that it cannot remain undone without increasing the work burden either of those employees remaining on the job or of the employee when he returns from his vacation. It does not mean that in every instance when an employee goes on vacation the carrier must assign someone to do the work which the employee would otherwise have done had he not gone on his vacation.”

The referee wishes to stress the point that the language of Article 6 does not give, nor was it intended to give, any right to the carriers to distribute the work of employees on vacation among the employees remaining on the job. The primary purpose of the article in this connection was to protect the carriers against any demands on the part of the employees that the job of every employee who receives a vacation must be filled by a relief worker, irrespective of whether or not the regular work of the vacationing employee is of such a nature that it need not be performed at all during the short time that he is away on vacation.

To put it another way, Article 6 was intended to accomplish two purposes: first, to guarantee to the employees that when a worker takes his vacation the other workers in his group will not have to take on the burdens of his job as well as their own and, on the
basis of the “keep-up-the-work” principle, perform the work of the vacationing employee; second, to guarantee to the carriers that if the work of any employee does not need to be performed while he is away on vacation, and if its remaining undone does not increase the work burdens of other employees remaining on the job or the work burden of the employee after his return from the vacation, then they need not fill that job with a vacation relief worker, thus protecting them from the danger of a “make-work” program.

If the language of Article 6 is susceptible of other meanings, it was not so intended by this referee when he wrote it into the report of the President’s Emergency Board and when, upon joint submission by the parties, he approved it and made it a part of the vacation agreement of December 17, 1941.

(4) Now, what about the purpose and meaning of the language of Section (b) of Article 10? At the hearings before the referee on December 10, 1941, spokesmen for the carriers convinced this referee that it would be unreasonable and unfair absolutely to prohibit the distribution of any of the work of vacationing employees among the employees remaining on the job. They pointed out that such a rule of absolute prohibition would impair efficiency, result in excessive costs, produce many maladjustments of operations, and that it would, in fact, result in the creation of unnecessary jobs. The referee became convinced that a flexible rule was needed which would permit of some distribution of work but which, at the same time, would prevent the carriers from putting into effect a “keep-up-the-work” system of vacations.

The language of Section (b) of Article 10 was intended to accomplish that end. The 25 per cent figure contained in the section was not intended as any exact mathematical yardstick which the parties could apply with precision in measuring the distribution of work. Rather, it was an arbitrary figure which the referee selected for the purpose of describing and marking out in a general way the restricted limits to which the carriers might go in distributing the work. The referee is satisfied that if the section is applied in accordance with the spirit and intent of the purpose for which it was devised, it will protect the carriers from a “make-work” program, and it will protect the employees from the dangers of a “keep-up-the-work” vacation principle.

Of course, there is unlimited opportunity for arguments and bickering over the application of Article 10 (b) to the vacation plan, especially if the parties seek to squeeze out of it unintended advantages by applying the language in a narrow and strict manner to exceptional fact situations. If the parties approach the application of the article in that spirit, the referee doubts if there is any language that can be used which will prevent disputes and disagreements over its application. However, there is one thing that is perfectly clear, and that is: If the application of Section (b) of Article 10 in its present form produces unreasonable results, then the parties should proceed under Article 13 or Article 14 to negotiate a modification of it; but they should not expect this referee to modify it by way of interpretation. The referee believes, however, that the section is workable in its present form, if the parties will keep in mind the purposes for which it was devised. He is frank to say that he believes that most of the difficulties which have arisen under Section (b) of Article 10 would be eliminated if some of the carriers made clear to the employees that they were not attempting to use the section as a means of keeping down the costs of the vacation plan below that amount which in all fairness it ought to cost them.

The referee hopes he will not be misunderstood on this point of costs of the vacation plan. He believes that the officials of the carriers should and are duty bound to their principles to administer the vacation plan economically. However, Article 10 (b) was not devised for the purpose of enabling the carriers to save a lot of money by distributing work among the employees; but rather, as far as the cost figure is concerned, its purpose was to protect the carriers from the economic waste which would result if they
were forced to hire relief workers in those cases in which only a small portion of the employee’s work needed to be done while he was away on vacation.

The language “25 per cent of the work load” was used to describe in a general way the upper limit to which the carriers could go in making work distribution adjustments in those instances in which a portion of a vacationing employee’s work could not go unattended during his absence. However, in those instances in which all or a substantial amount of an employee’s work would have to be done while he was away on vacation, it was clearly contemplated that the carriers should provide relief workers to do his job and not attempt to stretch the meaning of the language of the agreement in a manner which would permit them to distribute the work of the employee and save the expense of hiring relief workers.

As stated before in this decision, the cost of vacations was taken into account by the Emergency Board when it considered the length of the vacations which should be granted. One reason why the longer vacations as requested by the employees were not granted was that the Board believed that they would be too costly at this time, especially in view of the Board’s conclusion that the vacation plan should not include the “keep-up-the-work” principle, but that it should include the cost incidental to providing vacation relief workers.

With equal frankness, the referee wishes to call the employees’ attention to the fact that the language of Article 10 (b) was not devised to make it possible for them to secure unintended economic benefits by resort to very narrow and technical applications of the section to exceptional fact situations. The wording of the section was broadly stated for the very purpose of permitting flexibility in the administering of the vacation plan. The successful application of any flexible plan is dependent upon a cooperative effort on the part of those responsible for its administration. In such situations as this one, in which the very problem involved is characterized by many intangible factors, there is little that the referee can do towards solving the disputes which have arisen between the parties other than to lay down a statement as to the general purposes and meanings which were intended in the use of the language as it is found in Article 10 (b). He has attempted to do that very thing in the foregoing remarks.

(5) On the basis of the premises set forth in the referee’s foregoing remarks on this question, he wishes now to make a few comments on some of the specific arguments and illustrations set forth in the contentions of the parties on the question as to the meaning of Article 10 (b).

(a) The statement of the carriers that, “Article 10 (b) only comes into play when an employee has not been designated to fill the assignment of another employee on vacation, as provided for in Article 10 (a),” is correct.

(b) The second contention of the carriers that, “Article 10 (b) is a pay rule, in that it enables the carrier to pay employees at their own respective rates when the work of a vacationing employee is distributed among two or more employees,” is misleading. The language of the words, “when the work of a vacationing employee is distributed among two or more employees,” seems to imply that all the work of a vacationing employee can be distributed among two or more employees. If such an implication were intended, it does not accord with the meaning of the article. Further, the description of the article as a “pay rule” is not an accurate description of the article, when viewed from the standpoint of its primary purposes as above discussed. The reference in the article to pay rates must be considered secondary to the primary meaning of the article.

(c) The third paragraph in the statement of the position of the carriers on this question is rejected by the referee primarily because it seems to be subject to the interpretation that the carriers believe that 100 per cent of the work load of a vacationing employee can be distributed among two or more employees, provided that they receive either the
vacationer’s pay rate or their own rates if higher. Such a distribution of work is not permissible under Article 10 (b). Under such circumstances the rules applicable to the hiring of a relief worker apply.

(d) The referee is satisfied that there is a great deal of merit in the following contention of the carriers:

“Nothing in Article 10 (b) prohibits certain of the work of the vacationing employee being allocated to one employee and his own rate paid where the volume is insufficient to require the designation of another employee to fill the place of the vacationing employee.”

He believes that the statement falls within the meaning of Article 10 (b) and he rejects the technical objections which the employees raised against it. Of course, it is to be understood that the 25 per cent protection applies and the distribution of the work will not burden any employee to whom it is distributed.

In approving the carriers’ position, the referee has in mind the type of situation in which employee A in an office has very little to do and employee B goes on his vacation. If a small portion of B’s work must be done while he is away on his vacation, it should be deemed permissible, under Article 10 (b), for the carrier to ask A to do it. Such an application of Article 10 (b) is consonant with ordinary common sense. If, on the other hand, A’s regular duties leave him no time to do any of B’s work, then he cannot be burdened with it unless he is relieved of doing some of his other work. It is to be understood that the distributor-of-work right granted to the carriers in Article 10 (b) cannot be used as a speed-up device.

(e) The referee agrees with the carriers that the distribution of work under Article 10 (b) need not necessarily be among employees with common seniority, but it is to be definitely understood that the agreement cannot be applied in a manner which will cross craft or class lines. As to this point, the referee approves of the view expressed by the spokesman for the employees when he said, on pages 727 and 728 of the transcript:

“Now, I think, Mr. Chairman, if there is no intention and if there is no right to cross craft or class lines here that probably our statement with respect to seniority rosters in this regard is a little too tight, a little too restrictive because it is a fact that there are some groups where the rosters are divided, where the rosters do divide men that do naturally flow back and forth, but what maybe we should have said is that the general principle of seniority should be observed. We should not have said ‘common seniority’ because it is correct to say that when we said ‘common seniority’ we mean seniority among the men on one roster. We do not mean the seniority among the men on another roster. We do not mean to include the seniority as between the two rosters.

“That is a little too stringent, I think and I hope that the Referee will get from what I suggested, — find some words when there is time to deliberate, which is not available to me right now, better words than we have used on that particular point because all we desire is that in so far as applying 10 (b) is concerned there shall not be first and foremost and more important, more important to the group I represent and I say it without reservation, the shopmen, and then the agreement itself that there shall not be crossing of craft lines; and secondly, that the principle of seniority shall be regarded to the end that the men under normal circumstances will be entitled to promotion to jobs paying better rates of pay, temporarily or otherwise, and will not be denied in wholesale fashion that because Article 10 (b) deals primarily with the preservation of rates.”

The referee believes that the above-quoted comments of Mr. Jewell constitute a very clear statement of the policy which should prevail in regard to the seniority problem.
(f) The last contention in the carriers’ statement of their position on this question reads:

“The carriers find in the phrase ‘unless a larger distribution of the work load is agreed to by the proper local union committee or official’ an obligation that such agreements should be entered into when conditions justify.”

The referee agrees that a moral obligation rests upon both parties to settle by collective-bargaining negotiations under Articles 13 and 14 of the agreement, any differences that may arise over the request of the carriers for a larger distribution of the work load when in their opinion conditions justify it. However, the question as to whether or not in a given case conditions justify a greater distribution of work is a question of fact, and if the parties cannot reach an agreement in good faith negotiations over the problem, then a greater distribution cannot be made by the carriers under the present wording of Article 10 (b). Much can be said for a modification of Articles 13 and 14 which would permit of the breaking of a deadlock in negotiations by reference to a third party on the request of either side to a dispute, but that is a matter which falls beyond the jurisdiction of this referee.

The referee believes that he has answered in the foregoing discussion of this question all of the contentions made by the labor organizations in their formal statement of their position on the meaning and intent of Article 10 (b).

**Question No. 2:** Meaning and intent of the words “equivalent of twenty-five per cent of the work load” as used in Article 10 (b).

**Carriers’ Contention:**

The carriers’ interpretation of the words “equivalent of twenty-five per cent of the work load” is:

“. . . the equivalent of 25 per cent of the requirements of the position.”

**Labor’s Contention:**

It is the contention of the labor organizations that:

“The reference to ‘work load’ in Article 10 (b) means the work requirements, the duties, the responsibilities or the regular and normal functions attached to the position of the vacationing employee. When more than the equivalent of twenty-five per cent of the foregoing factors are imposed upon fellow employees, except by negotiation and agreement, then the provisions of Article 10 (b) are violated.”

**Referee’s Decision:**

The term “work load” as used in Article 10 (b) is synonymous with work, duties, tasks, quantity job assignments. Once again the referee wishes to call the attention of the parties to the fact that it was not the purpose of Section (b) of Article 10 to provide and define for the parties an exact yardstick or measurement which could be used by them in distributing the work of the employees. The referee took it for granted that the parties wanted him to lay down a broad outline of policy which should govern the application of the vacation agreement to specific cases. The term “work load” was used in a broad sense — and necessarily so — because of the complex and highly variable nature of the many different types of jobs which exist in the railroad industry. The word is not one of exact meaning — and desirably so — because it must be applied to the variable and flexible problems arising under Section (b) of Article 10.

**I. Referee’s Answers to Questions Raised Under Article 12 of the Vacation Agreement**

Article 12 of the vacation agreement reads:

“12. (a) Except as otherwise provided in this agreement a carrier shall not be required to assume greater expense because of granting a vacation than would be
incurred if an employee were not granted a vacation and was paid in lieu therefor under the provision hereof. However, if a relief worker necessarily is put to substantial extra expense over and above that which the regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.

“(b) As employees exercising their vacation privileges will be compensated under this agreement during their absence on vacation, retaining their other rights as if they had remained at work, such absences from duty will not constitute ‘vacancies’ in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.

“(c) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements.”

Question No. 1: Meaning and intent of Article 12 (a).

Carriers’ Contention:
It is the position of the carriers that they:

“... interpret the first sentence of Article 12 (a), and particularly the words ‘except as otherwise provided in this agreement,’ to refer to the provisions of the Vacation Agreement, and that except as they may be required by the mandatory provisions of that agreement they are not required to incur expense greater than would be incurred by paying an employee in lieu of a vacation, and that the vacation system shall not be used to impose any unnecessary or additional expense. The carriers further contend that the prohibition as contained in the Vacation Agreement against the use of the vacation system to create unnecessary expense takes precedence over any schedule rule which would create such expense. To state the matter differently, the carriers contend that the language in the first sentence of Article 12 (a) makes it clear that the intention of the agreement is that a carrier in ordinary circumstances, and except as otherwise provided by the Vacation Agreement, would not be penalized because of the granting of vacations, and that the exception to this is made clear by the next sentence beginning ‘However,’ in which is specified exactly the additional expense which the carrier may be required to pay.”

Labor’s Contention:
The labor organizations contend that:

“To properly interpret the first sentence requires a breaking down and interpretation of certain words contained therein. The words ‘this agreement’ as used in this Article and elsewhere in the Vacation Agreement refer to the Vacation Agreement and must be interpreted as tho they read ‘this Vacation Agreement.’ The phrase ‘except as otherwise provided in this agreement’ means that where it is otherwise provided in the Vacation Agreement, the remainder of the first sentence of Article 12 (a) is not applicable. The words ‘a carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and paid in lieu therefor under the provision hereof’ when coupled with the phrase ‘except as otherwise provided in this agreement’ mean that if a carrier is required to assume greater expense or cost because of application of other provisions of the agreement, the carrier is not privileged to utilize this provision of the article to deny an employee a vacation
earned and pay him in lieu thereof, merely because greater expense would be incurred.

"Nothing in the language used in the first sentence of Article 12 (a) is intended to nullify the remainder of the Vacation Agreement by giving a carrier the option of paying employees a bonus in lieu of vacations, and thus defeat the primary purpose of the Vacation Agreement. Some additional expense must be assumed in giving vacations to individual employees if the vacation program is to remain such, instead of being converted to a wage bonus plan.

"If an employee has earned a vacation he must be permitted to take it unless service requirements prevent; the carrier must assign a vacation date and, if in applying provisions of the Vacation Agreement it is necessary to fill the position of the vacationing employee, then such additional cost in connection with the filling of such position as is required by the application of Articles 4, 6, 10 (a), 10 (b), and other provisions of the Vacation Agreement must be assumed by the carrier.

"The word 'expense' as used in the second sentence of the article refers to the out-of-pocket, or away-from-home expenses, such as for meals, lodging or traveling, which a relief worker must incur because of performing the relief work.

"The second sentence of the article provides that a relief worker shall be compensated in accordance with 'existing regular relief rules' if he is necessarily put to 'substantial' extra expense over and above that which the regular employee would incur if he had remained on the job. In actual practice the 'regular employee,' in most instances, incurs no expense for which he is reimbursed by the carrier. A few regular employees incur and are reimbursed for away-from-home expenses when their work or assignment requires that they incur such expenses away from home station or headquarters point; the rules agreements provide for such reimbursement. However, a regular employee whose work is confined to his home station or headquarters point incurs only incidental expenses, such as local transportation fares or the cost of noonday lunches. Under this part of Article 12 (a), it is not intended that a relief worker would be reimbursed for such incidental expenses while relieving such regular employee at the home station of the relief worker; however, if the relief worker must incur expense for meals or lodging because of being sent from his home station or headquarters point to relieve a vacationing employee at another station or point, it is intended that he be reimbursed for such expense. Further, a relief worker who relieves a regular employee on vacation whose position requires road service and where away-from-home expense is normally paid to the regular employee, is to receive the allowances that go with the job.

"The words 'existing regular relief rules' are not to be narrowly construed as meaning only the existing rules that govern established regular relief positions; that is, positions created and used only for the purpose of furnishing relief to other employees. The words are intended to include all existing rules that have to do with one employee being designated or required to temporarily take the place of another employee who is absent for any reason. Relatively few of the rules agreements contain rules covering positions created and used only for the purpose of furnishing relief to other employees. Practically all, however, contain rules covering the designation of one employee to temporarily fill the place of another."

Referee's Decision:
It is the opinion of the referee that the carriers' interpretation of the language of Article 12 (a) conforms very closely to the strict literal meaning of the words of the article, but the referee is unable to agree with the carriers that such an interpretation is consistent
with the spirit, intent, and meaning of the vacation agreement when read in its entirety and from its four corners.

It is a well-established rule of contract construction that if a literal interpretation of the words of a certain part of a contract will produce a result inconsistent with the controlling intention of the parties and the primary purpose of the contract, such a literal interpretation must give way to the doctrines of equitable construction. As the referee has stated elsewhere in this decision, throughout the negotiations which led up to the vacation agreement, it was definitely understood by the parties that the vacation plan should not be administered independently of existing working rules, but rather, that in those instances in which existing working rules, if strictly applied, would produce unjust results, they should be modified through the processes of collective-bargaining negotiations conducted between the parties or, if necessary, through those procedures of the Railway Labor Act which provide for the settlement of disputes.

Articles 13 and 14 of the vacation agreement were proposed by the parties themselves, and it is to be assumed that the parties intended to use those articles in attempting to negotiate adjustments or settlements of differences arising between them over the application of existing working rules to the vacation agreement. At least the referee is satisfied, from the preponderance of the evidence in the record in this case, that the parties did not intend any blanket waiver or setting aside of existing rules agreements when they adopted the vacation agreement. The only part of the agreement which raises any reasonable doubt as to just what the parties did intend in regard to the relationship of existing working rules agreements to the vacation agreement is the language of Article 12 (a). This referee is satisfied, however, that if he were to adopt the interpretation which the carriers seek to place on Article 12 (a), he would do violence to the basic meanings and purposes of the vacation agreement when considered in its totality. What is more, he feels that the adoption of such an interpretation would constitute in effect his amending the agreement by way of interpretation. To do that would amount to exceeding his jurisdiction, and it would cast a cloud on the validity of the award itself. Nevertheless, it must be recognized that Article 12 (a) cannot be treated as surplusage. The parties agreed to it, and when they agreed to it, they must have intended it to have a meaning consistent with and reconcilable to the other portions of the agreement.

It is the opinion of the referee that the following points set forth fair, reasonable, and equitable rulings as to what the parties must be deemed to have intended and meant by Article 12 (a):

(1) That in administering the vacation agreement and in interpreting and applying its various provisions, the parties would be guided by a ruling principle that existing working rules should not be applied in a manner which would result in unnecessary expense to the carriers.

(2) That it was understood that requests for adjustments of specific working rules, the strict application of which would result in unnecessary expense, should be made through the procedure provided for in Article 13.

(3) That the parties, in considering and weighing requests under Article 13 for changes in working rules in those instances in which it is alleged that special conditions on a given road would make the application of a specific working rule unnecessarily costly, should conform to the objective of keeping the costs of granting vacations practically the same as they would be if the carriers granted an employee extra pay in lieu of a vacation.

(4) That the parties well knew that there would be some additional costs necessarily incident to the applications of existing regular relief rules of the various working rules agreements.
(5) That the provisions of existing working rules agreements as to relief workers are by implication a part of the vacation agreement, binding upon the parties except insofar as they are modified, changed, or waived as the result of negotiations conducted under Article 13.

(6) That any substantial extra expense which a relief worker might have to incur, over and above the expense which a regular employee would incur, should be compensated for in accordance with the relief rules.

The referee is frank to admit that the foregoing rulings constitute a very liberal construction of Article 12 (a), but he is convinced that a narrow or literal construction such as that proposed by the carriers would do violence to the purposes of the vacation agreement and in the long run would prove to be a disservice to the parties. Furthermore, he feels that the interpretation proposed by the carriers loses sight of the rights and equities of the vacation relief worker as guaranteed by the working rules in that it discriminates against him unfairly to the financial advantage of the carrier. As pointed out by the spokesman for the employees an 803 of the transcript, the position of the carriers would result in penalizing and imposing upon the vacation relief worker in order to provide another employee with the benefits of a vacation. It, obviously, would not be fair to apply the benefits of a relief rule in the case where an employee relieves a fellow employee who is ill or is off duty for some reason other than the taking of a vacation, but to deny him the benefits of the same rule if he happens to relieve an employee who is on vacation.

On page 804 of the transcript, the spokesman for the employees puts the point very well in these words:

"If the carriers were right here in the illustration they used they would be unjustly imposing and penalizing, in fact, reducing, the compensation of these extra relief telegraphers solely because another man was being given a vacation. We say that certainly the vacation agreement does not intend any such thing, and cannot be properly interpreted in that way."

Furthermore, the referee rejects the literal interpretation of Article 12 (a) as proposed by the carriers because its adoption would mean in effect that the carriers would have the sole right of determining the application or the non-application of any given working rule to the vacation agreement under the guise of determining its cost effects.

However, as the referee has pointed out elsewhere in this decision, the parties specifically provided in Articles 13 and 14 for a joint and cooperative determination of such matters through the machinery of collective-bargaining. The referee is satisfied that the parties should proceed to make much greater use of the machinery of Articles 13 and 14 than they have to date. It is only through the use of such machinery and the bringing of it to bear upon the facts of specific cases that reasonable and necessary adjustments of some of the working rules can be made in a manner which will meet some of the special needs and problems arising under the vacation agreement. At least it is certain that such a desirable result will not be accomplished by the adoption of the literal interpretation of Article 12 (a) which the carriers propose. The referee is convinced that the adoption of such an interpretation not only would be contrary to the over-all meaning of the agreement but would create many more problems than it would solve.

Although the carriers' interpretation is rejected, it is only fair to say that the referee does not believe that some of the contentions of the employees as to the application of existing working rules to vacation relief are either fair or reasonable. In fact, he feels that the position of the employees as set forth in the record on this point is too technical, and, in many respects, is justifiably subject to the criticism that the employees tend to apply the rules in ways which increase costs unnecessarily and unfairly. Throughout their arguments in the record the employees state that the procedures of negotiation for
making any adjustments in the working rules that may be necessary in light of the special conditions created by the vacation agreement are open to the carriers. They imply — in fact, definitely state that the carriers have not pressed for such negotiations. This referee believes that it is probably true that there have been few negotiations under Article 13, but at the same time he entertains some doubts as to what would be accomplished by such negotiations, if the representatives of the employees held out for the same technical and strict application of the working rules to vacation problems as they contended for in the record of this case.

He respectfully suggests that in all fairness there undoubtedly are adjustments and modifications of the working rules which should be made when applying them to vacation problems. Negotiations over the same should proceed on a “give-and-take” basis, and not on the basis that no exception to a full application of a rule can be made because to do so would weaken the rule when its modification is demanded in other situations not involving vacations.

In the statement of their position on Article 12 (a) the carriers submitted the following illustrations:

“(a) A telegrapher located at a certain station is allowed a 12 day vacation. It is necessary to send a relief telegrapher from division headquarters to take his place. Such relief telegrapher claims deadhead pay and transfer allowance under schedule rules. It is carriers’ position that deadhead pay and transfer allowances are not due.”

It is the ruling of the referee that if the existing rules agreement provides for deadhead pay and transfer allowances for relief work, such pay and allowances must be paid in connection with vacation reliefs.

“(b) A shop craft employee on the third shift is allowed a 6 day vacation. It is necessary to fill his position and an employee is transferred from the second shift. The transferred employee claims that schedule rules with respect to changing shifts and doubling over apply to filling vacation vacancies and claims time and one-half for the first shift he works in filling the vacationing employee’s position, and time and one-half for the first shift he works upon return to his position. It is the carrier’s position that these punitive payments are not required.”

It is the referee’s opinion that the carriers’ position on this illustration is absolutely sound and within the meaning and intent of the vacation agreement. It is his view that under Article 12 (b) the vacancy created by an employee going on vacation does not constitute such a vacancy as to entitle a relief worker to punitive payments. The referee submits that the employees’ position on this illustration is a good example of a strained and highly technical interpretation of existing working rules. He is convinced that it was not the intent of the parties, nor is it reasonable to assume that they could have intended, that when a carrier grants an employee a vacation and his job is such that it must be filled with a relief worker, an additional cost of overtime pay must be incurred for the first shift.

“(c) At a certain station there was employed a chauffeur who was granted a vacation under the Vacation Agreement. A trucker was used to fill the chauffeur’s position and the trucker’s position was blanked. This has resulted in a claim. It is carriers’ position that there is nothing in Article 12 which prevents the blanking of the trucker’s position, and that to the contrary under Article 6 and the mandate that the vacation system will not be used to create unnecessary jobs, they are within their rights to blank the trucker’s job during his occupancy of the chauffeur’s position.”

As the referee has previously ruled in the discussion of Article 6, some carriers are bound by existing rules agreements regulating blanking of jobs, and in the absence of an
adjustment of such rules through the procedures of Article 13, the trucker’s job could not be blanked.

The referee feels that in light of the foregoing discussion of the meaning of Article 12 (a), a specific comment on the contentions of the labor organizations as set forth in their statement of position on the article is unnecessary.

**Question No. 2: Meaning and intent of Article 12 (b).**

**Carriers’ Contention:**

It is the position of the carriers that:

“. . . there is nothing in Article 12 (b) requiring the filling of positions of employees who are moved up to fill the positions of vacationing employees, or, if filled, to bulletin them. Any interpretation of Article 12 (b) which would require the filling, or, if filled, the bulletin and filling, of these positions according to strict application of schedule rules, or subjecting the carriers to the application of these rules, would be contrary to the provisions of Articles 6 and 12 (a) and the plain intent of Article 12 (b).”

**Labor’s Contention:**

The labor organizations contend that:

“That portion of the first sentence in the article reading: ‘Such absences from duty will not constitute “vacancies” in their positions under any agreement.’

means that the positions of employees absent on vacations will not constitute ‘vacancies’ under any existing rules agreement; consequently carriers are not required to bulletin such positions for the purpose of filling same from employees making application therefor. However, under the second sentence of the article when the position of a vacationing employee is to be filled and a regular relief employee is not utilized for that purpose, then effort must be made to observe the ‘principle of seniority’ as ‘seniority’ is defined and required to be observed in existing rules agreements. Under such circumstances if an employee holding a regular position is utilized to fill the position of a vacationing employee, the filling of the position made vacant by the utilization of such employee is governed by the provisions of existing rules agreements or recognized practices thereunder; nothing in this article or the Vacation Agreement permits the ‘blanking’ of such position.”

**Referee’s Decision:**

On the basis of the theories of interpretation which the referee has applied to other articles of the agreement in the foregoing portions of this award, it is clear that the carriers’ position on this question cannot be sustained. However, the referee believes that the parties should proceed without delay, in accordance with Article 13 of the agreement, to negotiate fair and reasonable adjustments of the blanking rules so far as their application to the vacation agreement is concerned.

Respectfully submitted,
WAYNE L. MORSE,
Referee.

**INTERPRETATIONS**

DATED JULY 18, 1945

In connection with the Vacation Agreement dated Chicago, Illinois, December 17, 1941, and Supplemental Agreement dated Chicago, Illinois, February 23, 1945, the following interpretations have been agreed to:
Articles 1 and 2 of Agreement of December 17, 1941 and Sections 1 and 2 of Supplemental Agreement of February 23, 1945.

**QUESTION**

What is the length of vacation to be granted an employee who has rendered five or more years of service under one rules agreement with one organization or one rules agreement with two or more federated organizations parties to the Vacation Agreement and Supplemental Agreement which were parties to such rules agreement on a particular carrier, which carrier and employees were both listed in Appendices to the Vacation Agreement and the Supplemental Agreement, or under two or more rules agreements with one organization, or one federation of organizations parties to the Vacation Agreement and Supplemental Agreement which was party to such rules agreements on a particular carrier, which carrier and employees were both listed in Appendices to the Vacation Agreement and the Supplemental Agreement?

**ANSWER**

Service as outlined in the question and the following illustrations may be combined to determine the length of vacation in the application of the Supplemental Agreement:

(1) An employee entered service as a trucker in December, 1938 and rendered compensated service as a trucker on 160 days in 1939, 160 days in 1940, 160 days in 1941, 140 days in 1942, 160 days in 1943, and 105 days in 1944. In June 1944 he was promoted to position of clerk and rendered compensated service in such capacity on 55 or more days in 1944, continuing to work as a clerk until his vacation period in 1945. His service was continuous and his employment relation under the rules agreement was not broken.

Since the employee has rendered compensated service on not less than 160 days during the preceding calendar year, has five or more years of continuous service, and during such period of continuous service rendered compensated service on not less than 160 days in each of five of such years, (1939, 1940, 1941, 1943 and 1944) he should be granted a vacation of 12 days.

(2) An employee entered service as a trucker in 1940 and rendered compensated service as a trucker on 160 days in that year, 160 days in 1941, 160 days in 1942, and in 1943, 105 days as a trucker and on 55 or more days as a clerk. He rendered compensated service as a clerk on 160 days in 1944, and continued to work as a clerk until his vacation period in 1945. His service was continuous and his employment relation under the rules agreement was not broken.

The employee should be granted a vacation of 12 days.

(3) An employee entered service as a trucker in 1940 and rendered compensated service as a trucker on 160 days in 1940, as a trucker on 100 days and as a clerk on 60 or more days in 1941, as a trucker on 100 days and as a clerk on 60 or more days in 1942, as a trucker on 100 days and as a clerk on 60 or more days in 1943, as a trucker on 160 or more days in 1944, continuing to work as a trucker until his vacation period in 1945. His service was continuous and his employment relation under the rules agreement was not broken.

The employee should be granted a vacation of 12 days.

(4) An employee entered service as a trucker in 1939 and rendered compensated service as a trucker on 160 or more days in each of the six years 1939 to 1944, inclusive. On January 1, 1945, he was promoted to a clerk’s position and continued to work on such position until his vacation period. His service was
continuous and his employment relation under the rules agreement was not broken.

The employee should be granted a vacation of 12 days.

(5) An employee entered service as a trucker in 1942 and rendered compensated service as a trucker on 160 or more days in each of the years 1942 and 1943. He performed compensated service as a clerk on 160 or more days in 1944, continuing to work as a clerk until his vacation period in 1945. His service was continuous and his employment relation under the rules agreement was not broken.

The employee should be granted a vacation of 12 days.

(6) An employee entered service as a trucker in 1941 and rendered compensated service as a trucker on 160 or more days in each of the years 1941 and 1942. He rendered compensated service as a clerk on 160 or more days in each of the years 1943 and 1944, continuing to work as a clerk until his vacation period in 1945. His service was continuous and his employment relation under the rules agreement was not broken.

The employee should be granted a vacation of 6 days, having qualified therefor under the Vacation Agreement of December 17, 1941.

(7) An employee entered service as a clerk in 1941 and rendered compensated service as a clerk on 160 or more days in each of the years 1941 and 1942. He rendered compensated service as a trucker on 160 or more days in each of the years 1943 and 1944, continuing to work as a trucker until his vacation period in 1945. His service was continuous and his employment relation under the rules agreement was not broken.

The employee should be granted a vacation of 6 days. If the employee continued at work as a trucker in 1945 to the extent of 160 days of compensated service, he should be granted a vacation of 12 days in 1946.

Signed at Chicago, Illinois this 18th day of July, 1945.
November 3, 1997

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

Dear Mr. Pickett:

This refers to our discussions in connection with our National Agreement dated August 8, 1996 (Agreement) and will confirm our understanding regarding handling of annual vacation qualification for full time officers of your organization who return to active service with the employing carrier.

Effective January 1, 1998, a full time officer of the Brotherhood of Railroad Signalmen who returns to active service with an employing carrier covered by the Agreement shall receive credit, for the purpose of the continuous service qualification requirements for an annual vacation under applicable vacation rules, for all service time as a full time BRS official while on leave from the employing carrier.

If this conforms with your understanding of our agreement, please acknowledge by signing your name in the space provided below.

Very truly yours,

/s/ Robert F. Allen

I agree:

/s/ W.D. Pickett
SECTION E

Union Shop Agreement

This Agreement made this 29th day of August, 1952, by and between the participating carriers listed in Exhibit A, attached hereto and hereby made a part hereof, and represented by the Eastern Carriers’ Conference Committee, and the employees shown thereon and represented by the Railway Labor Organizations signatory hereto, through the Employees’ National Conference Committee, Seventeen Cooperating Railway Labor Organizations, witnesses:

IT IS AGREED:

Section 1.

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

Section 2.

This agreement shall not apply to employees while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this agreement. However, such excepted employees are free to be members of the organization at their option.

Section 3.

(a) Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a period of thirty days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements and continue therein thirty calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within thirty-five calendar days from date of their return to such service.

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

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

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

Section 4.

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

Section 5.

(a) Each employee covered by the provisions of this agreement shall be considered by a carrier to have met the requirements of the agreement unless and until such carrier is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used shall be agreed upon by the individual railroad and the organizations involved and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon receipt of such notice, the carrier will, within ten calendar days of such receipt, so notify the employee concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefor. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the organization, by Registered Mail, Return Receipt
Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the carrier of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreement not later than thirty calendar days from receipt of the above described notice from the organization, unless the carrier and the organization agree otherwise in writing.

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

If the decision is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision except as hereinafter provided or unless the carrier and the organization agree otherwise in writing.

If the decision is not satisfactory to the employee or to the organization it may be appealed in writing, by Registered Mail, Return Receipt Requested, directly to the highest officer of the carrier designated to handle appeals under this agreement. Such appeals must be received by such officer within ten calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered. The carrier shall promptly notify the other party in writing of any such appeal, by Registered Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty calendar days of the date the notice of appeal is received, and the employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision on such appeal is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the organization or the employee involved requests the selection of a neutral person to decide the dispute as provided in Section 5 (c) below. Any request for selection of a neutral person as provided in Section 5 (c) below shall operate to stay action on the termination of seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

(c) If within ten calendar days after the date of a decision on appeal by the highest officer of the carrier designated to handle appeals under this agreement the organization or the employee involved requests such highest officer in writing by Registered Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the carrier designated to handle appeals under this agreement or his designated representative, the Chief Executive of the organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the organization and the employee involved shall have the right to appear and present
evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The carrier, the employee, and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the organization; if the employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employee.

(d) The time periods specified in this section may be extended in individual cases by written agreement between the carrier and the organization.

(e) Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between a carrier and the organization will not apply to cases arising under this agreement.

(f) The General Chairman of the organization shall notify the carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this agreement. The carrier shall notify the General Chairman of the organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this agreement.

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

Section 6.

Other provisions of this agreement to the contrary notwithstanding, the carrier shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The carrier may not, however, retain such employee in service under the provisions of this section for a period in excess of sixty calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety calendar days from date of receipt of notice from the organization in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the carrier and the organization involved.

Section 7.

An employee whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this agreement or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.

If the final determination under Section 5 of this agreement is that an employee's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement shall arise or accrue during the period up to the expiration of the 60 or 90 day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the carriers predicated upon any action taken by the carrier in applying or complying with
this agreement or upon an alleged violation, misapplication or noncompliance with any provision of this agreement. If the final determination under Section 5 of this agreement is that an employee’s employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the carrier in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement.

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

Section 9.
An employee whose employment is terminated as a result of non-compliance with the provisions of this agreement shall be regarded as having terminated his employee relationship for vacation purposes.

Section 10.
(a) The carriers party to this agreement shall periodically deduct from the wages of employees subject to this agreement periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such organization, and shall pay the amount so deducted to such officer of the organization as the organization shall designate; Provided, however, that the requirements of this subsection (a) shall not be effective with respect to any individual employee until he shall have furnished the carrier with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement whichever occurs sooner.

(b) The provisions of subsection (a) of this section shall not become effective unless and until the carrier and the organization shall, as a result of further negotiations pursuant to the recommendations of Emergency Board No. 98, agree upon the terms and conditions under which such provisions shall be applied; such agreement to include, but not be restricted to, the means of making said deductions, the amounts to be deducted, the form, procurement and filing of authorization certificates, the frequency of deductions, the priority of said deductions with other deductions now or hereafter authorized, the payment and distributions of amounts withheld and any other matters pertinent thereto.

Section 11.
This agreement shall become effective on September 15, 1952, and is in full and final settlement of notices served upon the carriers by the organizations, signatory hereto, on or about February 5, 1951. It shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented by each organization on each of said carriers as heretofore stated. This agreement shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.
SIGNED AT WASHINGTON, D.C. THIS TWENTY-NINTH DAY OF AUGUST, 1952.
FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:

(s) J. W. ORAM
   Chairman
(s) F. S. Hales
(s) H. E. Jones
(s) E. B. Perry
(s) G. C. White

EMPLOYEES’ NATIONAL CONFERENCE COMMITTEE, SEVENTEEN COOPERATING
RAILWAY LABOR ORGANIZATIONS:
(s) G. E. LEIGHTY
   Chairman
Railway Employes’ Department, A. F. of L.
(s) MICHAEL FOX
   President
International Association of Machinists.
(s) EARL MELTON
   General Vice President
International Brotherhood of Boilermakers, Iron Ship Builders & Helpers of America.
(s) CHAS. J. MacGOWAN
   International President, by M. Boggs
International Brotherhood of Blacksmiths, Drop Forgers and Helpers.
(s) John Pelkofer, M.F.
   General President
Sheet Metal Workers’ International Association.
(s) C. D. BURNS
   General Vice President
International Brotherhood of Electrical Workers.
(s) J. J. DUFFY
   International Vice President
Brotherhood Railway Carmen of America.
(s) IRVIN BARNEY
   General President
International Brotherhood of Firemen, Oilers, Helpers, Roundhouse and Railway Shop
Laborers.
(s) ANTHONY MATZ
   President
Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station
Employees.
(s) GEO. M. HARRISON
   Grand President
Brotherhood of Maintenance of Way Employes.
(s) T. C. CARROLL
   President
The Order of Railroad Telegraphers.
(s) G. E. LEIGHTY
President
Brotherhood of Railroad Signalmen of America.
(s) JESSE CLARKB.
Grand President
National Organization Masters, Mates and Pilots of America.
(s) JOHN M. BISHOP
National Secretary-TreasurerS.
National Marine Engineers’ Beneficial Association.
(s) H. L. DAGGETT
National PresidentS.
International Longshoremen’s Association.
(s) J. P. RYAN
International PresidentS.
Hotel & Restaurant Employees and Bartenders International Union.
(s) HUGO ERNST
General President
American Train Dispatchers Association.
(s) O. H. BRAESE
President
Railroad Yardmasters of America.
(s) M. G. SCHOCH
President

EASTERN RAILROADS EXHIBIT A

ORGANIZATIONS

1. International Association of Machinists
2. International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America
3. International Brotherhood of Blacksmiths, Drop Forgers and Helpers
4. Sheet Metal Workers’ International Association
5. International Brotherhood of Electrical Workers
6. Brotherhood Railway Carmen of America
7. International Brotherhood of Firemen, Oilers, Helpers, Roundhouse and Railway Shop Laborers
8. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees
9. Brotherhood of Maintenance of Way Employees
10. The Order of Railroad Telegraphers
11. Brotherhood of Railroad Signalmen of America
12. National Organization Masters, Mates & Pilots of America
13. National Marine Engineers Beneficial Association
14. International Longshoremen’s Association
15. Hotel and Restaurant Employees and Bartenders International Union
16. American Train Dispatchers Association
17. Railroad Yardmasters of America

Authority is co-extensive with the Notices served and with the Scope of
Agreements as to Classes of Employees
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<td>Indianapolis Union Ry. Co.</td>
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<td>Lehigh &amp; New England Railroad Co.</td>
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<td>Montour Railroad Company</td>
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<td>New York, Chicago &amp; St. Louis R.R. Co.</td>
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<td>New York, New Haven &amp; Hartford R.R. Co.</td>
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<td>Reading Company</td>
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<td>Union Depot Co. (Columbus, Ohio)</td>
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<td>Union Freight Railroad Co. (Boston)</td>
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<td>Union Inland Freight Station (N.Y.)</td>
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<td>Washington Terminal Company</td>
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<td>Western Allegheny Railroad Co.</td>
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1—DL&W—Chefs, Cooks and Waiters are represented by The Hotel and Restaurant International Alliance, Local No. 370.

2—CNRys—Covered by Canadian National Railways Lines in Canada Agreements and authorization applies only to employees while employed on Lines in the United States.

Washington, D.C.  August 21, 1952

FOR THE CARRIERS:  FOR THE EMPLOYEES:
(s) H. E. JONES    (s) G. E. LEIGHTY
SECTION F
NATIONAL HOLIDAY PROVISIONS

The following represents a synthesis in one document, for the convenience of the parties, of the current Holiday provisions of the National Agreement of August 21, 1954 and amendments thereto provided in the National Agreements of August 19, 1960, November 20, 1964, April 21, 1969, November 16, 1971, January 29, 1975, June 16, 1976, and January 8, 1982, with appropriate source identifications.

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

Section 1. Subject to the qualifying requirements contained in Section 3 hereof, and to the conditions hereinafter provided, each hourly and daily rated employee shall receive eight hours’ pay at the pro rata hourly rate for each of the following enumerated holidays:

- New Year’s Day
- Washington’s Birthday
- Good Friday
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve (the day before Christmas is observed)
- Christmas
- New Year’s Eve (the day before New Year’s Day is observed)

provided that on railroads on which some holiday other than Good Friday has been substituted, by agreement, for the birthday holiday, unless the employees now desire to have Good Friday included as a holiday in place of such holiday which has been substituted for the birthday holiday such substitution will continue effective, and Good Friday will be eliminated from the holidays enumerated above and from the provisions of this Article II which follow. (Art. II — Holidays — Section 1(a) and 2(a), 11/16/71 Agreement as revised by 6/16/76 Agreement)

(a) Holiday pay for regularly assigned employees shall be at the pro rata rate of the position to which assigned.

(b) For other than regularly assigned employees, if the holiday falls on a day on which he would otherwise be assigned to work, he shall, if consistent with the requirements of the service, be given the day off and receive eight hours’ pay at the pro rata rate of the position which he otherwise would have worked. If the holiday falls on a day other than a day on which he otherwise would have worked, he shall receive eight hours’ pay at the pro rata hourly rate of the position on which compensation last accrued to him prior to the holiday.

(c) Subject to the applicable qualifying requirements in Section 3 hereof, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in paragraph (b) above, provided (1) compensation for service paid him by the carrier is credited to 11 or more of the 30 calendar days immediately preceding the holiday and (2) he has had a seniority date for at least 60 calendar days or has 60 calendar days of continuous active service preceding the holiday beginning with the first day of compensated service, provided employment was not terminated prior to the holiday by resignation, for cause, retirement, death, non-compliance with a union shop agreement, or disapproval of application for employment.
(d) The provisions of this Section and Section 3 hereof applicable to other than regularly assigned employees are not intended to abrogate or supersede more favorable rules and practices existing on certain carriers under which other than regularly assigned employees are being granted paid holidays.

NOTE: This rule does not disturb agreements or practices now in effect under which any other day is substituted or observed in place of any of the above enumerated holidays. (ART. III — Holidays — Section 1, 4/12/69 Agreement)

Section 2. (a) Monthly rates, the hourly rates of which are predicated upon 169 1/3 hours, shall be adjusted by adding the equivalent of 56 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The hourly factor will thereafter be 174 and overtime rates will be computed accordingly. Weekly rates that do not include holiday compensation shall receive a corresponding adjustment.

(b) All other monthly rates of pay shall be adjusted by adding the equivalent of 28 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The sum of presently existing hours per annum plus 28 divided by 12 will establish a new hourly factor and overtime rates will be computed accordingly.

Weekly rates not included in Section 2(a) shall receive a corresponding adjustment. (ART. II — Holidays — Sections 2(a) and 2(b) of 8/21/54 Agreement)

Effective January, 1973, the monthly rates of monthly rated employees shall be adjusted by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. Weekly rates shall be adjusted by adding the equivalent of 8 pro rata hours to the annual compensation and a new weekly rate established in the same manner as under Article II, Section 2 of the August 21, 1954 Agreement. The hourly factor will be correspondingly increased and overtime rates will be computed accordingly. (ART. II — Holidays — Section 2(d) of 11/16/71 Agreement)

Effective January 1, 1976, after application of the cost-of-living adjustment effective that date, the monthly rates of monthly rated employees shall be adjusted by adding the equivalent of 8 pro rata hours’ pay to their annual compensation (the rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. That portion of such 8 pro rata hours’ pay which derives from the cost-of-living allowance will not become part of basic rates of pay except as provided in Article II, Section 1(d) of the Agreement of January 29, 1975. The sum of presently existing hours per annum plus 8, divided by 12, will establish a new hourly factor for purposes of applying cents-per-hour adjustments in such monthly rates of pay and computing overtime rates.

A corresponding adjustment shall be made in weekly rates and hourly factors derived therefrom. (Section 5, 6/16/76 Agreement)

The hourly factor as shown in Section 2(a) above, was as a result of the addition of the birthday holiday increased, effective January 1, 1965, to 174 2/3; as a result of the addition of Veterans Day as a holiday, effective January 1, 1973, increased to 175 1/3; and as a result of the addition of Christmas Eve as a holiday, effective January 1, 1976, increased to 176.

Section 3. A regularly assigned employee shall qualify for the holiday pay provided in Section 1 hereof if compensation paid him by the carrier is credited to the workdays immediately preceding and following such holiday or if the employee is not assigned to work but is available for service on such days. If the holiday falls on the last day of a regularly assigned employee’s workweek, the first workday following his rest days shall be considered the workday immediately following. If the holiday falls on the first workday
of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday.

Except as provided in the following paragraph, all others for whom holiday pay is provided in Section 1 hereof shall qualify for such holiday pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

(i) Compensation for service paid by the carrier is credited; or
(ii) Such employee is available for service.

NOTE: “Available” as used in subsection (ii) above is interpreted by the parties to mean that an employee is available unless he lays off of his own accord or does not respond to a call, pursuant to the rules of the applicable agreement, for service.

For the purposes of Section 1, other than regularly assigned employees who are relieving regularly assigned employees on the same assignment on both the workday preceding and the workday following the holiday will have the workweek of the incumbent of the assigned position and will be subject to the same qualifying requirements respecting service and availability on the workdays preceding and following the holiday as apply to the employee whom he is relieving.

Compensation paid under sick-leave rules or practices will not be considered as compensation for purposes of this rule. (ART. III — Holidays — Section 2, 4/21/69 Agreement)

An employee who meets all other qualifying requirements will qualify for holiday pay for both Christmas Eve and Christmas Day if on the “workday” or the “day,” as the case may be, immediately preceding the Christmas Eve holiday he fulfills the qualifying requirements applicable to the “workday” or the “day” before the holiday and on the “workday” or the “day,” as the case may be, immediately following the Christmas Day holiday he fulfills the qualifying requirements applicable to the “workday” or the “day” after the holiday.

An employee who does not qualify for holiday pay for both Christmas Eve and Christmas Day may qualify for holiday pay for either Christmas Eve or Christmas Day under the provisions applicable to holidays generally. (Section 4, 6/16/76 Agreement)

The holiday pay qualifications for Christmas Eve — Christmas shall also be applicable to the Thanksgiving Day — day after Thanksgiving Day and the New Year’s Eve — New Year’s Day holidays. (Article IV (a) — Holidays — 1/8/82 agreement)

In addition to their established monthly compensation, employees performing service on the day after Thanksgiving Day on a monthly rated position (the rate of which is predicated on an all-service performed basis) shall receive eight hours pay at the equivalent straight time rate, or payment as required by any local rule, whichever is greater. (Article IV (b) — Holidays — 1/8/82 agreement)

A monthly rated employee occupying a 5-day assignment on a position with Friday as an assigned rest day also shall receive eight hours’ pay at the equivalent straight time rate for the day after Thanksgiving Day, provided compensation paid such employee by the carrier is credited to the work days immediately preceding Thanksgiving Day and immediately following the day after Thanksgiving Day. (Article IV(c) — Holidays — 1/8/82 agreement)

Except as specifically provided in paragraph (c) above, existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are extended to apply to the day after Thanksgiving Day and New Year’s Eve (the day before New Year’s Day is observed) in the same manner as to other holidays listed or referred to therein. (Article IV(d) — Holidays — 1/8/82 agreement)
Section 4. Provisions in existing agreements with respect to holidays in excess of the ten holidays referred to in Section 1 hereof shall continue to be applied without change. (Section 3(b), 6/16/76 Agreement)

Section 5. (a) Existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are extended to apply to Good Friday, to Veterans Day and to Christmas Eve in the same manner as to other holidays listed or referred to therein. (ART. II — Holidays — Section 2(b), 11/16/71 Agreement as revised by 6/16/76 Agreement)

(b) All rules, regulations or practices which provide that when a regularly assigned employee has an assigned relief day other than Sunday and one of the holidays specified therein falls on such relief day, the following assigned day will be considered his holiday, are hereby eliminated.

(c) Under no circumstances will an employee be allowed, in addition to his holiday pay, more than one time and one-half payment for service performed by him on a holiday which is also a work day, a rest, and/or a vacation day.

NOTE: This provision does not supersede provisions of the individual collective agreements that require payment of double time for holidays under specified conditions.

(d) Except as provided in this Section 5, existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are not changed hereby. (ART. II — Holidays — Section 1(c), 11/16/71 Agreement)

Section 6. Article II, Section 6 of the Agreement of August 21, 1954, which was added by the Agreement of November 20, 1964, is eliminated. However, the adjustment in monthly rates of monthly rated employees which was made effective January 1, 1965, pursuant to Article II of the Agreement of November 20, 1964, by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and dividing this sum by 12 in order to establish a new monthly rate, continues in effect. Effective January 1, 1972, weekly rates shall be adjusted by adding the equivalent of 8 pro rata hours to the annual compensation and a new weekly rate established in the same manner as under Article II, Section 2 of the August 21, 1954 Agreement. The hourly factor will be correspondingly increased and overtime rates will be computed accordingly. This adjustment will not apply to any weekly rates of pay which may have been earlier adjusted to include pay for the birthday holiday. (ART. II — Holidays — Section 1(d), 11/16/71 Agreement)

Section 7. When any of the ten recognized holidays enumerated in Section 1 of this Article II, or any day which by agreement, or by law or proclamation of the State or Nation, has been substituted or is observed in place of any of such holidays, falls during an hourly or daily rated employee’s vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The “workdays” and “days” immediately preceding and following the vacation period shall be considered the “workdays” and “days” preceding and following the holiday for such qualification purposes. (ART. II — Holidays — Sections 1(e) and 2(c), 11/16/71 Agreement as revised by 6/16/76 Agreement)
January 8, 1982

Mr. R. T. Bates  
President  
Brotherhood of Railroad Signalmen  
601 West Golf Road  
Mt. Prospect, Illinois 60056

Dear Mr. Bates:

This will confirm our understanding concerning the granting of an additional holiday, the day after Thanksgiving Day, (Article IV of the January 8, 1982 National Agreement) that an employee who performs service on the day after Thanksgiving Day on a monthly rated position, the rate of which is predicated on an all-service performed basis, shall receive eight hours’ pay at the equivalent straight time rate, or payment as required by any local rule for holiday work, whichever is greater. Any local rules or practices governing availability on the assigned rest day of such employee will also apply to the day after Thanksgiving Day.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:  
R. T. Bates
September 23, 1986

Mr. R. T. Bates
President
Brotherhood of Railroad Signalmen
601 West Golf Road
Mt. Prospect, Illinois 60056

Dear Mr. Bates:

During the negotiations of the Agreement of this date we discussed situations where personal leave days are taken either immediately preceding or following a holiday.

This reconfirms our understanding that the work day (or day, in the case of an other than regularly assigned employee) immediately preceding or following the personal leave day is considered as the qualifying day for holiday purposes.

Please indicate your Agreement by signing your name in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I agree:

________________________________________
R. T. Bates
SECTION G

CLAIM & GRIEVANCE HANDLING

ARTICLE V—AUGUST 21, 1954 AGREEMENT

ARTICLE V — CARRIERS’ PROPOSAL NO. 7

Establish a rule or amend existing rules as to provide time limits for presenting and progressing claims or grievances.

This proposal is disposed of by adoption of the following:

The following rule shall become effective January 1, 1955:

1. All claims or grievances arising on or after January 1, 1955 shall be handled as follows:

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

   (b) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within 60 days from receipt of notice of disallowance, and the representative of the Carrier shall be notified in writing within that time of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, at any stage of the handling of a claim or grievance on the property, extend the 60-day period for either a decision or appeal, up to and including the highest officer of the Carrier designated for that purpose.

   (c) The requirements outlined in paragraphs (a) and (b), pertaining to appeal by the employee and decision by the Carrier, shall govern in appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest officer designated by the Carrier to handle such disputes. All claims or grievances involved in a decision by the highest designated officer shall be barred unless within 9 months from the date of said officer’s decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3 Second of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the 9 months’ period herein referred to.

2. With respect to all claims or grievances which arose or arise out of occurrences prior to the effective date of this rule, and which have not been filed by that date, such claims or grievances must be filed in writing within 60 days after the effective date of this rule in the manner provided for in paragraph (a) of Section 1 hereof, and shall be handled in accordance with the requirements of said paragraphs (a), (b) and (c) of Section 1 hereof. With respect to claims or grievances filed prior to the effective date of this rule the claims or grievances must be ruled on or appealed, as the case may be,
within 60 days after the effective date of this rule and if not thereafter handled pursuant to paragraphs (b) and (c) of Section 1 of this rule the claims or grievances shall be barred or allowed as presented, as the case may be, except that in the case of all claims or grievances on which the highest designated officer of the Carrier has ruled prior to the effective date of this rule, a period of 12 months will be allowed after the effective date of this rule for an appeal to be taken to the appropriate board of adjustment as provided in paragraph (c) of Section 1 hereof before the claim or grievance is barred.

3. A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than 60 days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

4. This rule recognizes the right of representatives of the Organizations, parties hereto, to file and prosecute claims and grievances for and on behalf of the employees they represent.

5. This agreement is not intended to deny the right of the employees to use any other lawful action for the settlement of claims or grievances provided such action is instituted within 9 months of the date of the decision of the highest designated officer of the Carrier.

6. This rule shall not apply to requests for leniency.

NOTE #1: Not applicable to claims filed under the off-track vehicle accident provisions of the April 21, 1969 Agreement — see Memorandum of Understanding dated May 18, 1972.

NOTE #2: Not applicable to claims filed under the Supplemental Sickness Benefit Agreement of May 9, 1973 — see Memorandum Agreement implementing Paragraph 10 thereof.

NOTE #3: Not applicable to claims filed under the Seniority Modification Agreement of March 15, 1976 — see Section V.
Prior to 1955, health care for railroad employees and their families was provided through one of four types of health plans: hospital associations formed on individual railroads, relief departments sponsored by individual railroads, mutual benefit associations established by labor organizations, or group insurance policies purchased by employee groups on individual railroads. On August 21, 1954, the Brotherhood of Railroad Signalmen and other rail labor organizations and railroads covered by the employees' 1953 health and welfare proposal entered into an agreement to establish a health insurance plan with uniform benefits and eligibility requirements. The 1954 agreement provided coverage for employees through a plan financed by equal contributions from employers and employees.

On January 18, 1955, the railroads and labor organizations entered into a policy contract with the Travelers Insurance Company. The policy, designated as GA-23000, became effective March 1, 1955. The plan provided basic hospital, surgical and medical benefits on a first-dollar basis up to specified amounts. After basic benefits were exhausted, the plan provided supplemental major medical coverage with a $100 employee deductible, a 75/25 copayment feature and a $5,000 lifetime maximum.

The following is a summary of subsequent amendments to the national health and welfare plan:

December 21, 1955 - it was agreed that the carriers would pay the full cost of the health and welfare plan effective March 1, 1956.

November 1, 1956 - established health coverage for spouses and children, at a level reduced from that for employees, effective December 1, 1956.

August 19, 1960 - increased most dependents' benefits to equal employees' benefits, extended coverage for furloughed employees and their dependents for up to three months, established $4,000 life insurance for active employees, effective March 1, 1961.

November 20, 1964 - added $2,000 life insurance for retirees, effective March 1, 1965.

February 17, 1966 - increased hospital, surgical and other benefits, increased major medical copayment level to the 80/20, added restoration feature for lifetime maximum, effective July 1, 1966.

January 11, 1968 - increased hospital and medical benefits, increased major medical maximum to $10,000, increased life insurance for active employees to $6,000, with an added $4,000 benefit for accidental death and dismemberment, effective March 1, 1968.

February 24, 1972 - increased major medical lifetime maximum to $50,000, effective March 1, 1972.

March 13, 1973 - increased major medical lifetime maximum to $250,000, effective July 1, 1973.

January 29, 1975 - established a dental plan paying 75% of covered expenses for preventative and basic services and 50% of covered prosthetic services, with an annual deductible of $50 per person and an annual maximum of $500, effective March 1, 1976.

July 27, 1978 - established early retiree major medical and dental benefits covering employees age 61 with 30 or more years of service, and their dependents, with a lifetime maximum benefit of $50,000 for each covered individual, effective August 1, 1978. Under the national plan for active employees, increased hospital and surgical benefits; added treatment for alcoholism and provisions for second surgical opinions; changed
major medical benefit to cover 100% of annual expenses over $2,000, effective January 1, 1979; increased dental benefits to annual maximum of $750, changed annual deductible to $100 per family, effective November 1, 1978.

**January 8, 1982** - under plan for active employees, increased life insurance to $10,000 and accidental death and dismemberment to $8,000 for active employees, increased hospital and surgical benefits; increased major medical lifetime maximum to $500,000; increased dental benefits and increased annual maximum to $1,000, effective January 1, 1982; increased lifetime maximum benefit to $75,000 under the early retiree plan. It was also agreed that if national health legislation was enacted, benefits under the national plans would be integrated with expenses covered under the legislation to avoid duplication.

**September 23, 1986 Agreement** - added provisions for hospital pre-admission and utilization review, established a special committee to review the existing plan structure and make recommendations concerning ways to contain health care costs while maintaining the quality of medical care.

**June 4, 1991 Agreement** - modified benefits under the national plan to provide for establishment of managed care networks wherever feasible and conversion of the plan for active employees to a comprehensive health care benefit; managed care networks to provide benefits with no annual deductibles or out-of-pocket maximums, no claim forms, $15 employee copayments for emergency room care and office visits, 100% coverage of hospital charges and inpatient mental and substance abuse care, and 100% coverage of prescription costs after a $5 employee copayment ($3 for generic drugs); comprehensive health care benefits to include annual deductibles of $100 per covered individual and $300 per family, with annual out-of-pocket maximums of $1,500 per individual and $3,000 per family, and coinsurance level at 85/15 after deductibles are satisfied. Plans for both active and retired employees changed to include a mail order prescription drug benefit, utilization review and case management to cover all non-emergency confinements and lengths of stay in any facility, home care and in-patient and out-patient procedures and treatment, and coordination of benefits providing for payment only up to the maximum benefit available under the more generous of the applicable plans, except when both spouses are employees covered by the railroad plan.

**August 8, 1996 Agreement** - Modified the eligibility requirements so that an employee would have to render compensated service or receive vacation pay of at least seven days during the qualifying month for both the medical and dental plans. Beginning in 1999, the maximum annual benefit to increase to $1,500, the lifetime orthodontic benefit to increase to $1,000, the payment rate for Type B services to increase to 80%, coverage for implant service to be added, and a toll-free telephone number for the plan to be established. Provided for establishing a Vision Care Plan to become effective January 1, 1999, with managed vision care networks to be established to provide coverage for annual examinations, lenses and eyeglass frames. For complete details on all health and welfare plans, refer to the specific agreement or plan booklet provided by the insurance company which administers the plan.

**September 24, 2003** - Plan modifications are as follows:

The Comprehensive Health Care Benefit (“CHCB”) will include one routine physical examination. This CHCB benefit shall cover 100% of the Eligible Expenses involved up to $150. Routine childhood (up to age 18) immunizations, including boosters, for Diphtheria, Pertussis or Tetanus (DPT), measles, mumps, rubella, and polio shall be provided under the CHCB.
Phenylketonurial blood tests (“PKU”) will be a Covered Health Service under the MMCP and the CHCB when given to infants under the age of one in a hospital or on an out-patient basis.

The Plan’s Managed Medical Care Program (“MMCP”), will continue to require a co-payment with respect to the first office visit by a participant or beneficiary to her obstetrician or gynecologist for treatment of a pregnancy but will not require a co-payment with respect to any subsequent visit.

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

A Hearing Benefit will be provided. Such arrangement shall provide a Maximum Benefit of $600.00 annually for each covered person for covered expenses.

**Plan Design Changes to Contain Costs:**

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

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

Each employee who makes an Opt-Out Election will be paid by his employer $100 for each month that his employer is required to make a contribution to the Plan on his behalf.

Prescription Drug Card Program co-payments per prescription are revised as follows:

- Generic Drug – $5.00
- Brand Name Drug – $10.00

Mail Order Prescription Drug Card Program co-payments per 90-day supply prescription are revised as follows:

- Generic Drug – $10.00
- Brand Name Drug – $15.00

For complete details on all health and welfare plans, refer to the specific agreement or plan booklet provided by the insurance company which administers the plan.

**July 1, 2007 Agreement**

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

**Plan Benefit Changes - MMCP**

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

(b) The parties may, by mutual agreement and subject to such evaluation and conditions as they may deem appropriate, designate specific geographic areas within the white space as mandatory MMCP locations. Plan participants and their beneficiaries who live in mandatory MMCP locations shall not have a choice between CHCB and MMCP coverage, but shall be enrolled in the MMCP.

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

(d) This Section shall become effective with respect to employees covered by this Agreement on July 1, 2007 or as soon thereafter as practicable.

**Design Changes To Contain Costs**

(a) The Plan’s MMCP shall be revised as follows:

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

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

3. The Emergency Room Co-Payment for In-Network Services shall be increased to at least $50.00 for each visit, but if the care received meets the applicable Plan definition of an Emergency, the Plan will reimburse the employee for the full amount paid for such care, except for $25.00 if the visit does not result in hospital admission. For purposes of this Paragraph, the phrase “at least” shall be interpreted and applied consistent with practice under the Plan preceding the date of this Agreement;

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

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

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

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

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

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

1. Generic Drug – increase to $10.00;

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

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

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

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

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

(1) Generic Drug – increase to $20.00;
(2) Brand Name (Non-Generic) Drug On Program Administrator’s
Formulary – increase to $30.00;
(3) Brand Name (Non-Generic) Drug Not on Program Administrator’s
Formulary – increase to $60.00.

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

“Children include:
- natural children,
- stepchildren,
- adopted children (including children placed with you for adoption), and
- your grandchildren, provided they have their legal residence with you
and are dependent for care and support mainly upon you and wholly, in the aggregate,
upon themselves, you, your spouse, scholarships and the like, and governmental
disability benefits and the like.”

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

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

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

Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall
contribute to the Plan, for each month that his employer is required to make a
contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage
for himself and/or his dependents, a monthly cost-sharing contribution in an amount
equal to 15% of the Carriers’ Monthly Payment Rate for 2007.

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

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

(1) 15% of the Carrier’s Monthly Payment Rate for 2010, or
(2) $200.00 or the January 1, 2009 employee monthly cost-sharing
contribution amount, whichever is greater.

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

(1) the Plan for foreign-to-occupation employee and dependent health
benefits, employee life insurance benefits and employee accidental death and
dismemberment insurance benefits,
(2) the Dental Plan for employee and dependent dental benefits, and
(3) the Vision Plan for employee and dependent vision benefits, would
have been during that year, per non-hospital association road employee, in the absence
of any employee contributions to such Plans.

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

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

Retroactive Contributions
Retroactive employee cost-sharing contributions payable for the period on and
after July 1, 2005 shall be offset against any retroactive wage payments provided to the
affected employee under Article I, Sections 1 and 2 of this Agreement, provided,
however, there shall be no such offset for any month for which the affected employee
was not obligated to make a cost-sharing contribution.

Prospective Contributions
For months subsequent to the retroactive period covered by Section 3, employee
cost-sharing contributions will be made for the employee by the employee’s employer.
The employer shall deduct the amount of such employee contributions from the
employee’s wages and retain the amounts so deducted as reimbursement for the
employee contributions that the employer had made for the employee.

February 6, 2012, Agreement

ARTICLE III — HEALTH AND WELFARE

Part A — Plan Changes

Section 1 — Continuation of Plans
The Railroad Employees National Health and Welfare Plan (“the Plan”), the Railroad
Employees National Dental Plan (“the Dental Plan”), the Railroad Employees National
Early Retirement Major Medical Benefit Plan (“ERMA”), and the Railroad Employees
National Vision Plan (“the Vision Plan”), modified as provided in this Article with respect
to employees represented by the organization and their eligible dependents, will be
continued subject to the provisions of the Railway Labor Act.

Section 2 — Plan Design Changes
(a) The Plan’s Managed Medical Care Program (“MMCP”) shall be revised as follows:

(1) There shall be a separate, stand-alone, Annual Deductible for In-Network
Services for which a fixed-dollar copayment does not apply. For the six-month
period from July 1 through December 31, 2012, inclusive, this Annual Deductible
shall be $100 per individual and $200 per family. For calendar year 2013, this
Annual Deductible shall be $150 per individual and $300 per family. Beginning
January 1, 2014, this Annual Deductible shall be $200 per individual per year and
$400 per family per year.
(2) The percentage of Eligible Expenses paid by the Plan for any In-Network Services for which a fixed-dollar copayment does not apply (as defined by procedure code) shall be 95% of the Eligible Expenses that exceed the applicable Annual Deductible provided for in clause (1) above; the amount payable by the employee as a result of this “coinsurance” shall be capped at $500 per individual and $1000 per family for the six-month period from July 1 through December 31, 2012, inclusive, and at $750 per individual and $1500 per family for calendar year 2013. Beginning January 1, 2014, the amount payable by the employee as the result of this “coinsurance” shall be capped at $1000 per individual per year and $2000 per family per year.

(3) The Emergency Room Co-Payment for In-Network Services shall be increased to $75.00 for each visit, but shall not apply if the visit results in admission to the hospital.

(4) The Urgent Care Center Co-Payment for In-Network Services shall be decreased to $20.00 for each visit.

(5) In cases where a fixed-dollar copayment of $20 currently applies to an office visit, the copayment shall be reduced to $10 if the office is in a “convenient care clinic.” A “convenient care clinic” means, for purposes of this Section, a health care facility typically located in a high-traffic retail store, supermarket or pharmacy that provides affordable treatment for uncomplicated minor illness and/or preventative care to consumers.

(6) The Plan shall not cover radiological services performed at a convenient care clinic.

(b) The Plan’s Managed Medical Care Program (“MMCP”) and its Comprehensive Health Care Benefit (“CHCB”) shall both be revised to include:

(1) Participation in a “Radiology Notification Program” (as described in Exhibit B hereto);

(2) Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the following additional “Centers of Excellence Resource Services” (as described in Exhibit B hereto): Bariatric Resource Services, Cancer Resource Services, and Kidney Resource Services;

(3) Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the resource services made available under a “Treatment Decision Support Program” (as described in Exhibit B hereto).

(c) The Plan’s Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:

(1) Prior Authorization by the Plan’s current pharmacy benefit manager (or any successor pharmacy benefit manager) (“PBM”) shall be required, in accordance with such PBM’s Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM’s Temporary Override Program without Prior Authorization.
(2) Employees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of the Plan’s PBM with respect to the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

(3) Employees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM’s Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(d) The Plan’s Prescription Drug Card Program Co-Payments to In-Network Retail Pharmacies per prescription are revised as follows:

(1) Generic Drug — decrease to $5.00;

(2) Brand Name (Non-Generic) Drug On Program Administrator’s Formulary — increase to $25.00;

(3) Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary — increase to $45.00;

(e) The Plan’s Mail Order Prescription Drug Program Co-Payments per prescription are revised as follows:

(1) Generic Drug — decrease to $5.00

(2) Brand Name (Non-Generic) Drug on Program Administrator’s Formulary — increase to $50.00;

(3) Brand Name (Non-Generic) Drug not on Program Administrator’s Formulary — increase to $90.00.

(f) The design changes contained in this Section shall become effective on July 1, 2012.

Section 3 — Plan Design Changes — ERMA

(a) ERMA’s Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:

(1) Prior Authorization by ERMA’s current pharmacy benefit manager (or any successor pharmacy benefit manager) (“PBM”) shall be required, in accordance with such PBM’s Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM’s Temporary Override Program without Prior Authorization.

(2) Retirees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of ERMA’s PBM with respect to the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

(3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM’s Personalized Medicine and/or Generic Rx Advantage Program then in effect.
(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

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

Section 1 — Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be $200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers’ Monthly Payment Rate for 2012 or $200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier’s Monthly Payment Rate for 2016 or $230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article VI.

(d) For purposes of subsections (b) and (c) above, the “Carriers’ Monthly Payment Rate” for any year shall mean one twelfth of the sum of what the carriers’ monthly payments to —

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

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

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

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

Section 2 — Pre-Tax Contributions

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

Section 3 — Method of Making Employee Cost-Sharing Contributions

Employee cost-sharing contributions will be made for the employee by the employee’s employer. The employer shall deduct the amount of such employee contributions from the employee’s wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

Part C — Flexible Spending Accounts

The Carriers shall establish and administer a Health Flexible Spending Arrangement (FSA) effective January 1, 2013 (not including a Dependent Care Program) that satisfies the requirements of Section 125 of the Internal Revenue Code (Code) and all other provisions of applicable law and that permits an employee to choose on a pre-tax basis
(to the extent allowable under the Code) between receiving his/her wages in full or receiving less than such full wages and applying such wage deduction to medical expense reimbursements permitted by Section 125 of the Code and the regulations thereunder (in an amount no greater than $2,500.00 per year). Such FSA shall be subject to the following conditions:

(a) There shall be a thirty (30) day grace period immediately following the end of each Plan Year during which unused FSA benefits or contributions remaining at the end of such Plan Year may be reimbursed to employees for qualified medical expenses incurred during the grace period.

(b) Employees will not be able to recover FSA forfeitures, even if the law changes to allow such recovery.

(c) The Carriers may opt to not initiate, or to terminate the FSA as quickly as is allowed by law:
   
i. If any change in the law or regulations or any other development or circumstance materially impacts the financial consequences of the FSA to the Carriers; or
   
ii. If in any year the “Cadillac Tax” applies.

(d) The Carriers may opt to terminate participation in the FSA of any craft as quickly as is allowed by law if enrollment does not meet 5% of the eligible employee population in the craft for the 2014 Plan Year, or 7.5% of the eligible employee population in the craft for the 2015 Plan Year and succeeding Plan Years.

(e) The FSA will otherwise generally replicate the terms and conditions of the Health FSA of the Railroad Employees National Flexible Benefits Program established April 1, 2005, subject to subsequent changes in applicable law.

Nothing in this section shall preclude any Carrier from establishing its own flexible spending account program for employees covered by this agreement.

**EXHIBIT B**

*Clinical Support Services*¹

**Radiology Notification Program (RNS)** – Under this program, a radiology notification process is required for participating (network) physicians, health care professionals, facilities and ancillary providers for certain advanced outpatient imaging procedures, prior to performance, with administrative claim denial for failure to provide notification. The program is a prior notification requirement only, not a precertification, preauthorization or medical necessity determination program, and currently applies to the following outpatient advanced imaging procedures: CT, MRI, PET and Nuclear Medicine, including Nuclear Cardiology. These services that take place in an emergency room, observation unit, urgent care center, or during an inpatient stay do not require notification.

The process may require a physician-to-physician discussion, the purpose of which is to engage the ordering physician in a discussion about the use of evidence-based clinical guidelines. However, the final decision authority rests with the ordering physician. This program is invisible to the covered member — non-compliance (i.e., non-notification) will result in an administrative denial of the claim with no balance billing to the patient.

¹ The actual program names, specific services/processes, and administration will vary by medical vendor.
Centers of Excellence (COE) Resource Services – these services are based on the foundation that certain facilities treat patients who consistently achieve favorable clinical outcomes, as demonstrated by reduced hospital lengths of stay and readmission rates, lower infection rates, etc. Programs are typically designed around specific disease states or conditions in which COEs can be clearly identified. The following programs develop national COE networks and specialty nurse resources that provide specific case management interventions:

— Bariatric Resource Services (“BR Services”) — BR Services provides a national Center of Excellence network of bariatric surgery centers and hospitals with an upfront case management component.
— Cancer Resource Services (CRS)/Cancer Support Program (CSP) — This clinical consulting with cancer specialists, combined with an extensive nationwide COE network will deliver clinical and financial value.
— Kidney Resource Services (KRS) — KRS provides a large network of dialysis facilities meeting strict quality outcomes with kidney nurse specialists assisting patients.

Treatment Decision Support (TDS) – These services include enhanced one-to-one coaching for individuals facing potential procedures that have been carefully targeted as having varied treatment practices and inconsistent patient outcomes. TDS normally targets back pain, knee/hip replacement, benign prostate disease, prostate cancer, benign uterine conditions, hysterectomy, breast cancer, coronary artery disease and bariatric surgery.
<table>
<thead>
<tr>
<th>Therapeutic Drug Category</th>
<th>Drugs</th>
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<tr>
<td>Specialty Drugs</td>
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<tr>
<td>Gout Therapy</td>
<td>Uloric® Krystexxa</td>
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<td>Rheumatological (RA Agents)</td>
<td>Actemra® Arava® Cimzia® Enbrel® Humira® Kineret® Orencia® Remicade® Rituxan® Simponi™</td>
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<td>Misc Agents</td>
<td>Benlysta® Savella®</td>
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<td>Erythroid Stimulants</td>
<td>Aranesp® Epogen® Procrit®</td>
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<td>Growth Hormones</td>
<td>Egrifta® Genotropin® Geref® Humatrope® Increlex™ Iplex® Norditropin® Nutropin® Omnitrope® Saizen® Serostim® Tev-Tropin® Zorbivie®</td>
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<td>Interferons</td>
<td>Actimmune® Alferon-N® Infrogen® Intron-A® Pegasyx® Peg-Intron® Roferon®</td>
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<td>Interleukins</td>
<td>Arcalyst Ilaris™</td>
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<td>Multiple Sclerosis Therapy</td>
<td>Amypr® Avonex® Betaseron® Copaxone® Extavia® Gilenya™ Novantron® Rebif® Tysabri®</td>
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<td>Myeloid Stimulants and Hemostatics</td>
<td>Leukine® Neulasta® Neumega® Neupogen® Nplate® Promacta®</td>
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<td>Vaccines &amp; Misc Immunologicals</td>
<td>Botox® Dysport® Myobloc® Xeomin®</td>
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<td>Dermatological — Psoriasis</td>
<td>Amevive® Stelara®</td>
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<td>Cancer Therapy</td>
<td>Afinitor® Avastin® Dacogen® Erbitux® Gleevec® Halaven® Herceptin® Istodax® Jevtana® Nexavar® Sprycel® Sutent® Tarceva® Tasigna® Temodar® Torisel® Tykerb® Vectibix® Vidaza® Votrient® Zolinza® Zytiga</td>
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<td>Cancer Therapy (Misc.)</td>
<td>Mozobil™</td>
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<td>Misc Antineoplastic Agents</td>
<td>Arimidex® Aromasin® Femara®</td>
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<td>Misc Antineoplastic Agents</td>
<td>Revlimid® Thalomid®</td>
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<td>Antivirals (Ribavirin Therapy)</td>
<td>Copegus® Rebetol® Ribatab®</td>
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<td>HIV/AIDS Therapy</td>
<td>Selzentry™</td>
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<td>RSV Agents</td>
<td>Synagis®</td>
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<td>Parkinson’s</td>
<td>Apokyn</td>
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<td>Hormone Therapy (Misc.)</td>
<td>Acthar® Gel Sensipar®</td>
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<td>Misc Agents</td>
<td>Soliris®</td>
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<td>Misc Neurological Therapy</td>
<td>Nuedeta™ Xenazine®</td>
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<td>Hormone Therapy (Misc.)</td>
<td>Zavesca®</td>
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<td>Hormone Therapy (Misc.)</td>
<td>Vpriv™ Cerezyme®</td>
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<td>Hormone Therapy (Misc.)</td>
<td>Samsca™</td>
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<td>Hormone Therapy (Misc.)</td>
<td>Kuvan® Somavert®</td>
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<td>Non-Narcotic Pain Relief (Hyaluronic Acid Derivatives)</td>
<td>Euflexxa® “Hyalgan” Orthovisc® Supartz® Synvisc®</td>
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<td>Lupus</td>
<td>Benlysta®</td>
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<td>Hepatitis C</td>
<td>Boceprevir, Telaprevir</td>
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<td>Misc. Pulmonary Agents</td>
<td>Berninit® Cinryze™ Kalbitor® Xolair®</td>
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<td>Misc. Pulmonary Agents</td>
<td>Cayston® TOBI®</td>
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<td>Misc. Pulmonary Agents</td>
<td>Pulmozyme®</td>
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<td>Pulmonary Arterial Hypertension</td>
<td>Flolan® Letairis® Remodulin® Revatio™ Tracleer® Ventavis® Adcirca® Tyvaso® Veletri®</td>
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<td>Therapeutic Drug Category</td>
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<td><strong>Non Specialty/Traditional Drugs</strong></td>
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<tr>
<td><strong>Hypnotics</strong></td>
<td>Ambien®, Ambien CR®, Butisol, chloral hydrate, Dalmame® Doral®, Edluar®, Halcion®, Lunesta®, Nembutal®, Prosom®, Restoril®, Rozerem®, Silenor®, Sonata®, Zolpimist®</td>
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<td><strong>Migraine</strong></td>
<td>Alsuma®, Amerge®, Axert®, Frova®, Imitrex®, Imitrex Inj®, Imitrex NS®, Maxalt®, MaxaltMLT®, Migranal NS®, Relpax®, Sumavel®, Treximet™® Zomig®, Zomig ZMT®</td>
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<td><strong>Narcolepsy</strong></td>
<td>Nuvigil®, Provigil®, Xyrem®</td>
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<td><strong>Narcotic Pain Relief</strong></td>
<td>Abstral®, Actiq®, Fentora™ Onsolis™</td>
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<td><strong>Non-Narcotic Pain Relief (Misc.)</strong></td>
<td>Cambia™ Lidoderm®, Stadol NS®, Vimovo™</td>
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<td><strong>Dermatologicals — Acne</strong></td>
<td>Solodyn®</td>
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<td><strong>Anorexiants/Weight loss</strong></td>
<td>Adipex-P®, Bontril®, Didrex®, Fastin®, Tenuate®, Xenical®</td>
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<td><strong>Hormone Therapy (Select Androgens &amp; Anabolic Steroids)</strong></td>
<td>Androderm®, AndroGel®, Axiron®, Fortesta™, Striant®, Testim Gel®, Various anabolic steroids</td>
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<td><strong>Nausea</strong></td>
<td>Anzemet®, Cesamet™, Emend®, Emend Trifold Pack®, Kytril®, Sancuso®, Zofran®, Zofran ODT®, Zuplenz®</td>
</tr>
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</table>

1/ The Coverage Authorization Program consists of traditional prior authorization, smart prior authorization, step therapy and quantity/dose rules which are based on FDA-approved prescribing and safety information, clinical guidelines, and uses that are considered reasonable, safe, and effective. These rules are recommended by an outside, independent organization based on information and data specific to the Railroad membership. Each Therapeutic Drug Category has a rule(s) specific to that category.

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<tr>
<th>Preferred Drug Step Therapy 2/</th>
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<td><strong>Therapeutic Drug Category</strong></td>
<td><strong>Preferred Drugs</strong></td>
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<tr>
<td><strong>Proton Pump Inhibitors</strong></td>
<td>Nexium, lansoprazole/ODT, omeprazole, omeprazole sodium bicarbonate, pantoprazole</td>
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<td><strong>Sleep Agents/Hypnotics</strong></td>
<td>zolpidem/ER, zaleplon</td>
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<td><strong>Depression</strong></td>
<td>citalopram &amp; other generics</td>
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<td><strong>Osteoporosis</strong></td>
<td>Boniva, Fosamax D, alendronate</td>
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<td><strong>Intranasal Steroids</strong></td>
<td>Nasonex, flunisolide, fluticasone</td>
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<td><strong>Angiotensin II Receptor Blockers</strong></td>
<td>Diovan/HCT, Micardis/HCT, losartan/HCTZ</td>
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<td><strong>Migraine</strong></td>
<td>Maxalt/MLT, Relpax, naratriptan, sumatriptan</td>
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<td><strong>Glaucoma</strong></td>
<td>Lumigan, Xalatan (generic)</td>
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<td><strong>Growth Hormones (specialty drug)</strong></td>
<td>Genotropin, Humatrope, Norditropin</td>
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<tr>
<td><strong>Tumor Necrosis Factor (specialty drug)</strong></td>
<td>Enbrel, Humira</td>
</tr>
</tbody>
</table>

2/ Preferred Drug Step Therapy identifies users of non-preferred/non-covered medications and communicates less expensive generic and preferred brand alternatives (when appropriate).
SECTION I

FORCE REDUCTIONS

ARTICLE III — JUNE 5, 1962 AGREEMENT

ADVANCE NOTICE REQUIREMENTS

Effective July 16, 1962, existing rules providing that advance notice of less than five (5) working days be given before the abolishment of a position or reduction in force are hereby revised so as to require not less than five (5) working days’ advance notice. With respect to employees working on regularly established positions where existing rules do not require advance notice before such position is abolished, not less than five (5) working days’ advance notice shall be given before such positions are abolished. The provisions of Article VI of the August 21, 1954 Agreement shall constitute an exception to the foregoing requirements of this Article.

ARTICLE IX — NOVEMBER 16, 1971 AGREEMENT

FORCE REDUCTION RULE

Insofar as applicable to the employees covered by this Agreement, Article VI of the Agreement of August 21, 1954 is hereby amended to read as follows:

(a) Rules, agreements or practices, however established, that require advance notice to employees before abolishing positions or making force reductions are hereby modified to eliminate any requirement for such notices under emergency conditions, such as flood, snow storm, hurricane, tornado, earthquake, fire or labor dispute other than as covered by paragraph (b) below, 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. It is further understood and agreed that notwithstanding the foregoing, any employee who is affected by an emergency force reduction and reports for work for his position without having been previously notified not to report, shall receive four (4) hours’ pay at the applicable rate for his position. If an employee works any portion of the day he will be paid in accordance with existing rules.

(b) Rules, agreements or practices, however established, that require advance notice before positions are abolished or forces are reduced are hereby modified so as not to require advance notice where a suspension of a Carrier’s operations in whole or in part is due to a labor dispute between said Carrier and any of its employees.
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.

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 chairman 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 I 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.


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 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.
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
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

Dear Mr. Wolfe:

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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

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”? 

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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 Employes 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  
Chariman, 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
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 his 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 OMMITTED]

EXHIBIT A

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
SECTION K

TRAVEL TIME AND AWAY-FROM-HOME EXPENSES

ARBITRATION BOARD NO. 298

IN THE MATTER OF AN ARBITRATION
between
CARRIERS REPRESENTED BY THE NATIONAL RAILWAY LABOR CONFERENCE AND THE SOUTHEASTERN, EASTERN AND WESTERN CARRIERS’ CONFERENCE COMMITTEES and EMPLOYEES’ NATIONAL CONFERENCE COMMITTEE, FIVE COOPERATING RAILWAY LABOR ORGANIZATIONS (NATIONAL MEDIATION BOARD CASE NO. A-7948)

AWARD

The Board of Arbitration provided for in the Arbitration Agreement of July 19, 1967 having been named and constituted in accordance with said Arbitration Agreement and in accordance with the provisions of the Railway Labor Act, after hearing the parties or their representatives and considering the testimony, exhibits and arguments presented, does hereby make its Award as follows:

I. The railroad company shall provide for employees who are employed in a type of service, the nature of which regularly requires them throughout their work week to live away from home in camp cars, camps, highway trailers, hotels or motels as follows:

   A. Lodging
      1. If lodging is furnished by the railroad company, the camp cars or other lodging furnished shall include bed, mattress, pillow, bed linen, blanket, towels, soap, washing and toilet facilities.
      2. Lodging facilities furnished by the railroad company shall be adequate for the purpose and maintained in a clean, healthful and sanitary condition.
      3. If lodging is not furnished by the railroad company the employee shall be reimbursed for the actual reasonable expense thereof not in excess of $4.00 per day.

   B. Meals
      1. If the railroad company provides cooking and eating facilities and pays the salary or salaries of necessary cooks, each employee shall be paid a meal allowance of $1.00 per day.
      2. If the railroad company provides cooking and eating facilities but does not furnish and pay the salary or salaries of necessary cooks, each employee shall be paid a meal allowance of $2.00 per day.
      3. If the employees are required to obtain their meals in restaurants or commissaries, each employee shall be paid a meal allowance of $3.00 per day.

   4. The foregoing per diem meal allowance shall be paid for each day of the calendar week, including rest days and holidays, except that it shall not be payable for work days on which the employee is voluntarily absent from service, and it shall not be payable for...
rest days or holidays if the employee is voluntarily absent from service when work was available to him on the work day preceding or the work day following said rest days or holiday.

C. Travel from one work point to another.
   1. Time spent in traveling from one work point to another outside of regularly assigned hours or on a rest day or holiday shall be paid for at the straight time rate.
   2. An employee who is not furnished means of transportation by the railroad company from one work point to another and who uses other forms of transportation for this purpose shall be reimbursed for the cost of such other transportation. If he uses his personal automobile for this purpose in the absence of transportation furnished by the railroad company he shall be reimbursed for such use of his automobile at the rate of nine cents a mile. If an employee's work point is changed during his absence from the work point on a rest day or holiday this paragraph shall apply to any mileage he is required to travel to the new work point in excess of that required to return to the former work point.

II. Employees (other than those referred to in Section I above and other than dining car employees) who are required in the course of their employment to be away from their headquarters point as designated by the carrier, including employees filling relief assignments or performing extra or temporary service, shall be compensated as follows:
   A. The carrier shall designate a headquarters point for each regular position and each regular assigned relief position. For employees, other than those serving in regular positions or in regular assigned relief positions, the carrier shall designate a headquarters point for each employee. No designated headquarters point may be changed more frequently than once each 60 days and only after at least 15 days' written notice to the employee affected.
   B. When employees are unable to return to their headquarters point on any day they shall be reimbursed for the actual reasonable cost of meals and lodging away from their headquarters point not in excess of $7.00 per day.
   C. An employee in such service shall be furnished with free transportation by the railroad company in traveling from his headquarters point to another point, and return, or from one point to another. If such transportation is not furnished, he will be reimbursed for the cost of rail fare if he travels on other rail lines, or the cost of other public transportation used in making the trip; or if he has an automobile which he is willing to use and the carrier authorizes him to use said automobile, he will be paid an allowance of nine cents for each mile in traveling from his headquarters point to the work point, and return, or from one work point to another.
   D. If the time consumed in actual travel, including waiting time enroute, from the headquarters point to the work location, together with necessary time spent waiting for the employee's shift to start, exceeds one hour, or if on completion of his shift necessary time spent waiting for transportation plus the time of travel, including waiting time enroute, necessary to return to his headquarters point or to the next work location exceeds one hour, then the excess over one hour in each case shall be paid for as working time at the straight time rate of the job to which traveled. When employees are traveling by private automobile time shall be computed at the rate of two minutes per mile traveled.
   III. The railroad company shall provide for dining car employees as follows:
   A. When dining car employees are required to lay over at other than home terminals overnight, lodging shall be furnished by the railroad company.
   B. Dining car employees required to lay over at other than home terminals for a period of eight hours or more shall receive a meal allowance of $1.50 except that no
allowance shall be paid to employees released after 7:00 p.m. and scheduled to report before 7:00 a.m. the following day. A second meal allowance of $1.50 will be provided if the employee's period of layover extends beyond 24 hours from the time of release at the away from home terminal.

IV. Except as benefits have been awarded in Sections I, II, and III and subparagraphs thereof, all other requests contained in Article IV of the employees' Section 6 Notice of May 10, 1966 are denied.

V. Insofar as there are presently agreements in effect between any of the carriers and organizations party to this arbitration which agreements include provisions dealing with the types of employee benefits provided for in Sections I, II, and III, and the subparagraphs thereof in this award, the organizations party to such existing agreements shall have the option of accepting any or all of the benefits provided in this award or of continuing in effect any or all of the provisions of the existing agreement in lieu thereof. Such election must be exercised on or before December 31, 1967. There shall be no duplication of benefits. Executed this 30th day of September 1967 in the city of Washington, D.C.

Arbitration Board No. 298
/s/ Paul D. Hanlon, Neutral Member
Chairman
/s/ David H. Stowe, Neutral Member
/s/ G. E. Leighty, Employee Member
/s/ H. C. Crotty, Employee Member
/s/ A. E. Egbers, Carrier Member
/s/ R. L. Harvey, Carrier Member

ARBITRATION BOARD NO. 298

IN THE MATTER OF AN ARBITRATION
between
CARRIERS REPRESENTED BY THE NATIONAL
RAILWAY LABOR CONFERENCE AND THE
SOUTHEASTERN, EASTERN AND WESTERN
CARRIERS' CONFERENCE COMMITTEES
and
EMPLOYEES' NATIONAL CONFERENCE
COMMITTEE, FIVE COOPERATING RAILWAY
LABOR ORGANIZATIONS (NATIONAL
MEDIATION BOARD CASE NO. A-7948)

OPINION OF THE NEUTRAL MEMBERS

HISTORY OF THE DISPUTE
The carrier parties before this Board are 202 line-haul railroads and terminal and switching companies which are listed in carriers’ Exhibit 1 and are represented here by the National Railway Labor Conference and the Southeastern, Eastern and Western Carriers’ Conference Committees. The employee parties are the Five Cooperating Railway Labor organizations including the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, Brotherhood of Maintenance of Way Employees, Transportation Communications Employees Union,
Brotherhood of Railroad Signalmen, and the Hotel and Restaurant Employees and Bartenders International Union.

The carriers before the Board constitute more than 95 percent of the entire railroad industry, and the employees constitute about 65 percent of the non-operating employees and about 40 percent of all railroad employees.

On May 10, 1966 these organizations served on the carriers certain uniform notices under Section 6 of the Railway Labor Act proposing a number of revisions in and additions to their collective bargaining agreements. Those notices originally contained a substantial number of proposals and with the exception of the issue submitted to this Arbitration Board all of the other proposals were either withdrawn or settled as part of the agreements entered into in December 1966 and January 1967. The issue not disposed of was that set forth in Article IV of the organizations’ proposal which was entitled “Travel Time and Expense for Employees Required to Work Away From Their Home Stations.”

By the agreements reached in December 1966 and January 1967 the parties agreed to resume direct negotiation on the proposals contained in Article IV on or about June 1, 1967. It was further agreed that if that proposal was not resolved in direct negotiations or in mediation it would be submitted to arbitration, and it was pursuant to that agreement that this Arbitration Board was eventually established.

JURISDICTION AND PROCEDURES OF THE ARBITRATION BOARD

This is an arbitration pursuant to the provisions of the Railway Labor Act, Sections 7, 8 and 9. The agreement to arbitrate was duly executed by the parties on July 19, 1967 and said agreement conformed in all respects to the requirements of Section 8 of the Railway Labor Act is attached hereto and marked Appendix 1.

The six man Board of Arbitration was chosen as follows. The Carriers named A. E. Egbers and R. H. Harvey as their arbitrators; the Employees named G. E. Leighty and H. C. Crotty as their arbitrators; the parties failed to name the two additional arbitrators within the time provided, whereupon the National Mediation Board named and certified Paul D. Hanlon and David H. Stowe as the fifth and sixth members of the Arbitration Board.

The Board of Arbitration met on August 8, 1967 at 10:00 a.m. at Chicago, Illinois. The Board organized and selected Paul D. Hanlon as Chairman and established all necessary rules for conducting its hearings. The hearings commenced on August 8, 1967 and continued thereafter for a total of eight days. Full opportunity was afforded to the parties for a full and fair hearing and the Board granted to the parties the opportunity to present evidence in support of their positions and an opportunity to present their cases in person, by counsel or by other representatives as they elected. The parties entered their appearances as indicated above.

All testimony before the Board was given under oath as required by the Railway Labor Act.

The hearing was officially closed on August 18, 1967 and thereafter the Board met in executive session on several occasions at Washington, D.C. The Arbitration Agreement provided that the Board should make and file its award prior to September 26, 1967. However, prior to that date the parties stipulated and agreed that the time for making and filing the award would be extended to and including October 4, 1967 and the written and executed stipulation to that effect is in the record. This stipulation does not alter the effective date of the award which by the terms of the original Arbitration Agreement remains October 15, 1967.

STATEMENT OF THE ISSUES

Paragraph III of the Arbitration Agreement provides as follows:

“The specific questions to be submitted to the Board for decision are:
“What disposition shall be made of the issues raised by Article IV as set forth in notices served by the employees, pursuant to Section 6 of the Act on May 20, 1966 reading as follows: ‘Article IV — Travel Time and Expense for Employees Required to Work Away From Their Home Stations’.”

The Agreement then goes on to quote the detailed provisions of Article IV verbatim. Since these provisions are lengthy and are set forth in full in the Arbitration Agreement Appendix 1 hereto it is unnecessary to set them forth in full here.

DISCUSSION

A. General Considerations

Even a superficial review of the proposal of the organizations will indicate that numerous issues are involved. A more comprehensive study reveals that many of the issues are complex, and unnumerable variables are introduced by the fact that uniform rules are sought to cover five different classes of employees. As between these classes and also within the classes the travel and working conditions vary considerably with consequent variations in the needs of the employees and the problems of the carriers.

In this context we have found it expedient both in our award and in this discussion to organize the issues into three basic sections. The first section deals essentially with employees living in camp cars, the second section deals with employees required to work away from their headquarters points other than those assigned to camp cars and other than dining car employees and the third section deals with the issues relating to dining car employees.

Before turning to this outline of the specific issues, there are certain general considerations which should be reviewed. The carriers urge that this Board should reject the proposal of the employees in its entirety. The thrust of the carrier argument in this respect has been set forth in capsule form in the following excerpt quoted from the carriers' brief:

“The ultimate question of pervasive significance in the case is this: In view of what the organizations have bargained for over the years and in the immediate past, and in view of what they are assured of receiving in the immediate future, should additional benefits of the kind requested be interposed at this time?”

In pursuit of a negative answer to the foregoing question the carriers contend that these away-from-home conditions have always existed and that over the years the organizations have elected to stress these costs as one ground for basic wage increases rather than pressing for specific away from home expense allowances; that these employees are already well compensated in comparison with their counterparts in other industries, particularly in the light of the wage and benefit increases already negotiated in current settlements; that the financial condition of the railroad industry although relatively improved in 1965 and 1966 is still not good, and that due to variations in local conditions, provisions of the type sought here are better negotiated on a local basis on each individual railroad.

Each of these points has some validity, and we have not been unmindful of them in arriving at the extent and amount of the benefits provided in our award; yet even weighed collectively they do not persuade us that this Board can completely ignore the obvious existing inequities as between employees living at home and those required to do the same job for the same wage at an away-from-home location.

B. Camp Cars

A considerable portion of the case presented by the employees before this Board was directed to the plight of the employees who are required in the course of their employment to live away from home in camp cars or similar accommodations. The employees involved are primarily maintenance of way employees who are engaged in
the construction, reconstruction, maintenance and repair of the roadway, bridges, buildings and other structures and the signalmen who perform similar services in connection with the signaling devices and systems. While many of these men are laborers, there are a significant number of more skilled employees in the group.

These traveling crews generally live in camp cars furnished by the railroad which consist of remodeled box cars or passenger coaches which are moved from one location to another over the carrier’s lines as the maintenance work progresses. Some carriers provide highway trailers for the accommodations of the crew in place of camp cars.

The practices now in effect on various railroads in connection with lodging and meal arrangements provided for these camp car employees vary considerably. Most carriers furnish basic sleeping accommodations to the employee free of charge but in some instances employees must pay for this lodging or furnish their own mattresses and in most cases employees are required to provide their own blankets, linens, towels and soap.

In most cases the railroad provides physical facilities for cooking and eating in the camp cars, but from that point on the arrangements for the preparation of the food and payment for food costs are the subject of infinite variations on the various railroads. Some carriers pay the salary of a cook, depending upon the size of the work gang. In other situations the men are required to do their own cooking, and in still others the food is furnished by the foreman of the gang or by a commissary company. In some instances the employees eat in restaurants. In virtually all cases, however, the actual cost of the food is paid for by the employee. (There is evidence of a single exception where one railroad company pays one-half the food cost.) As might be expected the food cost to the employee varies widely depending upon the method used. The evidence indicates that costs run from a low of $1.05 a day in situations where the railroad company provides facilities and pays the salary of the cook, up to as high as $5 and $6 a day when the employees must eat in restaurants.

It seems beyond dispute that, even under the best conditions presently available, the living conditions of men assigned to traveling gangs in camp cars are difficult and unsatisfactory. While certain of the undesirable aspects are inherent in the nature of the required service and are unavoidable, nevertheless we conclude that the great disparity between the living conditions and the living costs of the camp car employee as compared to the section man who lives at home demands some adjustment.

We are satisfied from the evidence that the practice in other industries of absorbing the reasonable expenses of their employees for lodging and meals when working away from home is widespread and generally accepted. It is also significant that within the railroad industry itself, shop-craft employees represented by the Railway Employees’ Department AFL-CIO who are sent out on the road for emergency service are almost universally paid actual expenses incurred for meals and lodging. The request for meal and lodging provisions has therefore been granted to the extent indicated in Section I of the award.

The proposals of the organizations also included a request that the carriers pay these men travel time and mileage allowances for a round trip from the camp location to their home and back each weekend. Although some evidence was submitted to indicate that there are some such agreements in effect in other industries, there is no indication that these provisions or practices are widespread or generally accepted. The overall cost to the carriers for such allowances would be very substantial and, unlike meal and lodging allowances which have an equal per capita impact on all carriers involved, these weekend mileage and travel allowances would have a widely varying impact depending upon the geographic location and miles of roadway to be maintained by each individual.
railroad. For all of these reasons we have decided that this part of the request should be
denied.

C. Employees Required To Be Away From Headquarter Point Other Than Those
Generally In Camp Car Category Or Dining Car Employees

Section II of the award deals primarily with problems arising out of relief service,
although not limited thereto. Within the area of relief assignments three general
categories are involved and these are: (1) regular assigned employees diverted from
their regular assignment to perform relief service; (2) regular assigned relief employees
who provide relief on a scheduled basis to fill in on the rest days of regular employees;
and (3) extra employees who provide relief on an irregular unscheduled basis as the
needs of the service may require. All of the employees involved in this type of service
are required to one extent or another in the course of their employment to travel to work
locations away from their home stations or headquarters points and to necessarily incur
expense for meals and lodging when they are unable to return on any day and for
transportation expense unless rail passenger service happens to be available at the time
and place involved.

The railroads were squarely confronted with one aspect of this problem as far back as
1949 with the advent of the 40 hour week. At that time the reduction in working hours
increased the number of rest days and thereby increased the need for employees to
perform relief service in positions that had to be manned more than 40 hours per week.
Numerous disputes arose as to how rules and practices dealing with travel time and
expense for these relief employees should be established, interpreted and applied.
These disputes were submitted to the Forty -Hour Week Committee which issued its
Decision No. 6 on November 11, 1949 with David L. Cole acting as neutral referee. In
summary, the specific employees covered by Decision 6 were allowed payment at the
straight time rate for time spent in travel or waiting in excess of one hour and 30
minutes, mileage at an unspecified “established” rate when required to use their
automobiles, and reimbursement for actual necessary cost of lodging and two meals per
day with a maximum of $4 per day when unable to return to their headquarters.

It should be emphasized that Decision 6 was limited in its application to the
employees involved in the specific disputes submitted to that Forty -Hour Week
Committee, and even in those cases it applied only to the one category of regular
assigned relief employees. It seems clear from the evidence, however, that this decision
has set a pattern of sorts for the hodge-podge of local rules on this general subject
matter which have been negotiated on individual properties since that time.

A study of this miscellany of local rules again establishes that there is a wide disparity
in the benefits provided and in the categories of employees included under the coverage
of the various local rules. Many carriers provide no mileage allowance whatsoever, and
those who do range all the way from three cents to ten cents per mile. Meal and lodging
allowances vary from zero to $8.50 per day. Some carriers provide benefits for extra
employees but deny the same benefits to regular assigned relief employees, and yet on
other carriers the exact opposite system prevails. No logical rhyme or reason can be
discerned in explanation of these radical variations and contradictions.

Again as to this category of employees, the evidence is convincing that the practice of
employer absorption of reasonable travel and away-from-home expenses in industry in
general is widespread and generally accepted. In our award we have sought to provide
reasonable benefits under all the circumstances and in the light of the evidence
submitted in the record. In the context outlined above we have found it suitable and
expedient to start with the basic approach and provisions of Decision 6, to generally
update certain allowances in the light of rising costs since 1949, and to extend these
provisions to other categories of employees. This extension appears justified in the light
of numerous negotiated rules doing so on various individual railroads and based upon our own conclusion that all of these employees stand on equal footing and that no logical or equitable basis can be found for discriminating against one category or the other.

D. Dining Car Employees

It is apparent to the Board that the proposals of the employees in the form presented are not readily applicable to the particular circumstances and unique operating requirements of dining car service. This fact was acknowledged by the representative of the dining car employees at the hearing and he rephrased the request of these employees to include the following:

1. Payment for all travel and waiting time at away-from-home terminals except for 8 hours sleeping time.
2. Reimbursement for taxi fares when necessarily incurred for travel from away-from-home terminal to lodging facilities furnished by the carrier.
3. Carrier furnished lodging and reimbursement for necessary meal expense at away-from-home terminals.

No basis has been found in the record for allowance of the requests set forth in 1 and 2 above. Because of the peculiarities of the service, the work of dining car employees cannot by its nature be set up in eight hour tours of duty but must rather be established in work cycles which necessarily vary with the times and distances involved on the particular passenger run. This type of schedule has some disadvantages for the employee but it also provides certain definite advantages such as long layover periods at home between trips.

Proposal No. 1 above would require the carriers to pay the dining car employees for periods when they are free from any service requirements and would provide very substantial wage increases which are not warranted under all the circumstances.

In connection with the request for taxi fares the evidence indicates that in most cases lodging facilities are located so that no travel is required and, in those cases where travel is necessary, bus transportation is readily available at minimal cost. Under these circumstances no allowance for taxis appears justified.

In practically all instances the carriers furnish lodging for dining car employees who are required to layover at other than home terminals overnight. However, the testimony indicates that there may be some exceptions and to remedy that inequity the award provides that such lodging shall be furnished by and at the expense of the railroad company.

There appears to be some merit in the employees’ request for a meal allowance under certain circumstances at the away from-home terminal. In this connection we have found the problem of these employees more comparable to that of the railroad operating employees, and the $1.50 meal allowance provided in the award is similar to that which the carriers have contracted to pay to road service crews.

CONCLUSION

At the outset we commented on the multiplicity and complexity of the issues. We have been unable to discuss all of these issues within the time allowed and have merely attempted in this opinion to touch upon and highlight some of the principal problems involved. No significance should be attached to our failure to discuss any particular issue whether provided for or denied in the award.

Dated this 30th day of September 1967 at Washington, D.C.

/s/ Paul D. Hanlon, Neutral Member
Chairman

/s/ David H. Stowe, Neutral Member
ANALYSIS AND STATEMENT OF G. E. LEIGHTY AND H. C. CROTTY, ORGANIZATION MEMBERS, WITH RESPECT TO APPLICATION OF AWARD OF ARBITRATION BOARD NO. 298

We believe that the terms of the Award are quite clear and that it is not necessary in this analysis to attempt any restatement or elaboration of them. We will undertake, however, to call attention to some of the implications and applications that may not be obvious. These are derived for the most part from discussions in executive sessions of the Arbitration Board.

I. It is apparent from the structure of the Award that Section I, II and III seek to differentiate by type of service the employees to which these several Sections apply. Generally, there should be no difficulty in determining which Section is applicable. There may be some situations, however, in which the application may not be clear. For example, a gang may be permanently headquartered at a fixed point in a metropolitan area and most of the gang is recruited from employees who have their homes in the immediate vicinity and who will actually live at home. It is understood that Section I does not apply in that situation even though camp facilities are maintained.

I.A.1. This paragraph will require some change in the type of facilities furnished on every railroad that we know of. Although the facilities now furnished vary in their adequacy, we know of no railroad that is now furnishing everything that is specified in the paragraph.

I.A.2. Not only must most railroads furnish more complete lodging facilities but their quality must likewise be improved. In the application of this paragraph we should insist that, for the first time in history, really decent and healthful living conditions be provided.

I.B.1. The conditions under which this paragraph will apply require that a regular cook be furnished who will do the purchasing of supplies as well as the cooking and other related work. It is understood that this cook will not be required to work with the gang.

I.B.2. If the railroad does not furnish a cook as described in paragraph 1, the $2 per day rate will apply even though the railroad permits a member of the crew who spends part of his time working in the crew to spend some of his time doing the cooking.

I.B.3. The situations covered by this paragraph are so varied that there will probably be situations on individual railroads requiring individual attention. In general, this paragraph is intended to apply wherever employees to whom Section I applies are not furnished cooking and eating facilities or where lodging and eating facilities are furnished by commissaries.

I.B.4. The payment of the per diem meal allowances for rest days and holidays even though the employees may be absent from the camp was considered by the Board to be a partial payment for the expenses of making weekend or holiday trips to their homes and thus is not dependent on the employee incurring expense for meals in camp on those days. If, however, the employee voluntarily absents himself from service when work is available on work days he does not receive the meal allowances on those days nor on rest days or holidays which are immediately preceded or followed by such absence.

I.C.1. It is understood that when there is travel from one work point to another outside of regularly assigned hours or on a rest day or holiday and the railroad furnishes transportation for such travel but an employee chooses to use a means of travel other than that provided by the carrier his travel time payment will be the same as though he had used the transportation offered by the carrier and not for the time that he actually consumes in performing the travel.
I.C.2. This paragraph does not apply in the event that the railroad does furnish means of transportation but the employee chooses to use other means instead. For example, if the carrier moves the crew by rail but an employee has his personal automobile at the camp and chooses to drive it to the new work point he is not entitled to the automobile mileage rate for such use of his automobile.

II.A. With respect to regular positions, including regular assigned relief positions, the headquarters goes with the position and establishes the headquarters of any employee occupying such a position. In all other instances, as for example in the case of extra men, the headquarters is assigned to the individual employee. If an employee in the latter class, such as an extra employee, bids in a regular position he retains his individually assigned headquarters until he actually goes to work on the regular job that he has bid in. However, if he goes to work on a regular position and thus acquires a new headquarters in less than 60 days after his headquarters as an extra man has been designated there is no violation of the last sentence of this paragraph.

II.B. This paragraph contemplates that the employee will not in fact return to headquarters on the day involved. It was understood that where the employee voluntarily agrees to use lodging furnished by the carrier an allowance of $3 per day for meals will be made. The question may arise as to what happens when the employee does in fact return to his headquarters but is unable to do so within the hours of the assignment. In that event this paragraph does not apply but paragraph D. of this Section applies.

II.C. This paragraph requires the carrier to furnish or pay for all transportation between headquarters and any other point, or from point to point whenever the employee is required by his employment to travel from one point to another. The employee is not required to provide his own automobile but if he has an automobile that he is willing to use and the carrier authorizes him to use it he will be paid nine cents per mile for such travel in which his automobile is used.

II.D. This paragraph governs all situations in which the employees in the type of service covered by Section II are required to travel outside of assigned hours or on rest days or holidays. It should be noted that whenever the employee performs such travel by the use of private automobile the travel time is computed by converting the distance traveled into time to be paid for at the rate of two minutes per mile travelled and no waiting time is paid for.

III.A. Dining car employees are generally provided with lodging when they are required to lay over at other than home terminals overnight. This paragraph requires that they be furnished such lodging in all circumstances.

III.B. This paragraph requires one or more meal allowances of $1.50 each for dining car employees required to lay over at other than home terminals under the circumstances specified in the paragraph. Such allowances are generally not provided under present agreements.

IV. This paragraph merely limits the benefits awarded to those specified in the Award.

V. This paragraph will require careful examination of all agreements now in effect on all railroads with respect to any of the benefits covered by the Award. It should be carefully noted that this paragraph differs from provisions of this type that have sometimes been included in previous national agreements permitting organizations to retain present rules in preference to the national rule. This paragraph gives the organization the option to pick and choose among any or all of the benefits provided in this Award or of continuing in effect any or all of the provisions of the existing agreement. The only restriction is that there cannot be any duplication of benefits; in other words, with respect to any particular benefit, the Award cannot be chosen to duplicate a benefit now provided under the existing agreement. This election must be exercised on or before December 31, 1967.
STATEMENT OF THE CARRIER MEMBERS OF ARBITRATION BOARD NO. 298

The undersigned carrier members of the Arbitration Board have affixed their signatures to the Award rendered this day by the Board despite our disagreement with and disappointment in many of its terms.

The position of the carriers on each of the issues is a matter of record in the proceedings before the Board and need not be reviewed here. We wish to note particularly, however, that the gains made over the years in local and national collective bargaining by the organizations represented in these proceedings, the collective bargaining priorities these organizations have established in many years of bargaining, the very substantial progress in wages and benefits they already have achieved in the current movement, the unprecedented increases in the carriers labor costs for the 1967-1968 period, and the unwarrantably high wages enjoyed by many of the employees who will be further advantaged by the Award of the Board were not, in our view, accorded by the public members the weight that was due these important considerations. In addition, there are a number of respects in which we believe the Award to be almost entirely without support in the record.

We wish to state, however, that the proceedings of the Board were attended by procedural regularities and the parties were afforded the opportunity to present their positions and supporting evidence. Except in relatively rare circumstances, we believe that where a dispute has been submitted to arbitration some responsibility devolves upon all members of the Arbitration Board to act with the majority in the completion of the official functions of the Board. We have deemed it appropriate, therefore, to join in the Award and to enter of record this brief statement of our separate views.

R. L. Harvey /s/
A. E. Egbers /s/

September 30, 1967
Interpretations of the Arbitration Board, Arrived at in Conference at the Time the Award was Executed at Washington, D.C. on September 30, 1967

1. It was decided by the Board, that the provisions of Section I, shall not apply to employees where the men report for duty at a fixed point, which remains the same point throughout the year.

2. Under the provisions of Section I C 1, each man will be paid the amount of travel time from one point to another which the conveyance offered by the carrier would take regardless of how any man actually travels from one point to the other.

3. Under the provisions of Section II, the sixty-day limitation on change of headquarter’s point is not intended to apply in the case of a man who obtains a regular position by exercise of seniority or otherwise.

   Example: Employee Smith is on the extra list at Chicago, and on November 1, 1967, the carrier designates Chicago as his headquarter’s point. On December 1, a regular position with headquarter’s point at Aurora becomes vacant, and Smith is the successful bidder for the position. Smith’s headquarter’s point automatically becomes Aurora, as of his first day on that job, and the expense allowances provided in Section II, are not payable.

4. Full time cooks will be employed and paid by the carrier, where the $1.00 per day meal allowance is paid under Section I B 1.

   Where the company uses a helper or laborer in the gang, on a part-time basis, at the camp, and he also performs other work with the gang, then the $2.00 allowance shall be paid, as provided in Section I B 2.

5. Under Section II B, if the carrier provides a lodging facility, at an away from headquarter’s point, and an employee is agreeable to using such facility, then the maximum allowance will be $3.00 for meals.

INTERPRETATION NO. 1 (dated December 12, 1967)

It is hereby determined that: if an organization party to the Award of Arbitration Board No. 298 expresses an option which it considers available to it under Section V of the Award and so advises the Carrier in writing at any time prior to midnight of December 31, 1967 (extended by agreement of the parties through January 15, 1968) such expression shall be compliance with Section V of the Award.

Disputes relative to the propriety of such elections may be resolved after that time. The effective date of options, held to be proper, shall be October 15, 1967 and payments shall be adjusted accordingly to the extent necessary to give such effect. [Time to exercise option was subsequently extended to February 1, 1968]

INTERPRETATION NO. 2 (January 12, 1968)

QUESTION: If an existing rule provides a method for establishing an employee’s headquarters which method differs from the method provided in Section II A of the Award, may the organization elect to retain the existing rule governing the establishment of headquarters while electing to accept the benefits provided by some of or all the other sub-paragraphs of Section II?

ANSWER: No. The right to receive any of the employee benefits provided in Section II of the Award is conditioned upon the right of the carrier to designate the headquarters point as provided in Section II A.

INTERPRETATION NO. 3 (January 12, 1968)

QUESTION: (This question in the form originally submitted was regarded by the Board as too vague and indefinite to be effectively answered. At an executive session of the Board, the question was rephrased to read as follows:)

Under an existing rule, regularly assigned employees diverted from regular assignment to perform extra or relief work are allowed actual expenses when away from
headquarters but extra or relief employees receive no allowance. May the organization elect to retain the existing provision for actual expenses for diverted regularly assigned employees and also accept the benefits of Section II of the Award for extra and relief employees?

**ANSWER:** Yes.

**INTERPRETATION NO. 4** (January 12, 1968)

**QUESTION:** If an existing rule applies to provide reimbursement for travel time only on specified days of an assignment (e.g., to the assignment on the first day and return on the last day), may the organization elect to retain such rule for the days to which it applies and accept the provisions of Section II D of the Award for the other days of the assignment?

**ANSWER:** No.

**INTERPRETATION NO. 5** (January 12, 1968)

**QUESTION:** If an existing rule establishes a rate of nine and one-half cents per mile as reimbursement for the use of a personal automobile in traveling from headquarters to work point and return and from one work point to another, may the organization elect to retain that rate in lieu of the nine-cent rate provided in Section II C of the Award while electing to accept all the other provisions of the Award?

**ANSWER:** Yes.

**INTERPRETATION NO. 6** (January 12, 1968)

**QUESTION:** If the answer to the preceding question is in the affirmative and an existing rule establishes a rate of nine and one-half cents per mile for the first 1,000 miles per month and a rate of eight cents per mile for the excess over 1,000 miles per month, may the organization elect to retain the present rate for the first 1,000 miles per month while electing to accept the nine-cent rate provided in the Award for the excess over 1,000 miles per month?

**ANSWER:** No.

**INTERPRETATION NO. 7** (January 12, 1968)

**QUESTION:** When travel time is computed under the last sentence of Section II D of the Award and no waiting time is included, is all time so computed compensable?

**ANSWER:** No. Regardless of the method of transportation used, the compensation provided in Section II D does not commence until the expiration of one hour.

**INTERPRETATION NO. 8** (January 12, 1968)

**QUESTION:** Carrier establishes a system gang at a fixed location in a terminal area or classification yard without camp cars. Employees are recruited from all over the railroad system with their homes at various points, none of which maintain their homes in the vicinity of the terminal or classification yard. Inasmuch as the employees are required to live away from their homes throughout their work week, may carrier escape provisions of I-A-3 and B-3 and B-4?

**ANSWER:** Yes. See paragraph 1 of the memorandum of Board conference of September 30, 1967 which reads as follows: “It was decided by the Board, that the provisions of Section I, shall not apply to employees where the men report for duty at a fixed point, which remains the same point throughout the year.”

**INTERPRETATION NO. 9** (January 12, 1968)

**QUESTION:** Employees are working in a gang at point “A.” The work point is changed from “A” to “B” outside of work hours or on a rest day or holiday while employees are not actually at work. Employees are not required by the carrier to ride in the camp cars and elect to travel from “A” to “B” in their own automobiles. May carrier avoid payment of travel time from “A” to “B” under I-C-1?

**ANSWER:** No. See paragraph 2 of the memorandum of Board conference of September 30, 1967, which reads as follows: “Under the provisions of Section I C 1, each man will
be paid the amount of travel time from one point to another which the conveyance offered by the carrier would take regardless of how any man actually travels from one point to the other.

**INTERPRETATION NO. 10 (January 12, 1968)**

**QUESTION:** Carrier moves the work point from “A” to “B” while the employee has gone home on a holiday or rest day. Employee left work point “A” but returns to work point “B” after having gone home. May carrier avoid payment of travel time from “A” to “B” because the employee traveled from “A” to “C” to “B” rather than going straight to “B” before going home at “C”?

**ANSWER:** No. See paragraph 2 of the memorandum of Board conference of September 30, 1967, which reads as follows: “Under the provisions of Section I C 1, each man will be paid the amount of travel time from one point to another which the conveyance offered by the carrier would take regardless of how any man actually travels from one point to the other.”

**INTERPRETATION NO. 11**

**QUESTION:** In traveling from one work point to another outside of regularly assigned hours or on a rest day or holiday, is waiting time to be included in “time spent” under the provisions of I C 1?

**ANSWER:** Initial waiting time is not to be included in “time spent” but waiting time enroute is to be included.

**INTERPRETATION NO. 12 (Question No. 1; BRS and UP)**

**March 29, 1969**

**QUESTION:** Carrier practice over a period of many years has been to provide camp cars for gangs but camp car rules in effect do not make it mandatory that cars be provided. Employees assigned to such gang are recruited from an entire seniority district and work away from home while assigned to the gang.

May Carrier discontinue providing camp cars and escape payment under I-A-3?

**ANSWER:** This question requires a determination as to whether or not the employees involved are to be provided for under Section I of the Award. Section I applies to all employees “who are employed in a type of service, the nature of which regularly requires them throughout their work week to live away from home in camp cars, camps, highway trailers, hotels or motels.”

The “Opinion of the Neutral Members” issued concurrently with the Award on September 30, 1967, includes the following pertinent language in further defining the employees contemplated as provided for in Section I:

“The employees involved are primarily maintenance of way employees who are engaged in the construction, re-construction, maintenance, and repair of the roadway, bridges, buildings, and other structures and the signalmen who perform similar services in connection with the signaling devices and systems.”

The Memorandum of Board Conference issued by the full Board on September 30, 1967, included the following:

“1. It was decided by the Board that the provisions of Section I shall not apply to employees where the men report for duty at a fixed point, which remains the same point throughout the year.”

The Carrier seems to contend that these employees are now subject to Section II of the Award rather than Section I.

With regard to Section II employees the following language from the “Opinion of the Neutral Members” is pertinent:

“Section II of the Award deals primarily with problems arising out of relief service, although not limited thereto. Within the area of relief assignments three general categories are involved and these are: (1) regular assigned employees diverted from
their regular assignment to perform relief service; (2) regular assigned relief employees who provide relief on a scheduled basis to fill in on the rest days of regular employees; and (3) extra employees who provide relief on an irregular unscheduled basis as the needs of the service may require."

An employee cannot be transferred from coverage of Section I into Section II merely by the discontinuance of camp cars and/or the designation of a headquarters point.

In applying the foregoing principles and guidelines to the specific question at issue here, it is clear that the employees are in a type of service contemplated within the coverage of Section I. The Carrier may discontinue providing camp cars but may not escape payments under Section I except in locations where the men report for duty at a fixed point which remains the same point throughout a period of 12 months or more.

**INTERPRETATION NO. 13** (Question No. 2; BRS and UP)
March 29, 1969

**QUESTION:** Carrier’s practice over a period of many years has been to provide camp cars for gangs performing work over an entire seniority district or the entire railroad. Employees assigned to such gang are recruited from the entire seniority district or the entire railroad and work away from their homes while assigned to the gang. May carrier discontinue providing camp cars, establish a fixed location as headquarters for the gang, changing the headquarters location as work progresses over such seniority district or the entire railroad and escape payment under I-A-3?

**ANSWER:** This question is answered by Interpretation No. 12.

**INTERPRETATION NO. 14** (Question No. 3; BRS and UP)
March 29, 1969

**QUESTION:** Seniority district covers a division or in some instances the entire railroad. In order to protect seniority, agreement rules require employees to bid for jobs in a gang which works over the entire seniority district or entire railroad as work progresses. Employees bidding in such positions in the gangs are recruited from the entire seniority district and work away from home while assigned to the gang.

May carrier establish a fixed location as headquarters for the gang and escape payment under I-A-B or C, especially in view of the fact that none of the employees in such gang have their homes in the vicinity of the fixed location and further, that it would not be logical to move their homes to the location of the new work points as work progresses?

**ANSWER:** This question is answered by Interpretation No. 12.

**INTERPRETATION NO. 15** (Question No. 4; BRS and UP)
March 29, 1969

**QUESTION:** Carrier establishes a position at a fixed location in connection with rail laying programs or catching up work on a maintainer’s territory. The nature of the work being of short duration, it would not be feasible or practical to move his home to such location and the successful applicant lives away from his home while on such assignment.

May carrier avoid payment of lodging and meal allowance under the Award?

**ANSWER:** This question is answered by Interpretation No. 12.

**INTERPRETATION NO. 16** (Question No. 5; BRS and UP)
March 29, 1969

**QUESTION:** Carrier establishes a system gang at a fixed location in a terminal area or classification yard without camp cars. Employees are recruited from all over the railroad system with their homes at various points, none of them maintains his home in the vicinity of the terminal or classification yard.

Inasmuch as the employees are required to live away from their homes throughout their work week, may carrier escape provisions of I-A-3, B-3 and B-4?
ANSWER: Yes. Inasmuch as these men report for duty at a fixed point which remains the same throughout the year; see Interpretation No. 8.

INTERPRETATION NO. 17 (Question No. 6; BRS and UP)
March 29, 1969

QUESTION: Employees are working in a gang at point “A”. The work point is changed from “A” to “B” outside of work hours or on a rest day or holiday while employees are not actually at work. Employees are not required by the carrier to ride in the camp cars and elect to travel from “A” to “B” in their own automobiles.

May carrier avoid payment of travel time from “A” to “B” under I-C-1?

ANSWER: No. This question is answered by Interpretation No. 9.

INTERPRETATION NO. 18 (Question No. 7; BRS and UP)
March 29, 1969

QUESTION: May carrier avoid payment of travel time from “A” to “B” because the employee traveled from “A” to “C” to “B” rather than going straight to “B” before going home to “C”?

In traveling from one work point to another outside of regularly assigned hours or on a rest day or holiday, is waiting time to be included in “time spent”?

ANSWER: This question is in two parts.

The answer to part one is: No. See Interpretation No. 9.

Part two is answered by Interpretation No. 11.

INTERPRETATION NO. 19 (Question No. 8; BRS and CMStP&P)
March 29, 1969

QUESTION: Is carrier permitted to apply the Award in such a manner so as to reduce benefits employees received under existing rules and practices before; i.e., in view of the illustration cited below with respect to a Special Signal Maintainer position, was carrier permitted under the Award to allow the incumbent of that position only $3.00 a day for his meals even though he previously was reimbursed the full cost of meals taken on work days?

ANSWER: No. The Organization had the right to preserve the pre-existing full cost of meals allowance and under the particular facts presented in this case the option as exercised should be so interpreted.

INTERPRETATION NO. 20 (Question No. 9; BRS and CMStP&P)
March 29, 1969

QUESTION: To what meal allowance were the gang men entitled under the circumstances cited above? (*) i.e., were they entitled to full meal expense for those days on which the kitchen facilities were not available for every meal? If not, to what were they entitled?

(*) The circumstances cited are as follows: “An emergency situation arose which required the men to work overtime away from their trailers. They were required to leave the trailers after breakfast and were working on the emergency long enough to make it necessary that they purchase their noon and evening meals away from their trailers.”

ANSWER: Under the circumstances cited, the employees were entitled to the $3.00 allowance under Section I-B-3.

INTERPRETATION NO. 21 (Question No. 10; BRS and IC)
March 29, 1969

QUESTION: To what meal allowance are the gang employees entitled under the circumstances cited above; (*) i.e., are they entitled to (1) $2.00 per day, (2) $3.00 per day, (3) $2.00 per day plus the actual cost of the noon meal taken away from the camp cars, kitchen facilities were not available to the men for that meal, or (4) actual expenses for all meals taken during a day in which the kitchen facilities were not available to the
men each and every meal throughout the day? If these men are entitled to none of the above, to what are they entitled?

(*) Circumstances cited are as follows: The employees were living in camp cars and were receiving a meal allowance of $2.00 per day under Section I-B-2. Under normal circumstances they returned to the camp cars for each meal. On the date in question they were working so far away from the camp cars that it was impractical for them to return for the noon meal.

ANSWER: Under the facts stated it is not clear whether the employees were given advance notice of the fact that they would be unable to return to the camp cars for the noon meal. If the employees were notified prior to departure from the camp cars that it would be impossible for them to return for the noon meal then they should be prepared to carry with them a lunch and would be entitled to no additional payment other than the normal payment already being made under Section I-B-2. If on the other hand the employees were not notified in advance of the fact that they would be unable to return to the camp cars for the noon meal, then as a total meal allowance for the date in question they would be entitled to the $3.00 allowance under Section I-B-3.

INTERPRETATION NO. 22 (Question No. 11; BRS and Southern)
March 29, 1969

QUESTION: Does a vacation constitute a voluntary absence within the meaning and intent of sub-paragraph B-4 of Section I; i.e., if a gang man receives the $1.00 daily meal allowance may Carrier make any deduction because of a vacation? For example, an hourly rated gang man whose normal work week is Monday through Friday begins a ten day vacation on Monday, March 4, 1968, with the actual vacation days being March 4, 5, 6, 7, 8, 11, 12, 13, 14 and 15. He qualified for and received the $1.00 daily meal allowance for March 1 and March 18, the work days immediately preceding and following his vacation period. For which days was he entitled to the $1.00 daily meal allowance, if any, March 2 to March 17, both dates inclusive? Please explain.

ANSWER: In this case the employee was on vacation from March 4 through March 17, 1968. He worked on Friday, March 1, 1968, the last work day preceding vacation and on Monday, March 18, 1968, the first day after vacation period. Therefore, he qualified for meal allowance on rest days, March 2 and 3, 1968, but for no other days during vacation period.

INTERPRETATION NO. 23 (Question No. 12; BRS and C&S)
March 29, 1969

QUESTION: Was it proper for the General Chairman to amend his initial option in view of the fact he did so before the February 1, 1968, deadline? If not, please explain what language in the Award prohibits an Organization from amending its exercise of option within the prescribed time limits.

ANSWER: The question is moot. Carrier has accepted amended option.

INTERPRETATION NO. 24 (Question No. 13; BRS and CB&Q)
March 29, 1969

QUESTION: Are employees away from home all week but at their headquarters entitled to the lodging and meal benefits of sub-sections A and B of Section I?

ANSWER: This question relates to a single gang with a fixed headquarters to which the men report for duty throughout the year and as such was answered by Interpretation No. 8, rendered by this Board on January 12, 1968 and Paragraph No. 1 of Memorandum of Board Conference, September 30, 1967.

INTERPRETATION NO. 25 (Question No. 14; BRS and CB&Q)
March 29, 1969

QUESTION: If Carrier assigns a headquarters for an employee and he does not live at the headquarters point, will that employee be entitled to any or all of the benefits of
Section I, and then if he is required by Carrier to be away from headquarters would he be entitled to full expenses while away from headquarters in accordance with agreement, rules and practices in existence when the Award was issued?

**ANSWER:** This question is a two part question.

The answer to the first part of the question is: No. The situation is the same as that presented in Interpretation No. 8.

In connection with the second part of the question the Carrier advises that these employees are paid actual expenses under existing rules when sent away from headquarters.

**INTERPRETATION NO. 26** (Question No. 15; BRS and CB&Q)
March 29, 1969

**QUESTION:** When an employee was being reimbursed for actual meal and lodging expenses under existing rules and practices prior to the Award, may Carrier reduce the employee’s expenses to the $3.00 daily meal allowance and the $4.00 daily lodging allowance when he is assigned to a camp car headquarters but temporarily required to be away from headquarters?

**ANSWER:** The question is moot. The Board is advised that there is no further dispute on the property.

**INTERPRETATION NO. 27** (Question No. 16; BRS and GTW)
March 29, 1969

**QUESTION:** When employees are in a type of service covered by Section I of the Award, and Carrier fails and/or refuses to properly maintain the lodging facilities by furnishing the beds, bedding, etc., listed in sub-paragraph A-1, and refuses to keep them clean in accordance with sub-paragraph A-2, what course of action should the employees follow until Carrier does comply by furnishing and properly maintaining what is required?

**ANSWER:** The Carrier is bound by the provisions of the Award and assuming that it has failed to comply with the provisions of the Award, the remedy of the employees is exactly the same as it would be if the Carrier violated any provision of the Collective Bargaining Agreement between the parties: i.e., a claim may be filed and processed under the provisions of the Railway Labor Act.

**INTERPRETATION NO. 28** (Question No. 17; BRS and CMStP&P)
March 29, 1969

**QUESTION:** When existing rules provide for actual expenses away from headquarters, could Carrier properly change an employee's headquarters from camp cars or trailers to a specific headquarters without camp cars or trailers, and thereafter only apply the meal and lodging allowances of Section I for those days and/or nights the employee is away from the new headquarters, and then pay meal or lodging allowance for those days the employee leaves from his headquarters point and returns thereto the same day?

**ANSWER:** These employees are not in a type of service contemplated within the coverage of Section I.

The answer to the first part of the question submitted by the Organization is “Yes,” but the answer to the second part of the question is — the employees are subject to Section II of the Award and if an existing rule provides for actual expenses while away from headquarters and employees opted to retain such existing rule, then actual expenses would apply under such rule for any day when away from headquarters point.

**INTERPRETATION NO. 29** (Question No. 18; BRS and SP [Pacific Lines])
March 29, 1969

**QUESTION:** May Carrier pay only the $3.00 daily meal allowance instead of the actual cost of meals, under circumstances that previously entitled the employees to reimbursement for the actual cost of meals? If not, please explain.
QUESTION: Will Arbitration Board No. 298 render a final decision on claims of this nature, or will it be necessary for the Organization to handle a monetary claim by initiating it at a lower level than the carrier official who rendered the decision quoted above, and then appealing that claim to the National Railroad Adjustment Board or some other tribunal under the Railway Labor Act. In other words, will this Board render a final decision, or merely issue an interpretation?

ANSWER: The question has been withdrawn.

QUESTION: When an employee is away from his home station for the noon meal and entitled to be reimbursed for the cost thereof under provisions of the schedule agreement that have been in existence for years, does the Award of Arbitration Board No. 298 give the Carrier any right to refuse to reimburse the employee for the actual cost of such a meal? If so, please explain.

ANSWER: This question involves employees stationed in camp cars or trailers. Under these circumstances Interpretation No. 21 is applicable.

QUESTION: May the Organization accept or reject any subparagraph of a Section of the Award; i.e., was it proper for the Brotherhood of Railroad Signalmen to accept paragraphs 1, 3, and 4 of Section I-B and not accept paragraph 2?

ANSWER: The Organization is not permitted to take only certain paragraphs of Section I-B, and reject others. The facts submitted in this case, however, establish that a pre-existing rule on this property required the Carrier to furnish a cook, and if the employees opt to accept Section I-B of the Award it is not permissible for the Carrier to discontinue furnishing a cook.

INTERPRETATION NO. 34 (Question No. 23; BRS and L&N)
March 29, 1969

QUESTION: Can Carrier require employees to ride in the back of a company truck, with tools and equipment, from one work point to another and escape reimbursement to employees for the use of other forms of public transportation, or private automobile?

ANSWER: Section I-C-2 of the Award obviously contemplates the furnishing of reasonable and suitable transportation by the railroad company. Disputes such as that
presented in this question involve factual findings as to what constitutes reasonable and suitable transportation, and should be handled in the same fashion as other grievances under the Collective Bargaining Agreement and under the Railway Labor Act.

INTERPRETATION NO. 36 (Question No. 25; BRS and MoPac)
March 29, 1969

QUESTION: Are Section I employees entitled to the $3.00 daily meal allowance under sub-paragraph B-3 of Section I when Carrier intends to place them in the $2.00 daily allowance category of sub-paragraph B-2 of Section I, but does not provide sufficient cooking and dining facilities to accommodate all the men assigned to that unit?

ANSWER: Section I-B-2 obviously contemplates that the railroad company must provide suitable and sufficient cooking and eating facilities. On this particular property it also appears that there is a local rule (Rule 808) setting forth more specific requirements in this connection. The question as presented involves a factual dispute which should be processed under the usual grievance procedures of the Collective Bargaining Agreement and under the Railway Labor Act.

INTERPRETATION NO. 37 (Question No. 26; BRS and KCS)
March 29, 1969

QUESTION: When the lodging facilities are not equipped in accordance with sub-paragraph A-1 of Section I, and/or are not adequate for the purpose and maintained in accordance with subparagraph A-2 of Section I, are the employees involved entitled to the $4.00 daily allowance under subparagraph A-3 of Section I?

ANSWER: Section I-A-2 provides that lodging facilities furnished by the railroad company shall be adequate for the purpose, and maintained in a clean, healthful and sanitary condition. The question presented involves a factual dispute as to compliance with that provision and must be handled as a grievance under the normal procedures of the Collective Bargaining Agreement and under the Railway Labor Act.

INTERPRETATION NO. 38 (Question No. 27; BRS and C&O (Chesa.))
March 29, 1969

QUESTION: When Carrier established a signal gang with a headquarters point but did not furnish camp cars or other lodging or dining facilities, and abolished the gang after six weeks, were the employees assigned to that gang entitled to the meals and lodging provisions of Article I of the Award?

ANSWER: This question is answered by Interpretation No. 12.

INTERPRETATION NO. 39 (Questions Nos. 28, 29, 30; BRAC and AT&SF)
March 29, 1969

QUESTION: 1. Does the Award of Arbitration Board No. 298 contemplate the application of an Attending Court Rule when an employee is required to be away from home station to attend court or coroner’s inquest at the request of the Company?

2. Are the travel time allowances and computations provided in Section II-D applicable where an employee is required to be away from home station to attend court or coroner’s inquest at the request of the Company?

3. If the Organization elects to retain the “actual expense” provisions of Rule 35 — Attending Court, can we accept Section II-D of the Award of Arbitration Board No. 298?

ANSWER: In the evidence presented to the Board it was not indicated that attendance at court or coroner’s inquest at the request of the company was a problem embraced within the controversy submitted. Apparently the evidence was not addressed to such matters because many agreements cover the subject sufficiently satisfactorily so that no party saw fit to make an issue on this point. We conclude that where there is a negotiated rule on the subject, as there is in the case covered by these three questions, the Award does not supplant the negotiated rule. We do not decide what would be the answer under other circumstances.
INTERPRETATION NO. 40 (Questions Nos. 31, 32, 33; MWE and CRI&P)
March 29, 1969

QUESTION: Is it the intent and purpose of Section II, paragraph D, of Award:
   1. That a Carrier may require regularly, assigned employees (that is, those not in
      relief, extra, or temporary service) to be transported on their own time without pay
      between their designated assembling point and the site of work each day, in the
      performance of their regularly assigned daily duties, for as much as one hour each way,
      thus allowing them only eight hours pay at the straight-time rate for a tour of duty
      covering as much as ten hours?
   2. To disturb the long standing application of the working agreement that the time of
      such regularly assigned employees begins and ends each day at designated assembling
      points?
   3. To contemplate the establishment of a new assembling point each work day for
      such regularly assigned employees for the purpose of avoiding the payment of time
      spent in being transported between the designated assembling point and the site on the
      work territory at which work is performed?

ANSWER: To the extent that this dispute may involve the interpretation of the schedule
agreement, Arbitration Board No. 298 does not have jurisdiction; however, that portion of
Section II-D providing for a one-hour lag before travel or waiting time starts applies only
to employees in relief or extra service while traveling to or from a work location.

INTERPRETATION NO. 41 (Question No. 34; MWE and StL-SW)
March 29, 1969

QUESTION: Is it the intent and purpose of Section V of the Award that, with respect to
employees other than those contemplated by Section I, the cancellation of all existing
rules, agreements, and written understandings pertaining to travel time and
away-from-home expense is a requisite to the application of Section II of those
employees not covered in whole or in part by such rules, agreements, and written
understandings?

ANSWER: No. This answer is supported by the reasoning behind Interpretation No. 3.

INTERPRETATION NO. 42 (Question No. 35; MWE and StL-SW)
March 29, 1969

QUESTION: Is it the intent and purpose of Section V of the Award that if the
Organization elects to accept the benefits of Section II of the Award for any employees,
it must then accept the application of Section II to all employees covered by the working
agreement, other than those contemplated by Section I, in lieu of existing agreements
rules, agreements, and written understandings pertaining to travel time and
away-from-home expenses?

ANSWER: No. This answer is supported by the reasoning behind Interpretation No. 3.

INTERPRETATION NO. 43 (Question No. 36; TCU and IC)
March 29, 1969

QUESTION: May the Carrier arbitrarily allocate the expense allowance into two portions
— a maximum of $4.00 for lodging and a maximum of $3.00 for meals?

ANSWER: Section II is an updating of Referee Cole’s decision Number 6, in the 40-hour
week case. We do not understand that there was any breakdown in the allowance for
meal and lodging allowance under that decision, nor does Section II so contemplate,
except in the circumstances covered by paragraph number 5 of Memorandum of Board
Conference of September 30, 1967, which reads as follows: “Under Section II-B, if the
Carrier provides a lodging facility at an away from headquarters point, and employee is
agreeable to using such a facility, then the maximum allowance will be $3.00 for meals.”

INTERPRETATION NO. 44 (Question No. 37; TCU and GN)
March 29, 1969
**QUESTION:** May the Carrier arbitrarily determine whether an extra employee (a) returns to his headquarters point on his rest days, (b) reports directly to his next assignment, or (c) remains at his away-from-headquarters assignment? If the answer to the above question is NO: what is the extra employee entitled to under Section II-B and D if he is not permitted to return to his headquarters point on his rest days?

**ANSWER:** The Carrier has the right to determine whether an employee should be authorized to return to his headquarters point on any day including rest days or between assignments. Depending upon what advice the Carrier gives the employee, he is entitled to the benefit of either Paragraph “B,” or Paragraph “C” and “D” of Section II.

**INTERPRETATION NO. 45** (Question No. 38; TCU and CMStP&P)
March 29, 1969

**QUESTION:** May the Carrier require a newly-hired employee to perform extra work before assigning said employee a “headquarters” point as provided for in Section II-A of the Award; and, thereafter, indiscriminately change said employee’s headquarters point to the extent that Section II of the Award is, for all practical purposes, nullified as it pertains to extra employees?

**ANSWER:** This question has been resolved on the property on which the dispute arose and is now moot.

**INTERPRETATION NO. 46** (Question No. 39; TCU and StL-SF)
March 29, 1969

**QUESTION:** May Carrier avoid payment of the nine cents (9) per mile allowance to employees assigned to dualized stations, who travel from one work point to another, when no election was made to retain the eight cents (84) per mile allowed under Memorandum of Agreement of April 19, 1960, agreeing to the dualization of certain stations?

**ANSWER:** The question has been withdrawn.

**INTERPRETATION NO. 47** (Question No. 40; TCU and StL-SF)
March 29, 1969

**QUESTION:** May an employee return to his headquarters point on any day that time and travel facilities permit, by free or public transportation, and be entitled to compensation as provided for under the Award?

**ANSWER:** This is covered by Interpretation No. 44.

**INTERPRETATION NO. 48** (Question No. 41; MWE and StL-SF)
March 29, 1969

**QUESTION:** Does Section I-B of the Award supersede Agreement Rule 7-17, under which welders and welder helpers are entitled to be reimbursed for actual necessary expenses when they are away from their assigned headquarters?

**ANSWER:** No. The Organization elected to preserve existing Rule 7-17.

**INTERPRETATION NO. 49** (Question No. 42; TCU and CRI&P)
March 29, 1969

**QUESTION:** Did the Carrier properly designate headquarters points for the employees working on the Chicago Division?

**ANSWER:** The question has been withdrawn.

**INTERPRETATION NO. 50** (Question No. 43; MWE and MKT)
March 29, 1969

**QUESTION:** Are employees who qualify under Section I-B-4 of the Award for the meal allowance set forth in Section I-B-1, B-2, or B-3 deprived of such allowance for works days, rest days or holidays if they do not actually occupy their camp cars or trailers on such days?
**ANSWER:** No. Section I employees are not required to stay in camp cars to qualify for meal allowance.

**INTERPRETATION NO. 51** (Question No. 44; MWE and MKT)
March 29, 1969

**QUESTION:** Is J. E. Seidel entitled to the benefits of Section I of the Award during October 1967 while working as foreman of Extra Gang No. 591, and during November and December 1967, and January and February 1968, while working as machine operator on Extra Gang No. 587?

**ANSWER:** Yes. The employee in question is entitled to the benefits of Section I. See interpretation No. 12.

**INTERPRETATION NO. 52** (Question No. 45; MWE and TP&W)
March 29, 1969

**QUESTION:**
1. Can the Carrier avoid granting to employees in extra gangs Nos. 2 and 3 the benefits of Section 1 of the Award by designating “headquarters” for these gangs and changing such “headquarters” at intervals as the work progresses?
2. Are the employees in these gangs entitled to be reimbursed, retroactive to October 15, 1967, and as long as this practice is continued, for the expense of lodging in accordance with Section I-B-3, for meals in accordance with Section I-B-3 and for travel from one work point to another in accordance with Section I-C?

**ANSWER:** The answer to part one of the question is: No. The answer to part two of the question is: Yes. See Interpretation No. 12.

**INTERPRETATION NO. 53** (Question No. 46; TCU and B&OCT)
March 29, 1969

**QUESTION:** Is the Award of Arbitration Board No. 298 applicable to employees affiliated with the Transportation-Communication Employees Union performing service for and on the Baltimore and Ohio Chicago Terminal Railroad Company?

**ANSWER:** Yes.

**INTERPRETATION NO. 54** (Question 47; MWE and StL-SF)
March 29, 1969

**PART:** 1. Should Rule 26 of the Agreement effective March 1, 1951 be revised as requested by the employees?

Rule 26 reads as follows: “Group A employees assigned to perform service away from their headquarters and working variable hours, will not be assigned regular hours, and will not be paid for time traveling or waiting. They will be allowed time at rate of eight hours per day for assigned days per week, and in addition pay under provisions of this agreement for actual time worked in excess of eight hours per day or on their assigned rest days and holidays, excluding time traveling or waiting, and will be allowed actual necessary expenses.”

The employees propose to revise the rule so as to eliminate the language “will not be paid for time traveling or waiting” and change the word “excluding” to “including,” as these provisions are contrary to the provisions of Section II of the Award.

**ANSWER:** The monthly rated employees of the class or craft involved on this property receive a monthly rate based on 174 hours. This rate does not include pay for time traveling outside of assigned hours.

The employees elected to accept Section II and therefore regardless of the provisions of existing Rule 26, the monthly rated employees in this case whose monthly rate is based on 174 hours are subject to the travel time provisions of Section II-D, except that the one hour lag under that Section applies only to employees in relief or extra service while traveling to or from a work location.

**PART:** 2. Are the employees entitled to preserve Rule 27 of the Agreement effective March 1, 1951?
Rule 27 reads: "The Railway will furnish a bunk car in good order with each ditcher outfit."

The employees requested that this rule be retained and the provisions of Section I-A be applied.

**ANSWER:** Yes.

**PART:** 3. Are employees covered by the Agreement effective March 1, 1951 who prior to the Award received actual necessary expenses while away from their fixed headquarters entitled to have such actual necessary expenses preserved?

**ANSWER:** Yes. See Interpretation No. 3.

**PART:** 4. Are employees covered by the Agreement effective March 1, 1951 who are in travel service and were not allowed actual necessary expenses or travel time prior to the Award entitled to the benefits of Section I of the Award?

**ANSWER:** Yes, but employees who are covered by more favorable rules are entitled to have such rules continue to apply.

**PART:** 5. Are the employees entitled to preserve the provisions of Article 5, Rule 24, of the Agreement effective April 1, 1951 specifically covering travel time during regular working hours?

Article 5, Rule 24, reads: "Employees required by the management to travel on or off their assigned territory in boarding cars will be allowed straight time traveling during regular working hours, and for their assigned rest days and holidays during hours established for work periods on other days."

**ANSWER:** The employees are entitled to retain Rule 24 and to integrate it with Section I-C-1 of the Award. The Memorandum of Agreement of January 8, 1951 is in conflict with Rule 24 and Section I-C-1 and cannot be applied.

**PART:** 6. Are the employees entitled to preserve the provisions of Article 5, Rule 30, of the Agreement effective April 1, 1951?

Article 5, Rule 30 reads: "Employees permanently assigned to duties requiring variable hours working on or traveling over an assigned territory and away from and out of reach of their regular boarding and lodging places or outfit cars, will provide board and lodging at their own expense and will be allowed time at rate of eight hours per day for assigned days per week, and in addition pay under provisions of this agreement for actual time worked in excess of eight hours per day or on their assigned rest days and on holidays, excluding time traveling or waiting, and actual necessary expenses. When working at points readily accessible to boarding and lodging places or outfit cars, the provisions of this rule will not apply."

**ANSWER:** Yes. See answer to part one of this Interpretation No. 54.

**PART:** 7. Are the employees entitled to preserve the provisions of Article 5, Rule 31, of the Agreement effective April 1, 1951?

Article 5, Rule 31 reads: "Employees in temporary or emergency service, except as provided in Rule 24, required by the direction of the management to leave their home station, will be allowed actual time for traveling or waiting during the regular working hours. All hours worked will be paid for in accordance with practice at home station. Travel or waiting time during the recognized overtime hours at home station will be paid for at the pro rata rate.

"If during the time on the road a man is relieved from duty and is permitted to go to bed for five or more hours, such relief time will not be paid for, provided that in no case shall be be paid for a total of less than eight hours each calendar day, when such irregular service prevents the employee from making his regular daily hours at home station. Where meals and lodging are not provided by the railway, actual necessary expenses will be allowed."
“Where employees assigned to outfit cars are operating through on motor car and
arrive at destination before outfit cars arrive, they will be allowed the pro rata rate for
waiting time until the outfit cars do arrive, except where outfit cars will arrive more
than five hours after regular quitting time, and men are at stations where board and lodging is
available, they will be released at regular quitting time, tied up for five or more hours and
allowed expense for meals and lodging without any payment for waiting time. Men will
not be tied up at points where board and lodging is not available.

“Employees will not be allowed time while traveling in the exercise of seniority rights,
or between their homes and designated assembling points, or for other personal
reasons.”

**ANSWER:** The paragraphs of Article 5, Rule 31 deal with different subjects. The first
and second paragraphs apply to employees subject to Section II of the Award. The
employees elected to preserve these two paragraphs; therefore, these two paragraphs
should continue to apply to employees subject to those rules in the same manner as
they were applied prior to the Award. The third paragraph of Rule 31, which the
employees also elected to preserve, applies to employees covered by Section I of the
Award. In integrating the third paragraph of Rule 31 with Section I-C-1 of the Award and
with Article 5, Rule 24 of the agreement between the parties, there should be no
duplication of benefits.

**PART:** 8. Are the employees entitled to integrate the provisions of Article 7, Rule 2 of the
Agreement effective April 1, 1951 with Section I-A-1 of the Award?

Article 7, Rule 2 reads: “It will be the policy to maintain camp cars in good and
sanitary condition and to furnish bathing facilities when practicable and desired by the
employees and to provide sufficient means of ventilation and air space. All dining and
sleeping cars will be screened when necessary. Permanent camp cars used for road
service will be equipped with springs consistent with safety and character of car and
comfort of employees. It will be the duty of the foreman to see that cars are kept clean.”

**ANSWER:** Yes.

**PART:** 9. Are the employees entitled to eliminate paragraphs 4 and 5 of the Letter
Agreement dated May 23, 1940, revised effective April 1, 1951?

Paragraphs 4 and 5 read: “4. Expenses will not be allowed employees filling
positions covered by this agreement when outfit cars are furnished.

“5. Employees assigned exclusively to operating power bolt tightening machines or
other power machines of similar kind, not assigned to a specific extra gang, district gang
or section gang and not furnished outfit cars, will be allowed actual expenses with a
maximum of $3.00 per day. Where such employees are assigned bunk car, they will be
allowed actual expenses with maximum of $2.00 per day.”

**ANSWER:** Yes.

**PART:** 10. Are the employees entitled to integrate Article 3, Rule 8 with Section II of the
Award?

Article 3, Rule 8 reads: “(a) There shall be one regular relief foreman on each
Roadmaster’s territory, whose duties shall be to serve in emergency and temporary
vacancies. The position shall be regularly bulletined and the senior laborer on the
Roadmaster’s territory applying shall be selected, provided ability and merit are
sufficient. While serving as relief foreman on emergency or temporary vacancies he shall
receive the compensation paid the person he relieves. While not engaged as relief
foreman on emergency or temporary vacancies, he shall not receive extra compensation
above that of the class in which he is regularly employed. (Employee covered by this
Rule should be allowed pay for time necessary to lose from his regular position in going
to or returning from filling emergency or temporary vacancies as foreman, such payment
to be made at regular laborer’s rate.) After serving in the capacity of relief foreman the
required 60 days, as provided in these rules, he shall establish seniority rights as foreman, and will be entitled to bid on new positions or vacancies, on the Superintendent’s Division. Nothing in this rule shall be construed to prevent a Roadmaster from affording relief in other emergencies when the regular relief foreman is not available.

“(b) Employee holding foreman’s seniority rights, but who does not have sufficient seniority to hold regular assignment as foreman or assistant district gang foreman, will be entitled to assignment as relief foreman on the district where he holds his laborer’s seniority.”

**ANSWER:** Yes. Article 3, Rule 8, is not in conflict with the Award. The employees are entitled to retain it and integrate it with Section II but there can be no duplication of benefits.

**PART:** 11. Are the employees entitled to preserve paragraph 6 of the Letter Agreement dated May 23, 1940, revised April 1, 1951 and November 20, 1953, which reads: “Diesel-Electric locomotive crane operators, track mowing machine operators and helpers, ballast discer operators and helpers, ballast regulator machine operators and helpers, Jackson Multiple Tamper machine operator not furnished outfit cars will be allowed expenses provided for in Article 5, Rule 30 of the Maintenance of Way Agreement.

**ANSWER:** Yes. See parts one and six of this Interpretation No. 54.

**INTERPRETATION NO. 55** (Question No. 48; MWE and PC)
March 29, 1969

**QUESTION:** Is an employee qualified to receive a meal allowance of $1.00 a day under Section I-B-1 of the Award entitled to receive such allowance if he does not stay in the camp cars or trailers when they are located in the vicinity of his home and he eats his meals at home?

**ANSWER:** Yes.

**INTERPRETATION NO. 56** (Question No. 49; MWE and T&P)
March 29, 1969

**QUESTION:** Are the members of Track Gang No. 36 entitled to the Benefits of Section I of the Award on and after December 12, 1967?

**ANSWER:** Yes. See Interpretation No. 12.

**INTERPRETATION NO. 57** (Question No. 50: MWE and EJ&E)
March 29, 1969

**QUESTION:** 1. Under the provisions of Section V of the Award, may the employees reject sub-paragraph D of Section II and thereby retain the benefits of the existing agreement and practices thereunder which treat time consumed in going from headquarters point to work location and return as time worked and which is paid for at the overtime rates when performed during overtime hours?

2. Does the term “headquarters point” used at various places within Section II contemplate that the headquarters point can be designated as an entire division, a city, a general area, or should it specify a particular and specific point?

3. Did the General Chairman’s letter of January 31, 1968 represent a timely election under Section V?

**ANSWER:** 1. The answer to part one of the question is: the employees may reject sub-paragraph D of Section II and retain the existing rules and practices.

2. The Organization withdrew part two of the question at the executive session of the Board with the right to re-submit.

3. The answer to part three of the question is: Yes.

**INTERPRETATION NO. 58** (Carrier’s Question No. 1; MWE and CB&Q)
March 29, 1969
QUESTION: Are Section 1 employees entitled to meal allowance while stationed in their home towns and such employees are living at home with their families?

ANSWER: Yes. See Interpretation No. 55.

INTERPRETATION NO. 59 (Question No. 1; MWE and CMStP&P)
May 25, 1972

QUESTION: Are employees covered by Section I of the award entitled to a meal allowance of one dollar a day or to a meal allowance of three dollars a day under the following described conditions:

1. Cooking and eating facilities are provided by the Carrier and;
2. The Carrier furnishes and pays the salary of the cook but;
3. The food staples are purchased and supplied by the general foreman or roadmaster and;
4. The general foreman or roadmaster requires each employee to pay a fixed daily charge for meals as opposed to pro-rating the cost of the food staples as in the case of cooperative boarding.

ANSWER: Under the circumstances cited, the employees are entitled to a meal allowance of $1.00 a day but the Carrier must instruct its general foreman or roadmaster to purchase the food and account for the actual cost of the food and pro-rate the cost among the participating employees.

INTERPRETATION NO. 60 (Question No. 3; MWE and DM&IR)
May 25, 1972

QUESTION: May the Carrier avoid granting employees in the Track Material Recovery Crew the benefits provided within sections I-B(3) and I-C of the Award by assigning them to a designated headquarters point which is changed at intervals as the work progresses under the guise of abolishing the crew at one point and reestablishing it at another point?

ANSWER: No. See Interpretation No. 52.

INTERPRETATION NO. 61 (Question No. 8; T-C Division BRAC and DM&IR)
May 25, 1972

QUESTION: Is the time spent between the termination of a call and the time a position is scheduled to begin work considered as time spent waiting for the employees’ shift to begin under the provisions of section II-B?

ANSWER: The question has been withdrawn.

INTERPRETATION NO. 62 (Question No. 17; BRS and IC)
May 25, 1972

QUESTION: Question of how much meal allowances employees of Signal Gang 305 are entitled to when kitchen car not available beginning October 15, 1970.

ANSWER: While the kitchen car was unavailable, the employees were entitled to the $3.00 per day allowance under section I-B-3.

INTERPRETATION NO. 63 (Question No. 15; BRS and CMStP&P)
May 25, 1972

QUESTION: Question of whether Signal Helper D. A. Entwistle is entitled to full expenses, or only allowances of Award 298 for certain dates in April, May and June, 1970.

ANSWER: Under the circumstances of this case, claimant is entitled to the actual expense incurred for the meals in question.

INTERPRETATION NO. 64 (Question No. 16; BRS and CMStP&P)
May 25, 1972

QUESTION: Question of whether Special Signal Maintainer J. D. Schmeling is entitled to full expenses or only allowances of Award 298, for certain dates November 2 through 5, 1970.
ANSWER: Under the circumstances of this case, claimant is entitled to actual expenses incurred for the meals in question.

INTERPRETATION NO. 65 (Question No. 10; BRS and UP)
May 25, 1972


ANSWER: On November 7, 1967, the Carrier established North Platte as the fixed headquarters of this Gang and the headquarters point remained the same thereafter. On two occasions the services of the Gang were utilized temporarily, once for 31 days and once for 2 days, at other locations and on those occasions they were paid actual expenses. Under these circumstances, the handling of these men by the Carrier was consistent with the provisions of the Award and the claims are not valid.

INTERPRETATION NO. 66 (Question No. 12; BRS and LVRC)
May 25, 1972

QUESTION: Question of whether certain named Signal Gang employees are entitled to daily meal and lodging allowances for certain periods, account Gangs established without camp cars; and headquarters changed in less than a year.

ANSWER: The employees in question are in a type of service covered by Section I of the Award. Since these men do not report at the same point throughout a period of twelve months or more, and since no lodging or meal facilities are furnished by the Carrier, they are entitled to the meal allowance provided in Section I-B-3 and lodging expense if any under I-A-3. See Interpretation No. 12.

INTERPRETATION NO. 67 (Question No. 13; BRS and LVRC)
May 25, 1972

QUESTION: Question of whether or not Signalmen Bennett, Fech, and Lightcap are entitled to daily meal and lodging allowances of Award 298 while working on Gang established at Bethlehem, Pennsylvania, then moved to Oak Island, New Jersey, with no camp cars furnished.

ANSWER: Yes. See Interpretation No. 66.

INTERPRETATION NO. 68 (Question No. 14; BRS and LVRC)
May 25, 1972

QUESTION: Question of whether or not Signal Foreman F. X. Jewell and other Signal Gang employees are entitled to the meal and lodging allowances of Award 298 while working on Signal Gang established at Towanda, Pennsylvania, during June, 1970, without camp cars.

ANSWER: Yes. See Interpretation No. 66.

INTERPRETATION NO. 69 (Question No. 5; BRAC and BA&PRC)
May 25, 1972

QUESTION: 1. Does Section II, Paragraph A, of the Board’s Award require the Carrier to designate a specific work point, facility or work location as the headquarters point for regular assigned relief positions and regular assigned positions?
       2. Do the provisions of Section II, Paragraphs B and C of the Award, apply to regular assigned relief positions and the regular assigned incumbents thereof who perform relief work at different locations within their seniority district?
3. Can the Carrier evade application of or circumvent the provisions of Section II of the Award by designating on the bulletin for a relief position that the “headquarters point” is that of the position being relieved?

**ANSWER:**
1. Section II, Paragraph A, requires the Carrier to designate a single headquarters point for each position or employee.
2. Yes.
3. No.

**INTERPRETATION NO. 70** (Question No. 7; BRAC and BA&PRC)
May 25, 1972

**QUESTION:**
1. Does Section II, Paragraph A, of the Board’s Award require the Carrier to designate a specific work point facility or work location as the “headquarters point” for unassigned employees?
2. Do the provisions of Section II, Paragraphs B, C and D of the Board’s Award apply to unassigned employees who perform relief work at different locations within their seniority district?
3. Can the Carrier evade application of or circumvent the provisions of Section II of the Board’s Award by the contention that the “headquarters point” encompasses the breadth of the seniority district?

**ANSWER:**
See Interpretation No. 69.

**INTERPRETATION NO. 71** (Question No. 18; BRAC and BA&PRC)
May 25, 1972

**QUESTION:**
1. Does Section II, Paragraph A, of the Board’s Award require the Carrier to designate a specific work point facility or work location as the “headquarters point” for unassigned employees?
2. Do the provisions of Section II, Paragraph B, C and D of the Board’s Award apply to unassigned employees who perform relief work at different locations within their seniority district?
3. Can the Carrier evade application of or circumvent the provisions of Section II of the Board’s Award by the contention that the “headquarters point” encompasses the breadth of the seniority district?
4. Did the Carrier violate the provisions of Section II of the Award, as adopted, by refusing to pay travel allowance to vacation relief man, Robert W. Maehl, for travel to and from Anaconda to Butte, Montana between July 27 and August 16, 1970, both dates inclusive, while relieving at that point in accordance with the bulletined assignment he was awarded?

**ANSWER:**
See Interpretation No. 69.

**INTERPRETATION NO. 72** (Question No. 6; BRAC and B&O)
May 25, 1972

**QUESTION:**
1. Does the term “headquarters point” used in Arbitration Board No. 298 Award, executed September 30, 1967, Section IIA, mean a City or Town, a Division, a Seniority District, a Terminal, a single specified work location, or, if some other meaning is applicable, what is the definition of the term?
2. Is the Carrier privileged to designate more than one “headquarters point” for a relief position which relieves several regular positions bulletined to work at different locations?
3. Are the terms of the Award complied-with if the Carrier designates as a “headquarters point” for a relief position an entire terminal encompassing more than one reporting location for the regular positions relieved?
4. Is Carrier required to pay travel pay and make reimbursement for expenses for travel between two, or more, reporting locations within a terminal?
(5) Is the incumbent of a regularly assigned Relief Position assigned to work as follows:

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<thead>
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<th>Day</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>Saturday</td>
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<tr>
<td>Sunday</td>
<td>Freight Office, McKeesport, Pa.</td>
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<tr>
<td>Monday</td>
<td>Ticket Office, McKeesport, Pa.</td>
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<tr>
<td>Tuesday</td>
<td>Ticket Office, Pittsburgh, Pa.</td>
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<tr>
<td>Wednesday</td>
<td>Ticket Office, Pittsburgh, Pa.</td>
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<tr>
<td>Thursday</td>
<td>Rest Day</td>
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<td>Friday</td>
<td>Rest Day</td>
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who resides at McKeesport, Pa., entitled to reimbursement for meals and travel expenses, and travel pay for traveling to and working at Pittsburgh?, McKeesport? when Carrier has designated “Pittsburgh” as the “headquarters.”

**ANSWER:** The question has been withdrawn.

**INTERPRETATION NO. 73** (Question No. 4; MWE and BN)
May 25, 1972

**QUESTION:** Are Section I employees entitled to a daily meal allowance of three (3) dollars when they prepare and eat their meals in outfit cars which are not adequately equipped by the Carrier with cooking and eating facilities, including suitable water and water storage, or must they obtain their meals in restaurants or commissaries in such instances in order to qualify for the daily meal allowance of three (3) dollars?

**ANSWER:** The question has been withdrawn.

**INTERPRETATION NO. 74** (Question No. 9; TC Division, BRAC and L&N)
May 25, 1972

**QUESTION:** Did the elections made by the employees as outlined result in a duplication of benefits?

**ANSWER:** The question does not properly reflect the issue in dispute. The only question presented to the Board is whether monthly rated telephone and telegraph employees are subject to the travel time provision of the Award. A review of the claims which give rise to this question indicates that the answer depends upon whether the travel in question occurred on a rest day or on a work day. If it occurred on a rest day, the employees are entitled to compensation as claimed and there would be no duplication of benefits. If it occurred on a work day, they are not so entitled.

**INTERPRETATION NO. 75** (Question No. 2; MWE and CMSStP&P)
May 25, 1972

**QUESTION:** Can the Carrier avoid granting the employees in Division Extra Gangs 3519 and 3645 the benefits provided in Sections I-A-3 and I-B-3 of the Award by removing them from camp cars and by designating a headquarters point where meals and lodging are not available?

**ANSWER:** The facts in connection with this case indicate that the Carrier discontinued the use of camp cars and designated headquarters points at locations where absolutely no lodging or meals were available within 15 miles. Such inequitable handling was not contemplated by the Award; and under the particular facts and circumstances of this case, the question must be answered in the negative.

**INTERPRETATION NO. 76** (Question No. 11; BRS and CMSStP&P)
May 25, 1972

**QUESTION:** Are employees confined to a camp car Gang entitled to the expense benefits of their schedule agreement, or the meal and lodging allowances of the Award of Arbitration Board No. 298 when the camp cars are in transit and not available to the men, thus resulting their being required to obtain meals elsewhere?
ANSWER: This question is similar to those presented by the same parties in Interpretations Nos. 63 and 64; and under the circumstances cited, the employees are entitled to the expense benefits of their schedule agreement.

INTERPRETATION NO. 77 (Question No. 1 — MWE and L&N)

QUESTION: Are Section I employees entitled to full reimbursement of meal expenses when the Carrier fails to furnish a cook if a pre-existing rule and an existing rule requires the Carrier to furnish a cook and where full reimbursement of meal expenses was always made in such instances under the pre-existing rule and in some instances under the existing rule?

ANSWER: This same question and dispute has been previously submitted by these parties to the Third Division of the National Railroad Adjustment Board and has been decided by that Board in its award No. 19577. The dispute involves an interpretation of a negotiated Rule in the Agreement between the parties and under these circumstances the dispute was properly submitted to the Third Division. This Board respectfully declines to exercise its jurisdiction in this matter.

INTERPRETATION NO. 78 (Question No. 2 — MWE and CMStP&P)

QUESTION: Should employees covered by Section I of the award be paid the actual cost of their meals as fixed by the Carrier in those instances wherein the Carrier fails to comply with Interpretation No. 59?

ANSWER: The question has been withdrawn.

INTERPRETATION NO. 79 (Question No. 3 — MWE and MO. PAC)

QUESTION: 1. Are the members of Track Gang No. 5321 covered by Section I of the Award and thereby entitled to meal and lodging allowances thereunder?

2. Are such benefits payable from October 1, 1973 to August 5, 1974, or is payment retroactively limited to 60 days from the date claim was presented?

ANSWER: The Carrier alleges, without contradiction, that this gang has always had a fixed headquarters within a fixed territory and the employees live at home and commute to the headquarters point daily. Since the employees are not “employed in a type of service, the nature of which regularly requires them throughout their work week to live away from home in camp cars, camps, highway trailers, hotels or motels”, they are not covered by Section I.

INTERPRETATION NO. 80 (Question No. 4 — BRS and C&O)

QUESTION: When Carrier does not furnish transportation for traveling from one work point to another under provisions of Section 1C, is the employee to be allowed travel time required computed at the rate of two minutes per mile?

ANSWER: The question has been withdrawn.

INTERPRETATION NO. 81 (Question No. 5 — BRAC and BA&P)

QUESTION: 1. Did the Carrier violate the Agreement when it refused and continuously refuses to compensate Bernard Friez, Regular Relief Clerk, with relief assignments at Anaconda and Butte, Montana, and his successors, for 9 cents per mile or $4.50 per day, commencing Saturday, May 25, 1968 and for each Saturday thereafter? and

2. Shall the Carrier now be required to compensate Bernard Friez, and his successors, for 9 cents per mile or $4.50 per day commencing Saturday, May 25, 1968 and each Saturday thereafter?

ANSWER: Although Section II.A. of this Board’s award clearly and unequivocally requires designation of a headquarters point, this Carrier for some unexplained reason failed to comply until after receipt of Interpretations Nos. 69, 70 and 71. Under these particular circumstances, the Board concludes that the employee should be treated as having his headquarters point at his place of residence during the period of time prior to the Carrier’s designation of a headquarters point. Sections 1 and 2 of the Question submitted are answered in the affirmative.
INTERPRETATION NO. 82 (Question No. 6 — BRAC and BA&P)
QUESTION: 1. Did the Carrier violate the Agreement when it refused and continuously refuses to compensate E. V. Blodnick, Unassigned Clerk, Anaconda, Montana, for 9 cents per mile or $4.50 per day for the ten work days during the period December 9 through December 20, 1968, during which period he used his personal automobile to transport himself to and from Butte, Montana to fulfill his vacation relief assignment at that point?
   2. Shall the Carrier now be required to compensate Mr. E. V. Blodnick 9 cents per mile or $4.50 per day for the ten days worked at Butte, during the period December 9 through December 20, 1968?
   ANSWER: See Interpretation No. 81

INTERPRETATION NO. 83 (Question No. 7 — BRAC and BA&P)
QUESTION: 1. Did the Carrier violate the Agreement when it refused and continuously refuses to compensate Robert W. Maehl, assigned Vacation Reliefman No. 2 at Anaconda, Montana for 9 cents per mile or $4.50 per day for the fifteen work days during the period July 27 through August 14, 1970 during which period he was required to travel to and from Butte, Montana to fulfill his vacation relief assignment at that point?
   2. Shall the Carrier now be required to compensate Robert W. Maehl for 9 cents per mile or $4.50 per day for the fifteen days required to travel to and from Butte during the period of July 27 through August 14, 1970, both dates inclusive?
   ANSWER: See Interpretation No. 81

INTERPRETATION NO. 84 (Question No. 1 — BRS and Central of Ga. Rwy. Co)
QUESTION: Brotherhood of Railroad Signalmen — Central of Georgia Railway Co. Did the option exercised by the General Chairman December 7, 1967, and amended January 26, 1968, abrogate provisions of the existing Signalmen’s Agreement to an extent which would permit the Carrier to unilaterally eliminate camp cars and avoid the payment of actual expenses for meals and lodging to signal gang employees formerly in camp cars?
   ANSWER: Neither the award of Arbitration Board 298 nor the option exercise thereunder by the BRS on the Central of Georgia Rwy. Co. abrogated rules 14, 28 or 61 of the existing Agreement between the parties.
   This Board does not assume jurisdiction to determine the rights of the Carrier or the Organization under the schedule rules.
SECTION L
OFF-TRACK VEHICLE ACCIDENTS

Article IV — April 21, 1969 Agreement*

PAYMENTS TO EMPLOYEES INJURED UNDER CERTAIN CIRCUMSTANCES

Where employees sustain personal injuries or death under the conditions set forth in paragraph (a) below, the carrier will provide and pay such employees, or their personal representative, the applicable amounts set forth in paragraph (b) below, subject to the provisions of other paragraphs in this Article.

(a) Covered Conditions:
This Article is intended to cover accidents involving employees covered by this agreement while such employees are riding in, boarding, or alighting from off-track vehicles authorized by the carrier and are (1) deadheading under orders or (2) being transported at carrier expense.

(b) Payments to be Made:
In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in sub-paragraphs (1), (2) and (3) below, the carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or any other medical or insurance policy or plan paid for in its entirety by the carrier, the following benefits:

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

- Loss of Life $150,000
- Loss of Both Hands $150,000
- Loss of Both Feet $150,000
- Loss of Sight of Both Eyes $150,000
- Loss of One Hand and One Foot $150,000
- Loss of One Hand and Sight of One Eye $150,000
- Loss of One Foot and Sight of One Eye $150,000
- Loss of One Hand or One Foot or Sight of One Eye $75,000

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

No more than $150,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

(2) Medical and Hospital Care
The carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries

*See Section 5(c) of the July 14, 1976 agreement (supplemental sickness benefit)
incurred as a result of such accident, subject to limitation of $3,000 for any employee for any one accident, less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or under any other medical or insurance policy or plan paid for in its entirety by the carrier.

(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) hereof and who is unable to work as a result thereof commencing within 30 days after such accident 80% of the employee’s basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of $150.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act.

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to $1,500,000 for any one accident and the carrier shall not be liable for any amount in excess of $1,500,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the carrier shall not be required to pay as respects each separate employee a greater proportion of such payments then the aggregate limit set forth herein bears to the aggregate amount of all such payments. This Article will become effective 90 days after the date of this Agreement. (This paragraph — (b) — amended by Article VII of the July 27, 1978 Agreement)

(c) Payment in Case of Accidental Death:

Payment of the applicable amount for accidental death shall be made to the employee’s personal representative for the benefit of the persons designated in, and according to the apportionment required by the Federal Employers Liability Act (45 U.S.C. 51 et seq., as amended), or if no such person survives the employee, for the benefit of his estate.

(d) Exclusions:

Benefits provided under paragraph (b) shall not be payable for or under any of the following conditions:

1. Intentionally self-inflicted injuries, suicide or any attempt thereof, while sane or insane;
2. Declared or undeclared war or any act thereof;
3. Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound;
4. Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;
5. While an employee is a driver or an occupant of any conveyance engaged in any race or speed test;
6. While an employee is commuting to and/or from his residence or place of business.

(e) Offset:

It is intended that this Article IV is to provide a guaranteed recovery by an employee or his personal representative under the circumstances described, and that receipt of
payment thereunder shall not bar the employee or his personal representative from pursuing any remedy under the Federal Employers Liability Act or any other law; provided, however, that any amount received by such employee or his personal representative under this Article may be applied as an offset by the railroad against any recovery so obtained.

(f) Subrogation:
The carrier shall be subrogated to any right of recovery an employee or his personal representative may have against any party for loss to the extent that the carrier has made payments pursuant to this Article.

The payments provided for above will be made, as above provided, for covered accidents on or after July 1, 1969.

It is understood that no benefits or payments will be due or payable to any employee or his personal representative unless such employee, or his personal representative, as the case may be, stipulates as follows:

“In consideration of the payment of any of the benefits provided in Article IV of the Agreement of April 21, 1969,

(employee or personal representative)

agrees to be governed by all of the conditions and provisions said and set forth by Article IV.”

Savings Clause
This Article IV supersedes as of July 1, 1969 any agreement providing benefits of a type specified in paragraph (b) hereof under the conditions specified in paragraph (a) hereof; provided, however, any individual railroad party hereto, or any individual committee representing employees party hereto, may by advising the other party in writing by June 2, 1969, elect to preserve in its entirety an existing agreement providing accidents benefits of the type provided in this Article IV in lieu of this Article IV.
National Railway Labor Conference

July 27, 1978

Mr. R. Thomas Bates
President
Brotherhood of Railroad Signalmen

Dear Mr. Bates:

This refers to our discussion about application of the April 21, 1969 National Agreement dealing with off-track vehicle accident coverage under specified circumstances.

It is understood that subject to the terms and conditions of that National Agreement this coverage applies to a signal employee when he is operating a company owned or leased vehicle unless that usage is contrary to authorization. An employee also is covered for use of his personal automobile, while under pay, in directly reporting for or directly returning from trouble calls after release from his normal tour of duty.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

/s/ C. I. Hopkins, Jr.
Chairman

I concur:
/s/ R. T. Bates, President
Brotherhood of Railroad Signalmen
MEMORANDUM OF UNDERSTANDING

In connection with the provisions of the several national agreements to which the organizations signatory hereto are party, relating to payments to employees injured in off-track vehicle accidents under certain circumstances:

It is agreed that existing time-limit-on-claims rules in national agreements or in local schedule agreements do not apply to claims filed under such off-track vehicle accident provisions. Accordingly, the rights of neither the employees nor the railroads will be prejudiced by a failure to comply with a provision of such rules.

Railroads parties to such off-track vehicle accident provisions will each designate an officer with whom any claims arising under such provisions are to be handled, and will notify General Chairmen of the officer designated.

SIGNED AT WASHINGTON, D.C. THIS 18th DAY OF MAY 1972

For the Railroads
Parties to the Agreements Identified Herein:
William H. Dempsey Chairman,
National Railway Labor Conference

For the Employees
Parties to the Agreements Identified Below:
Brotherhood of Railroad Trainmen:
July 17, 1968 Agreement—Article XI
Switchmen’s Union of North America
July 29, 1968 Agreement—Article IX
Brotherhood of Locomotive Firemen and Enginemen
September 14, 1968 Agreement—Article IX
United Transportation Union—C
March 19, 1969 Agreement—Article V
United Transportation Union—E
April 15, 1969 Agreement—Article V
/s/ Al H. Chesser
President, United Transportation Union International Association of Machinists and Aerospace Workers
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers
International Brotherhood of Electrical Workers
Brotherhood Railway Carmen of the United States and Canada
October 7, 1971 Agreement—Article IV
International Brotherhood of Firemen and Oilers
February 11, 1972 Agreement—Article IV
Sheet Metal Workers’ International Association
May 12, 1972 Agreement—Article IV
/s/ James E. Yost
President
Railway Employees’ Department, AFL—CIO
Railroad Yardmasters of America September 20, 1968 Agreement—Article IV
/s/ A. T. Otto, Jr.
President
Brotherhood of Locomotive Engineers
March 10, 1969 Agreement—Article IV
/s/ C. J. Coughlin
President
Brotherhood of Railroad Signalmen
April 21, 1969 Agreement—Article IV
/s/ C. J. Chamberlain
President
Brotherhood of Maintenance of Way Employees
February 10, 1971 Agreement—Article V
/s/ Harold C. Crotty
President
Hotel and Restaurant Employees and Bartenders
International Union
February 10, 1971 Agreement—Article V
/s/ Richard W. Firth
Vice-President
Brotherhood of Railway, Airline and Steamship Clerks,
Freight Handlers, Express and Station Employees
February 25, 1971 Agreement—Article V
/s/ C. L. Dennis
President
United Transport Service Employees
March 24, 1971 Agreement—Article IV
/s/ George P. Sabattie
President
American Train Dispatchers Association
April 20, 1971 Agreement—Article IV
/s/ Charles R. Pfenning
President
Mr. Thomas Bates President  
Brotherhood of Railroad Signalmen  
601 West Golf Road  
Mount Prospect, Illinois 60056

Dear Mr. Bates:

This refers to our discussions with respect to the existing $1 million aggregate maximum under the off-track vehicle program. The aggregate maximum is increased by 50% to $1.5 million. Such increase is for the purpose of restoring the same relationship and application between the individual maximum and aggregate as existed before we increased the individual maximum in the 1978 National Agreement. Unfortunately, increasing the aggregate maximum was overlooked at that time.

Very truly yours,

C. I. Hopkins, Jr.
September 24, 2003 Agreement

Article IV of the April 21, 1969 Agreement ("1969 Agreement"), as amended by Article VII of the July 27, 1978 Agreement, is further amended as follows effective on September 24, 2003

Section 1
Paragraph (b)(1) of the 1969 Agreement is amended to read as follows:

“(1) Accidental Death or Dismemberment

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

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

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

Section 2
Paragraph (b)(3) of the 1969 Agreement is amended to read as follows:

“(3) Time Loss

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

Section 3
Paragraph (b)(4) - Aggregate Limit of the 1969 Agreement is amended by substituting the figure “$10,000,000” for the figure “$1,000,000” wherever the latter figure appears.
SECTION M

JURY DUTY

Article IV — Jury Duty of the Agreement of November 16, 1971 is hereby amended to read as follows:

When a regularly assigned employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day’s pay at the straight time rate of his position for each day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

1. An employee must furnish the carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.

2. The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.

3. No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.

4. When an employee is excused from railroad service account of jury duty the carrier shall have the option of determining whether or not the employee’s regular position shall be blanked, notwithstanding the provisions of any other rules.

5. Except as provided in paragraph (6), an employee will not be required to work on his assignment on days on which jury duty:
   a. ends within four hours of the start of his assignment; or
   b. is scheduled to begin during the hours of his assignment or within four hours of the beginning or ending of his assignment.

6. On any day that an employee is released from jury duty and four or more hours of his work assignment remain, he will immediately inform his supervisor and report for work if advised to do so.

This Article shall become effective thirty days after the date of this Agreement except on such Carriers where the organization representative may elect to preserve existing rules or practices and so notify the authorized Carrier representative on or before such effective date.
MEDIATION AGREEMENT

THIS AGREEMENT, made this 6th day of February, 2012, by and between the participating carriers listed in Exhibit A attached hereto and hereby made a part hereof, and represented by the National Carriers’ Conference Committee, and employees of such carriers represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I — WAGES

Section 1 — First General Wage Increase
On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) Hourly Rates —
   Add 2 percent to the existing hourly rates of pay.
(b) Daily Rates —
   Add 2 percent to the existing daily rates of pay.
(c) Weekly Rates —
   Add 2 percent to the existing weekly rates of pay.
(d) Monthly Rates —
   Add 2 percent to the existing monthly rates of pay.
(e) Disposition of Fractions —
   Rates of pay resulting from application of paragraphs (a) to (d), inclusive, which end in 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.
(f) Application of Wage Increase —
   The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 — Second General Wage Increase
Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.
Section 3 — Third General Wage Increase

Effective July 1, 2012 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 — Fourth General Wage Increase

Effective July 1, 2013 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 — Fifth General Wage Increase

Effective July 1, 2014 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

Section 6 — Sixth General Wage Increase

Effective January 1, 2015 all hourly, daily, weekly and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II — LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

ARTICLE III — HEALTH AND WELFARE

Part A — Plan Changes

Section 1 — Continuation of Plans

The Railroad Employees National Health and Welfare Plan (“the Plan”), the Railroad Employees National Dental Plan (“the Dental Plan”), the Railroad Employees National Early Retirement Major Medical Benefit Plan (“ERMA”), and the Railroad Employees National Vision Plan (“the Vision Plan”), modified as provided in this Article with respect
to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 — Plan Design Changes
(a) The Plan’s Managed Medical Care Program (“MMCP”) shall be revised as follows:

(1) There shall be a separate, stand-alone, Annual Deductible for In-Network Services for which a fixed-dollar copayment does not apply. For the six-month period from July 1 through December 31, 2012, inclusive, this Annual Deductible shall be $100 per individual and $200 per family. For calendar year 2013, this Annual Deductible shall be $150 per individual and $300 per family. Beginning January 1, 2014, this Annual Deductible shall be $200 per individual per year and $400 per family per year.

(2) The percentage of Eligible Expenses paid by the Plan for any In-Network Services for which a fixed-dollar copayment does not apply (as defined by procedure code) shall be 95% of the Eligible Expenses that exceed the applicable Annual Deductible provided for in clause (1) above; the amount payable by the employee as a result of this “coinsurance” shall be capped at $500 per individual and $1000 per family for the six-month period from July 1 through December 31, 2012, inclusive, and at $750 per individual and $1500 per family for calendar year 2013. Beginning January 1, 2014, the amount payable by the employee as the result of this “coinsurance” shall be capped at $1000 per individual per year and $2000 per family per year.

(3) The Emergency Room Co-Payment for In-Network Services shall be increased to $75.00 for each visit, but shall not apply if the visit results in admission to the hospital.

(4) The Urgent Care Center Co-Payment for In-Network Services shall be decreased to $20.00 for each visit.

(5) In cases where a fixed-dollar copayment of $20 currently applies to an office visit, the copayment shall be reduced to $10 if the office is in a “convenient care clinic.” A “convenient care clinic” means, for purposes of this Section, a health care facility typically located in a high-traffic retail store, supermarket or pharmacy that provides affordable treatment for uncomplicated minor illness and/or preventative care to consumers.

(6) The Plan shall not cover radiological services performed at a convenient care clinic.

(b) The Plan’s Managed Medical Care Program (“MMCP”) and its Comprehensive Health Care Benefit (“CHCB”) shall both be revised to include:

(1) Participation in a “Radiology Notification Program” (as described in Exhibit B hereto);

(2) Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the following additional “Centers of Excellence Resource Services” (as described in Exhibit B hereto): Bariatric Resource Services, Cancer Resource Services, and Kidney Resource Services;

(3) Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the
resource services made available under a “Treatment Decision Support Program” (as described in Exhibit B hereto).

(c) The Plan’s Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:

(1) Prior Authorization by the Plan’s current pharmacy benefit manager (or any successor pharmacy benefit manager) (“PBM”) shall be required, in accordance with such PBM’s Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM’s Temporary Override Program without Prior Authorization.

(2) Employees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of the Plan’s PBM with respect to the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

(3) Employees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM’s Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(d) The Plan’s Prescription Drug Card Program Co-Payments to In-Network Retail Pharmacies per prescription are revised as follows:

(1) Generic Drug — decrease to $5.00;

(2) Brand Name (Non-Generic) Drug On Program Administrator’s Formulary — increase to $25.00;

(3) Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary — increase to $45.00.

(e) The Plan’s Mail Order Prescription Drug Program Co-Payments per prescription are revised as follows:

(1) Generic Drug — decrease to $5.00;

(2) Brand Name (Non-Generic) Drug on Program Administrator’s Formulary — increase to $50.00;

(3) Brand Name (Non-Generic) Drug not on Program Administrator’s Formulary — increase to $90.00.

(f) The design changes contained in this Section shall become effective on July 1, 2012.

Section 3 — Plan Design Changes — ERMA

(a) ERMA’s Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:

(1) Prior Authorization by ERMA’s current pharmacy benefit manager (or any successor pharmacy benefit manager) (“PBM”) shall be required, in accordance with such PBM’s Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Program shall be dispensed; provided, however, that no more
than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM’s Temporary Override Program without Prior Authorization.

(2) Retirees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of ERMA’s PBM with respect to the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

(3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM’s Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

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

Section 1 — Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be $200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers’ Monthly Payment Rate for 2012 or $200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier’s Monthly Payment Rate for 2016 or $230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article VI.

(d) For purposes of subsections (b) and (c) above, the “Carriers’ Monthly Payment Rate” for any year shall mean one twelfth of the sum of what the carriers’ monthly payments to:

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

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

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

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

Section 2 — Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.
Section 3 — Method of Making Employee Cost-Sharing Contributions

Employee cost-sharing contributions will be made for the employee by the employee’s employer. The employer shall deduct the amount of such employee contributions from the employee’s wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

Part C — Flexible Spending Accounts

The Carriers shall establish and administer a Health Flexible Spending Arrangement (FSA) effective January 1, 2013 (not including a Dependent Care Program) that satisfies the requirements of Section 125 of the Internal Revenue Code (Code) and all other provisions of applicable law and that permits an employee to choose on a pre-tax basis (to the extent allowable under the Code) between receiving his/her wages in full or receiving less than such full wages and applying such wage deduction to medical expense reimbursements permitted by Section 125 of the Code and the regulations thereunder (in an amount no greater than $2,500.00 per year). Such FSA shall be subject to the following conditions:

(a) There shall be a thirty (30) day grace period immediately following the end of each Plan Year during which unused FSA benefits or contributions remaining at the end of such Plan Year may be reimbursed to employees for qualified medical expenses incurred during the grace period.

(b) Employees will not be able to recover FSA forfeitures, even if the law changes to allow such recovery.

(c) The Carriers may opt to not initiate, or to terminate the FSA as quickly as is allowed by law:
   i. If any change in the law or regulations or any other development or circumstance materially impacts the financial consequences of the FSA to the Carriers; or
   ii. If in any year the “Cadillac Tax” applies.

(d) The Carriers may opt to terminate participation in the FSA of any craft as quickly as is allowed by law if enrollment does not meet 5% of the eligible employee population in the craft for the 2014 Plan Year, or 7.5% of the eligible employee population in the craft for the 2015 Plan Year and succeeding Plan Years.

(e) The FSA will otherwise generally replicate the terms and conditions of the Health FSA of the Railroad Employees National Flexible Benefits Program established April 1, 2005, subject to subsequent changes in applicable law.

Nothing in this section shall preclude any Carrier from establishing its own flexible spending account program for employees covered by this agreement.

ARTICLE IV – JOB RESPONSIBILITY STUDY

(a) Within sixty (60) days after the date of this Agreement, the parties shall establish on a national basis a study committee consisting of four members representing the organization and four members representing the carriers (“Study Committee”). The Study Committee shall promptly establish its operating procedures, including a meeting schedule, by mutual agreement. Each side shall bear the compensation and expenses of its respective representatives, and share equally all expenses incurred in connection with proceedings pursuant to paragraph (c) below.
(b) For the purposes described in paragraph (d) below, the Study Committee shall determine facts in connection with the productivity, technical ability, effort and job responsibilities of Signal Maintenance and Signal Installer positions in a non-binding study, through such means and methods as it deems appropriate.

(c) If the Study Committee cannot reach an agreement over disputed issues of fact pertaining to paragraph (b) above, those issues may be presented for final determination to a neutral fact-finder selected by agreement of the Committee’s members (“Neutral”). The authority of the Neutral shall be confined to finding and setting forth determinative facts of the type described in paragraph (b) above over which the parties could not reach agreement. The Neutral shall have no authority to make any findings, conclusions, or recommendations with respect to possible changes in existing collective bargaining agreements based on the results of the study, which are reserved to the parties pursuant to paragraph (d) below.

(d) The information developed by the Study Committee shall be used solely for the purpose of serving as a basis for a voluntary agreement to resolve the parties’ respective positions and interests in this matter during the term of this Agreement or, absent such agreement, to inform the parties on such matter for formal negotiations in the next bargaining round. Such information shall not be used by either party in handling claims or grievances.

ARTICLE V — SUPPLEMENTAL SICKNESS

The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article IV of the July 1, 2007 BRS National Agreement (Sickness Agreement), shall be further amended as provided in this Article.

Part A – Plan Benefit Adjustments

Section 1 — Adjustment of Plan Benefits

(a) The benefits provided under the Supplemental Sickness Benefit Plan established pursuant to the Sickness Agreement (“SSB Plan”) 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, 2009 under the terms of that Agreement.

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

<table>
<thead>
<tr>
<th>Earning (as of 12/31/09)</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I Employees</td>
<td>$24.80 or more</td>
<td>$4,315.00 or more</td>
</tr>
<tr>
<td>Class II Employees</td>
<td>$20.47 or more</td>
<td>$3,562.00 or more</td>
</tr>
<tr>
<td>Class III Employees</td>
<td>Less than $20.47</td>
<td>Less than $3,562.00</td>
</tr>
</tbody>
</table>

Basic and Maximum Benefit Amount Per Month

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Class I Basic</th>
<th>Class I RUIA</th>
<th>Class II Basic</th>
<th>Class II RUIA</th>
<th>Class III Basic</th>
<th>Class III RUIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>[1/1/10]</td>
<td>$1,367.25</td>
<td>$1,392.00</td>
<td>$1,241.00</td>
<td>$1,392.00</td>
<td>$1,129.00</td>
<td>$1,392.00</td>
</tr>
<tr>
<td>through [6/30/10]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[6/30/10]</td>
<td>$1,129.00</td>
<td>$1,392.00</td>
<td>$1,241.00</td>
<td>$1,392.00</td>
<td>$1,129.00</td>
<td>$1,392.00</td>
</tr>
</tbody>
</table>

Mc-7
Effective Basic RUIA Maximum
[7/1/10] Class I $1,436.50 $1,435.50 $2,872.00
through Class II $1,241.00 $1,435.50 $2,633.00
[12/31/10] Class III $1,129.00 $1,435.50 $2,521.00

Effective Basic RUIA Maximum
[1/1/11] Class I $1,517.50 $1,435.50 $2,953.00
through Class II $1,241.00 $1,435.50 $2,633.00
[6/30/11] Class III $1,129.00 $1,435.50 $2,521.00

Effective Basic RUIA Maximum
[7/1/11] Class I $1,643.50 $1,435.50 $3,079.00
through Class II $1,241.00 $1,435.50 $2,633.00
[12/31/11] Class III $1,129.00 $1,435.50 $2,521.00

Combined Benefit Limit
Classification Maximum Monthly Amount
Class I $3,151.00
Class II $2,822.00
Class III $2,703.00

Section 2 — Further Adjustment of Plan Benefits
(a) Effective July 1, 2012, 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.

(b) The benefit adjustment described in Section 2(a) above shall be made effective on each of the following dates: July 1, 2013, July 1, 2014, and January 1, 2015.

(c) The benefit adjustment described in Section 2(a) above shall be made effective on the date of each general wage increase that becomes effective after January 1, 2015.

ARTICLE VI — GENERAL PROVISIONS

Section 1 — Court Approval
This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2 — Effect of this Agreement
(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2009 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2009 (including any notices outstanding as of that date).

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2014 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) No party to this Agreement shall serve or progress, prior to November 1, 2014 (not to become effective before January 1, 2015), any notice or proposal.
(d) This Article will not bar management and the organization on individual railroads from agreeing upon any subject of mutual interest.

____________________________________  __________________________________________
SIGNED AT WASHINGTON, D.C., THIS 6th DAY OF FEBRUARY, 2012.
FOR THE PARTICIPATING CARRIERS FOR THE EMPLOYEES REPRESENTED
LISTED IN EXHIBIT A: BY THE BROTHERHOOD OF RAILROAD
SIGNALMEN:

/s/ A. Kenneth Gradia, Chairman /s/ W. Dan Pickett, President

/s/ Stephen Crable /s/ Jerry C. Boles
/s/ Donald E. Emery /s/ Floyd E. Mason
/s/ John J. Fleps /s/ Joe Mattingly
/s/ H. R. Mobley /s/ Dennis M. Boston
/s/ W. R. Turner /s/ Mark J. Ciurej
/s/ John Bragg
February 6, 2012

Mr. W. D. Pickett
President
Brotherhood of Railroad Signalmen
917 Shenandoah Shores Road
Front Royal, VA 22630-6418

Dear Mr. Pickett:

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

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

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

Very truly yours,
/s/ A. Kenneth Gradia

I Agree:
/s/ W. Dan Pickett
Dear Mr. Pickett:

This refers to the increase in wages provided for in Sections 1 and 2 of Article I of the Agreement of this date.

It is understood that the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with a carrier on the date of this Agreement or who retired or died subsequent to June 30, 2010.

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

Very truly yours,
/s/ A. Kenneth Gradia

I agree:
/s/ W. Dan Pickett
February 6, 2012
#3

Mr. W. D. Pickett
President
Brotherhood of Railroad Signalmen
917 Shenandoah Shores Road
Front Royal, VA 22630-6418

Dear Mr. Pickett:

This confirms our understanding with respect to Article I, Section 6 of the Agreement of this date.

Article I, Section 6 of the Agreement provides for a three (3) percent general wage increase effective January 1, 2015. Article VI, Section 2(c) of the Agreement provides that the parties to the Agreement may serve and progress notices or proposals to amend the Agreement and other existing agreements on or after November 1, 2014 (not effective before January 1, 2015) (“2015 Bargaining Notices”).

This will confirm our understanding that if disposition of the 2015 Bargaining Notices is referred to any third party (including but not limited to a Presidential Emergency Board or arbitration board), this Letter may be provided to such body to confirm the parties’ mutual understanding that Article I, Section 6 was intended to constitute a complete resolution of the compensation adjustment issue for calendar year 2015.

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

Very truly yours,
/s/ A. Kenneth Gradia

I agree:
/s/ W. Dan Pickett
February 6, 2012
#4

Mr. W. D. Pickett
President
Brotherhood of Railroad Signalmen
917 Shenandoah Shores Road
Front Royal, VA 22630-6418

Dear Mr. Pickett:

This confirms our understanding with respect to Article III, Part A, Sections 2(c)(1) & (2) of the Agreement of this date. The prescription drug management rules identified in the aforementioned provisions of the Agreement are those that have been recommended by the Plan’s current pharmacy benefit manager, Medco Health Solutions. The same is true of the therapeutic drug categories listed on Exhibit C to the Agreement; they are the therapeutic drug categories that Medco Health Solutions has recommended be subject to one or more of those rules.

The parties intend that new prescription drug management rules for which there are no existing therapeutic drug categories listed in Exhibit C shall not apply to the Plan unless such application has been (a) recommended by an independent committee of experts generally relied upon by the Plan’s pharmacy benefit manager, (b) such recommendation is also made by the pharmacy benefit manager itself, and (c) the recommendation is accepted and approved by the Plan’s Joint Committee.

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

Very truly yours,
/s/ A. Kenneth Gradia

I agree:
/s/ W. Dan Pickett
CARRIERS REPRESENTED BY THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009, BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF RAILROAD SIGNALMEN, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009, UPON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF RAILROAD SIGNALMEN.

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

Alton and Southern Railway Company
The Belt Railway Company of Chicago
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
    Atlanta and West Point Railway (former)
    The Baltimore and Ohio Railroad Company (former)
    The Baltimore & Ohio Chicago Terminal Railroad Co.
    The Chesapeake and Ohio Railway Company (former)
    The Chicago and Eastern Illinois R.R. Co. (former)
    Clinchfield Railroad (former)
    Consolidated Rail Corporation (former)
    Gainesville Midland Railroad Company
    Louisville and Nashville Railroad Company (former)
    Monon Railroad (former)
    Pere Marquette Railway Company (former)
    Richmond, Fredericksburg & Potomac Ry. Co. (former)
    Seaboard Coast Line Railroad Company (former)
    Western Maryland Railway Company (former)

Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
    Kansas City Southern Railway
    Louisiana and Arkansas Railway
    MidSouth Rail Corporation
    Gateway Western Railway
    SouthRail Corporation
    The Texas and Mexican Railway Company
    Joint Agency

Norfolk Southern Railway Company
    The Alabama Great Southern Railroad Company
    Central of Georgia Railroad Company
Northeast Illinois Reg. Commuter R.R. Corp. (METRA) – 2
Soo Line Railroad Company d.b.a. Canadian Pacific
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company

* * * * *
NOTES:

1 — Health and Welfare and Supplemental Sickness only

FOR THE CARRIERS:  FOR THE BROTHERHOOD OF RAILROAD SIGNALMEN:

/s/ A. Kenneth Gradia, Chairman  /s/ W. Dan Pickett, President

Washington, D.C.
February 6, 2012
Clinical Support Services

Radiology Notification Program (RNS) – Under this program, a radiology notification process is required for participating (network) physicians, health care professionals, facilities and ancillary providers for certain advanced outpatient imaging procedures, prior to performance, with administrative claim denial for failure to provide notification. The program is a prior notification requirement only, not a precertification, preauthorization or medical necessity determination program, and currently applies to the following outpatient advanced imaging procedures: CT, MRI, PET and Nuclear Medicine, including Nuclear Cardiology. These services that take place in an emergency room, observation unit, urgent care center, or during an inpatient stay do not require notification.

The process may require a physician-to-physician discussion, the purpose of which is to engage the ordering physician in a discussion about the use of evidence-based clinical guidelines. However, the final decision authority rests with the ordering physician. This program is invisible to the covered member — non-compliance (i.e., non-notification) will result in an administrative denial of the claim with no balance billing to the patient.

Centers of Excellence (COE) Resource Services – these services are based on the foundation that certain facilities treat patients who consistently achieve favorable clinical outcomes, as demonstrated by reduced hospital lengths of stay and readmission rates, lower infection rates, etc. Programs are typically designed around specific disease states or conditions in which COEs can be clearly identified. The following programs develop national COE networks and specialty nurse resources that provide specific case management interventions:

— Bariatric Resource Services ("BR Services") — BR Services provides a national Center of Excellence network of bariatric surgery centers and hospitals with an upfront case management component.

— Cancer Resource Services (CRS)/Cancer Support Program (CSP) — This clinical consulting with cancer specialists, combined with an extensive nationwide COE network will deliver clinical and financial value.

— Kidney Resource Services (KRS) — KRS provides a large network of dialysis facilities meeting strict quality outcomes with kidney nurse specialists assisting patients.

Treatment Decision Support (TDS) – These services include enhanced one-to-one coaching for individuals facing potential procedures that have been carefully targeted as having varied treatment practices and inconsistent patient outcomes. TDS normally targets back pain, knee/hip replacement, benign prostate disease, prostate cancer, benign uterine conditions, hysterectomy, breast cancer, coronary artery disease and bariatric surgery.

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1 The actual program names, specific services/processes, and administration will vary by medical vendor.
## EXHIBIT C
— Drugs for Coverage Authorization and Step Therapy Rules

<table>
<thead>
<tr>
<th>Therapeutic Drug Category</th>
<th>Drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Drugs</td>
<td></td>
</tr>
<tr>
<td>Gout Therapy</td>
<td>Uloric® Krystexxa</td>
</tr>
<tr>
<td>Rheumatological (RA Agents)</td>
<td>Actemra® Arava® Cimzia® Enbrel® Humira® Kineret® Orencia® Remicade® Rituxan® Simponi™</td>
</tr>
<tr>
<td>Misc Agents</td>
<td>Benlysta® Savella®</td>
</tr>
<tr>
<td>Erythroid Stimulants</td>
<td>Aranesp® Epogen® Procrit®</td>
</tr>
<tr>
<td>Growth Hormones</td>
<td>Egrifta® Genotropin® Geref® Humatrope® Increlex® IPlex® Norditropin® Nutropin® Omnitrope® Saizen® Serostim® Tev-Tropin® Zorbive®</td>
</tr>
<tr>
<td>Interferons</td>
<td>Actimmune® Alferon-N® Infergen® Intron-A® Pegasys® Peg-Intron® Rebofar®</td>
</tr>
<tr>
<td>Interleukins</td>
<td>Arcalyst Ilaris™</td>
</tr>
<tr>
<td>Multiple Sclerosis Therapy</td>
<td>Amypra® Avonex® Betaseron® Copaxone® Extavia® Gilenya® Novantron® Rebif® Tyseptic®</td>
</tr>
<tr>
<td>Myeloid Stimulants and Hemostatics</td>
<td>Leukine® Neulasta® Neumega® Neupogen® Nplate® Promacta®</td>
</tr>
<tr>
<td>Vaccines &amp; Misc Immunologicals</td>
<td>Botox® Dysport® Myobloc® Xeomin®</td>
</tr>
<tr>
<td>Dermatological — Psoriasis</td>
<td>Amevive® Stelara®</td>
</tr>
<tr>
<td>Cancer Therapy</td>
<td>Afinitor® Avastin® Dacogen® Erbitux® Gleevec® Halaven Herceptin® Istodax® Jevtana® Nexavar® Sprycel® Sutent® Tarceva® Tasigna® Temodar® Torisel® Tykerb® Vectibix® Vidaza® Votrient® Zolinza® Zytiga®</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Therapeutic Drug Category</th>
<th>Drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer Therapy (Misc.)</td>
<td>Mozobil™</td>
</tr>
<tr>
<td>Cancer Therapy (Misc.)</td>
<td>Xgeva™</td>
</tr>
<tr>
<td>Misc Antineoplastic Agents</td>
<td>Arimidex® Aromasin® Femara®</td>
</tr>
<tr>
<td>Misc Antineoplastic Agents</td>
<td>Revlimid® Thalomid®</td>
</tr>
<tr>
<td>Antivirals (Ribavirin Therapy)</td>
<td>Copegus® Rebetol® Ribavirin®</td>
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<tr>
<td>HIV/AIDS Therapy</td>
<td>Seizentry®</td>
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<td>RSV Agents</td>
<td>Synagis</td>
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<tr>
<td>Parkinson’s</td>
<td>Apokyn</td>
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<tr>
<td>Hormone Therapy (Misc.)</td>
<td>Acthar® Gel Sensipar®</td>
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<td>Misc Agents</td>
<td>Soliris®</td>
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<td>Misc Neurological Therapy</td>
<td>Nuedexta™ Xenazine®</td>
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<tr>
<td>Hormone Therapy (Misc.)</td>
<td>Zavesca®</td>
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<td>Hormone Therapy (Misc.)</td>
<td>Vpriv™ Cerezyme®</td>
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<tr>
<td>Hormone Therapy (Misc.)</td>
<td>Samsca®</td>
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<tr>
<td>Hormone Therapy (Misc.)</td>
<td>Kuvan™ Somavert®</td>
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<tr>
<td>Non-Narcotic Pain Relief (Hyaluronic Acid Derivatives)</td>
<td>Euflexxa® Hyalgan® Orthovisc® Supartz® Synvisc®</td>
</tr>
<tr>
<td>Lupus</td>
<td>Benlysta®</td>
</tr>
<tr>
<td>Hepatitis C</td>
<td>Boceprevir® Telaprevir</td>
</tr>
<tr>
<td>Misc. Pulmonary Agents</td>
<td>Berinert® Cinryze™ Kalbitor® Xolair®</td>
</tr>
<tr>
<td>Misc. Pulmonary Agents</td>
<td>Cayston™ TOBI™</td>
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<tr>
<td>Misc. Pulmonary Agents</td>
<td>Pulmozyme®</td>
</tr>
<tr>
<td>Pulmonary Arterial Hypertension</td>
<td>Flolan® Letairis® Remodulin® Revatio™ Tracleer® Ventavis® Adcirca® Tyvaso® Veletri®</td>
</tr>
<tr>
<td>Therapeutic Drug Category</td>
<td>Drugs</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>Non Specialty/Traditional Drugs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Hypnotics</strong></td>
<td>Ambien® Ambien CR® Butisol® chloral hydrate Dalmane® Doral® Edluar™ Halcion™ Lunesta® Nembutal® Prosom® Ropanol® Rozerem® Silenor® Sonata® Zolpidem®</td>
</tr>
<tr>
<td><strong>Migraine</strong></td>
<td>Alsuma™ Amerge® Axert® Frova® Imitrex® Imitrex Inj® ImitrexNS® Maxalt® MaxaltMLT® Migranal NS® Relpax® Sumavel® Treximet™ Zomig® Zomig ZMT®</td>
</tr>
<tr>
<td><strong>Narcolepsy</strong></td>
<td>Nuvigil® Provigil® Xyrem®</td>
</tr>
<tr>
<td><strong>Narcotic Pain Relief</strong></td>
<td>Abstral® Actiq® Fentora™ Onsolis™</td>
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<tr>
<td><strong>Non-Narcotic Pain Relief (Misc.)</strong></td>
<td>Cambia™ Lidoderm® Stadol NS® Vimovo™</td>
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<tr>
<td><strong>Dermatologicals — Acne</strong></td>
<td>Solodyne®</td>
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<tr>
<td><strong>Anorexiant/Weight Loss</strong></td>
<td>Adipex-P® Bontril® Didrex® Fastin® Tenuate® Xenical®</td>
</tr>
<tr>
<td><strong>Hormone Therapy (Select Androgens &amp; Anabolic Steroids)</strong></td>
<td>Androderm® AndroGel® Axiron® Fortesta™ Striant® Testim Gel®, Various anabolic steroids</td>
</tr>
<tr>
<td><strong>Nausea</strong></td>
<td>Anzemet® Cesamet™ Emend® Emend Trivid® Pack® Kytril® Sancuso® Zofran® Zofran ODT® Zuplenz®</td>
</tr>
</tbody>
</table>

1/ The Coverage Authorization Program consists of traditional prior authorization, smart prior authorization, step therapy and quantity/dose rules which are based on FDA-approved prescribing and safety information, clinical guidelines, and uses that are considered reasonable, safe, and effective. These rules are recommended by an outside, independent organization based on information and data specific to the Railroad membership. Each Therapeutic Drug Category has a rule(s) specific to that category.

<table>
<thead>
<tr>
<th>Preferred Drug Step Therapy 2/</th>
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<tr>
<td><strong>Therapeutic Drug Category</strong></td>
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<td><strong>Proton Pump Inhibitors</strong></td>
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<td><strong>Sleep Agents/Hypnotics</strong></td>
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<td><strong>Depression</strong></td>
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<td><strong>Osteoporosis</strong></td>
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<td><strong>Intranasal Steroids</strong></td>
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<td><strong>Angiotensin II Receptor Blockers</strong></td>
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<td><strong>Glaucoma</strong></td>
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<td><strong>Growth Hormones (specialty drug)</strong></td>
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<td><strong>Tumor Necrosis Factor (specialty drug)</strong></td>
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2/ Preferred Drug Step Therapy identifies users of non-preferred/non-covered medications and communicates less expensive generic and preferred brand alternatives (when appropriate).
SECTION N

Overtime Rate of Pay

ARTICLE V — NOVEMBER 16, 1971 AGREEMENT

Time worked in excess of eight hours shall be paid for as follows:

(a) Time worked following and continuous with a regularly assigned eight-hour work period shall be computed on actual minute basis and paid for at time and one half rates, with double time computed on actual minute basis after sixteen hours of work in any twenty-four hour period computed from starting time of the employee’s regular shift. In the application of this paragraph (a) to new employees temporarily brought into the service in emergencies, the starting time of such employees will be considered as of the time that they commence work or are required to report.

(b) This shall not affect the provisions of existing agreements as to meal periods.

(c) Nothing herein shall apply to positions which are not assigned to regular daily hours and the rates of which comprehend all service performed, including incidental overtime, except that rules providing for additional pay after the specified number of hours comprehended in weekly or monthly rates are not affected.

(d) This Article shall become effective 75 days after the date of this Agreement except where the Committee representing the Signalmen on the individual railroad advise the carrier in writing within 60 days after the date of this Agreement that it desires to preserve in its entirety existing rules dealing with double time payments.
Mr. C. J. Chamberlain, President
Brotherhood of Railroad Signalmen

Dear Mr. Chamberlain:

This records our understanding that in situations in which a monthly-rated signal mechanic is required to work on days or during hours not comprehended by his monthly rate, the rate paid him for such work will be not less than the minimum mechanics’ overtime rate, and that a monthly rated lead signalman paid overtime under such circumstances will be compensated at not less than the minimum overtime rate paid hourly rated lead signalmen.

Will you please confirm this understanding by signing a copy of this letter.

Very truly yours,
/s/ W. H. Dempsey

CONFIRMED:
/s/ C. J. Chamberlain
SECTION O

Camp Cars

ARTICLE V — NOVEMBER 16, 1971 AGREEMENT

The matter of improved living quarters for employees assigned to camp cars, trailers, or other portable carrier-owned facilities shall be remanded to the individual properties for disposition between the parties in accordance with the following:

(a) The parties will examine the feasibility of the eventual elimination, in whole or substantial part, of the use of camp cars or other portable carrier-owned facilities which do not meet the standards of Arbitration Board No. 298, or which cannot be practically upgraded or replaced to meet such standards and where other board or lodging facilities are readily available.

(b) In the event that the parties on an individual railroad are unable to reach an agreement by April 1, 1972, to satisfactorily dispose of an issue which might develop in accordance with paragraph (a) hereof, they shall immediately agree to the establishment of a committee, consisting of a representative of the Carrier, a representative of the Organization, and a neutral to investigate the matter in dispute and make final and binding recommendations to dispose of the matter within six months of the appointment of the neutral.

(c) If the parties are unable to select a neutral member to serve with any committee established under this Article VI, the National Mediation Board shall appoint such neutral member at the request of either party. The expenses in connection with any committee shall be borne equally by the parties except that the salary and expenses of the neutral will be paid in accordance with government regulations by the National Mediation Board.
SECTION P

Apprentice Programs

ARTICLE VII — NOVEMBER 16, 1971 AGREEMENT

A Joint Committee will be established, consisting of equal representation of management and the organization, for the purpose of establishing broad guide lines for the use of local carrier and organization committees in the implementation of apprentice programs where practical. The Joint Committee may call on the Bureau of Apprenticeship and Training of the Department of Labor for assistance in this connection.

GUIDE LINES FOR ESTABLISHING PROGRAMS FOR THE TRAINING OF RAILROAD SIGNALMEN ON INDIVIDUAL RAILROADS

The broad guide lines set forth below for the use of local carrier and organization committees in the implementation of training programs, where practical, have been prepared by the Joint Committee established by Article VII of the November 16, 1971 Mediation Agreement, Case No. A-8811, with the assistance of the Bureau of Apprenticeship and Training of the United States Department of Labor. When a training program is agreed upon on an individual carrier, the Joint Committee recommends that these guide lines be followed. It is recognized that the “Training Standards” hereinafter referred to may vary on each railroad and on segments of each railroad, in order to meet the varying conditions on each railroad.

Section I — Definitions

1. “Company” means any railroad company agreeing to employ Signalmen Trainees in accordance with a Training Program.
2. “Union” means the Brotherhood of Railroad Signalmen or any of its local union affiliates.
3. “Signalman Trainee” means a person employed by the Company who is engaged in learning the trade of Railroad Signalman and who is covered by a written Training Agreement.
4. “Railroad Signalman” means a person employed by a railroad to perform construction and/or maintenance work associated with railroad signal systems and in some instances railroad communications systems.
5. “Agreement” means the written training agreement between the Company and the Brotherhood of Railroad Signalmen in which the terms and conditions of training are set forth.
6. “System Committee” means the company training program Joint Training Committee as recommended by these guide lines.
7. “Training Standards” means the document developed by the Company and the Union for a railroad, which may be patterned after these guide lines and which contains the provisions and conditions of employment and training of Signalman Trainees.

Section II — Selection of Signalman Trainees

While it is recognized that the Union has no control over the selection of Signalman Trainees and that this is the prerogative of the Company, it is recommended that the Company adopt the following procedures for inclusion in the Standards of Training for a company's program.
1. It shall be the policy of the Company to employ Signalman Trainees on the basis of background, experience, ability to learn and other factors relative to job performance, and to train such employees in accordance with the terms of the Training Standards.

2. It is the aim of the Company to attract and retain persons who are qualified to learn the skills of the trade.

3. The recruitment, selection, employment and training of Signalman Trainees shall be without discrimination because of race, color, religion, national origin, or sex.

**Section III — System Committee**

1. A System Committee should be established consisting of an equal number of representatives of management, who would be selected by the proper officer of the Carrier, and an equal number of representatives of the Union, who would be selected by the General Chairman thereof.

2. Officers of such Committee should include a chairman and secretary — one to be selected from representatives of Management and one to be selected from representatives from the Union. The chairman shall be selected by Management and the secretary by the General Chairman.

3. The purpose and function of the System Committee referred to herein would be to act in an advisory capacity to the designated representatives of management in the matter of training schedules and training concentration with the view of continually improving and upgrading the training program.

4. The Committee chairman shall arrange regular meetings which should be attended by the Committee members or their representatives.

**Section IV — Training Agreement**

Each Signalman Trainee will be subject to the terms and conditions of the Company Training Standards and shall be furnished a copy of the Agreement.

**Section V — Previous Experience Credit**

When an applicant has had previous experience the Company may credit such experience toward the training term and place him at the proper level on the pay scale, according to the credit given. The Committee may review the awarding of such credit to an applicant and make recommendations as to its concurrence or disagreement with the credit; however, the Company shall be the final authority on the matter.

**Section VI — Term of Training**

The term of training shall be not less than two years (24 months), except as otherwise provided herein.

The first 90 work days of the term of training shall be a probationary period for each Signalman Trainee. During this period the training may be terminated by either the Company or the Signalman Trainee in writing.

**Section VII — Ratio**

The ratio of Signalman Trainees to journeymen shall be subject to the requirement of the needs of the Company and shall be mutually agreed to by the Company and the Union. It is recommended that the ratio of Signalman Trainees to journeymen not exceed one Signalman Trainee for each two journeymen.

**Section VIII — Wages**

Wages paid Signalman Trainees shall be shown in the Appendices of these Standards. Any change in the wage scale shall be subject to negotiations between the Company and the Union.

**Section IX — Hours of Work**

When performing on-the-job training in the field the work day for Signalman Trainees shall be the same as that of the Signalmen with whom they are working and subject to the rules of the current bargaining contract. Overtime hours shall be credited on the term of training as per actual hours worked. During any week involving classroom or
laboratory training periods, the trainee shall be paid an amount equal to forty times his
straight time rate; any time spent in study, classroom or laboratory work in excess of
forty hours will not require additional compensation; however, the planned program shall,
to the extent possible, approximate forty hours work for the average student (exclusive
of home work).

Section X — Work Processes

During training, the Signalman Trainee shall receive such instruction and experience
as is necessary to develop a practical and versatile Signalman, versed in the theory and
practice of the trade.

Section XI — Related Technical Instruction

Each Signalman Trainee shall receive technical instruction on subjects related to his
trade. Such instruction should include classroom instruction, work study courses,
correspondence courses or a combination of any of these to fulfill the required 144 hours
of such instruction considered the minimum per year.

Section XII — Supervision of Signalman Trainees

The Company shall designate a particular person as Supervisor of Signalman
Trainees. He shall be responsible for carrying out the training program as outlined in the
Company Training Standards. Adequate records of on-the-job training and related
technical instruction of the Signalman Trainee shall be maintained and submitted to the
System Committee upon request.

Section XIII — Completion of Training

A trainee may be used as a signalman prior to completion of the two years term of
training subject to the rules of the current bargaining agreement, however, the record of
any trainee used as a signalman prior to expiration of 12 months of training may be
reviewed by the System Committee. When a trainee is promoted, he shall be given a
Certificate of Completion of Training.

Section XIV — Adjustment of Differences

In the event differences arise regarding the operation of a program under the
Company Training Standards, either party may appeal to the System Committee, if
necessary, for the settlement of such differences, and the Committee’s recommendation
for settlement shall be final and binding upon the parties.

Section XV — Safety

Each Signalman Trainee shall be provided with initial indoctrination and instruction to
enable him to perform his work in a safe manner.

Initial indoctrination shall include instruction concerning rules and regulations
pertinent to Company safety regulations, reporting of accidents and availability of
first-aid medical facilities.

The Company, operating through the Training Supervisor and/or instructors, shall
provide training and instruction pertaining to safe work habits. The Signalman Trainee
will be instructed in the methods necessary to perform all phases of the work in a safe
manner.

CARRIER MEMBERS:

W. S. Macgill
H. E. Greer
November 15, 1972

ORGANIZATION MEMBERS:

W. D. Best
Joseph W. Walsh
SECTION Q

Change of Residence

ARTICLE VIII — NOVEMBER 16, 1971 AGREEMENT

CHANGES OF RESIDENCE DUE TO TECHNOLOGICAL, OPERATIONAL OR ORGANIZATIONAL CHANGES

When a carrier makes a technological, operational, or organizational change requiring an employee to transfer to a new point of employment requiring him to move his residence, such transfer and change of residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement, notwithstanding anything to the contrary contained in said provisions, except that the employee shall be granted 5 working days instead of “two working days” provided in Section 10(a) of said Agreement; and in addition to such benefits the employee shall receive a transfer allowance of $800. Under this provision, change of residence shall not be considered “required” if the reporting point to which the employee is changed is not more than 30 miles from his former reporting point.

(Revised by Article XII of the January 8, 1982 Agreement by adding the following note effective January 1, 1982.)

“NOTE: The above paragraph applies not only to the employee who is initially displaced under the circumstances described but also to any other employee who is subsequently displaced under the circumstances described and is required to move his residence.”

(Revised further by Article VIII of the June 4, 1991 Agreement.)
January 8, 1982

Mr. R.T. Bates, President
Brotherhood of Railroad Signalmen
601 W. Golf Road
Mount Prospect, Illinois 60056

Dear Mr. Bates:

During the negotiations leading to the January 8, 1982 National Agreement, the parties agreed to revise Article VIII of the November 16, 1971 Agreement, entitled Changes of Residence Due To Technological, Operational or Organizational Changes, by inserting a note at the end of that Article.

The purpose of the note was to ensure that when a change of the type described by the Article occurs all employees who are required to transfer to a new point of employment which require them to move their residence will receive the benefits provided in the Article. In the past, on some occasions Article VIII of the November 16, 1971 Agreement had been interpreted so as to apply only to the first person required to move under these conditions and not to other persons who were similarly required to move as part of the multiple displacement process that changes such as these may bring about.

In discussing this revision, the parties exchanged various proposals and drafts before agreeing to the language that appears in the note. It is our mutual understanding that none of these proposals and drafts will be used by any party for any purpose and that the Article will be interpreted solely on the basis of the language contained therein and the illustrations provided in the following examples:

Example No. 1

The position of Employee “A” is abolished because of a technological, operational, or organizational change initiated by the carrier. In the exercise of his seniority, it is necessary for Employee “A” to displace Employee “B” at a new point of employment requiring Employee “A” to move his residence. In the exercise of his seniority, it is necessary for Employee “B” to displace Employee “C” at a new point of employment requiring Employee “B” to move his residence.

In this type of situation, the provisions of Article XII would be applicable to both Employee “A” and Employee “B”.

Example No. 2

The position of Employee “A” is abolished because of a technological, operational, or organizational change initiated by the carrier and he displaces Employee “B” at the same
point of employment. In the exercise of his seniority, it is necessary for Employee “B” to displace Employee “C” at a new point of employment requiring Employee “B” to move his residence and it is necessary for Employee “C” to displace Employee “D” at a new point of employment requiring Employee “C” to move his residence.

In this type of a situation, the provisions of Article XII would be applicable to both Employee “B” and Employee “C”.

**Example No. 3**

The position of Employee “A” is abolished because of a technological, operational, or organizational change initiated by the carrier and he displaces Employee “B” at the same point of employment. In the exercise of his seniority, it is necessary for Employee “B” either to displace Employee “C” at a new point of employment or bid on a vacancy, in either case requiring Employee “B” to move his residence.

In this type of a situation, the provisions of Article XII would be applicable to Employee “B” in either case.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

R. T. Bates
SECTION R

Earnings Deduction In Discipline Cases

Article X — November 16, 1971 Agreement

Deduction of Other Earnings in Discipline Cases

It is recognized that where an employee is dismissed or suspended from service for cause and subsequently it is found that such discipline was unwarranted and the employee is restored to service with pay for time lost, it is proper that any earnings in other employment will be used to offset the loss of earnings. This understanding is not intended to change existing rules or practices which now provide for deduction of other earnings in discipline cases.
SECTION S

Supplemental Sickness Benefits

In a letter of understanding dated November 16, 1971, which was signed concurrently with our November 16, 1971 National Agreement, we agreed to the establishment of a supplemental sickness benefits plan to become effective July 1, 1973, with the cost to the railroads not to exceed the equivalent of $10.25 per calendar month for every covered employee who renders service during the month.

Further details were negotiated into an agreement signed May 9, 1973.

The November 16, 1971 letter of understanding and the May 9, 1973 agreement are included herein.

Subsequent to the May 9, 1973 agreement, arrangements were made to have these benefits provided by the Provident Life and Accident Insurance Company, Group Policy Number R-5000, effective July 1, 1973, covering railroad shop craft and signal employees.

The insurance company prepared a booklet which explains the provisions of the policy, and which contains a claim form. A sufficient number of those booklets have been supplied to every carrier for distribution to all covered employees.

November 16, 1971

Mr. Charles J. Chamberlain, President
Brotherhood of Railroad Signalmen
2247 West Lawrence Avenue
Chicago, Illinois 60625

Dear Mr. Chamberlain:

In connection with the Mediation Agreement, Case A-8811, signed today on behalf of the railroads represented by the Carriers’ Conference Committees and the National Railway Labor Conference and their employees represented by the Brotherhood of Railroad Signalmen:

For the purpose of establishing a plan under which the railroads will provide sickness benefits supplemental to those provided under the Railroad Unemployment Insurance Act, a committee will be formed immediately, as outlined below, to work out with insurance companies and others who might be involved a plan in accordance with the substantive principles agreed to by the parties, which follow. The Committee will include representatives of the organization signatory hereto, the four shop craft organizations, and such other shop employee organizations as may become parties to a similar understanding — the number of representatives of the labor organizations to be designated by the organizations — and an equal number of representatives of the railroads.

It is agreed that —

1. The supplemental sickness benefits plan will become effective July 1, 1973. Every effort will be made to work out all necessary details and finalize the plan prior to January 1, 1973.

2. The cost to the railroads of providing the supplemental sickness benefits will not exceed the equivalent of $10.25 per calendar month for every covered employee who renders service during the month.

3. The railroad payment for supplemental sickness benefits will be considered a wage equivalent.
4. The amount of the supplemental sickness benefit will be established by the Committee according to a system of classifications which the Committee will work out. The classifications will be based on ranges of rates of pay. The benefit will be uniform within each classification. The amount of the supplemental sickness benefit plus the sickness benefit available under the Railroad Unemployment Insurance Act will not exceed 70% of the average straight time earnings of the employees in each such classification. The latest I.C.C. M-300 or comparable report available prior to January 1, 1973 will be used by the Committee in establishing the classifications. The December 1972 wage rates will be used in establishing the benefit rates.

5. (a) No supplemental benefits will be provided for at least the first four days of any sickness.

(b) No supplemental benefits will be provided any employee until he qualifies for sickness benefits under the Railroad Unemployment Insurance Act.

(c) No supplemental benefits will be provided any employee after his 65th birthday.

(d) Supplemental benefits will not be provided for a period longer than one year for any one sickness. The Committee referred to above shall give consideration to varying the period of benefits in accordance with length of service.

6. The amount of sickness benefits payable to an employee who has been injured in an off-track vehicle accident covered under Article IV of the Agreement of April 21, 1969 will be reduced by the amount of any payment for time lost which such employee may receive under paragraph (b) (3) of such Article IV.

7. The railroads, or their agents, may require reasonable proof of sickness, as determined by the Committee, from an employee claiming sickness benefits.

8. The plan will provide for the insuring agent, or if no insuring agent the railroad, to be subrogated to any right of recovery an employee may have against any party in case of injury, to the extent that supplemental sickness benefits have been paid.

9. The supplemental sickness benefits may be provided and administered under an insured plan, or may be provided and administered by an individual railroad as self-insurer or otherwise. The benefits will be the same however provided.

10. Any restrictions against blanking jobs or realigning forces will not be applicable in situations in which an employee whose job is blanked or is covered by a realignment of forces is absent because of sickness.

11. The supplemental sickness benefits plan when established will be effective on all railroads parties to the Mediation Agreement of November 16, 1971, and any existing agreements, practices or plans providing sickness benefits or paid sick leave will be terminated effective July 1, 1973.

12. The supplemental sickness benefits plan, when established, will continue in effect without change until January 1, 1976, and thereafter except as it may be modified or terminated pursuant to the provisions of the Railway Labor Act. Any pending notices or proposals on the matter of sick leave or sickness benefits are hereby withdrawn, and no notice to change the plan to be established hereunder, or dealing with the matter of sick leave or sickness benefits, may be served by any party prior to July 1, 1975 (not to become effective prior to January 1, 1976).

Will you please confirm this agreement by affixing your signature in the space provided below.

Yours very truly,
/s/ J. P. Hiltz
Chairman,
National Railway Labor Conference

Accepted:
/s/ C. J. Chamberlain
MEMORANDUM AGREEMENT

For the purpose of implementing the provisions of Paragraph 10 — Disputes — of the Supplemental Sickness Benefit Agreement of May 9, 1973 between railroads represented by the National Carriers' Conference Committee and the employees of such railroads represented by the Brotherhood of Railroad Signalmen, hereinafter referred to as the Organization:

IT IS HEREBY AGREED:

Section 1 — Purpose of National Supplemental Sickness Benefit Committee and Panel of Physicians

The National Supplemental Sickness Benefit Committee, hereinafter referred to as the "Disputes Committee," established by Paragraph 10 (a) of the Supplemental Sickness Benefit Agreement of May 9, 1973, hereinafter referred to as the "Agreement," and the Panel of Physicians functioning under Paragraph 10 (b) of the Agreement, have for their purpose the expeditious handling and deciding of disputes as described in Section 2 hereof.

Section 2 — Jurisdiction of Disputes Committee and Panel of Physicians

The Disputes Committee shall have exclusive jurisdiction over —

(a) Any disputes as to whether an employee is an “insured employee” under Paragraph 2 (b) of the Agreement;

(b) Any disputes involving application of Paragraph 3 of the Agreement which do not require determination of the employee’s physical condition or the cause or the date of commencement of a disability;

(c) Any other disputes, except as described in (e) and (f) below, which may arise involving the application of the Agreement; and

(d) Any disputes, except as described in (e) and (f) below, in which application of an insurance contract implementing the Agreement is involved.

The Panel of Physicians shall have exclusive jurisdiction over —

(e) Any disputes involving an insured employee’s eligibility for benefits under Paragraph 2 (a) of the Agreement; and

(f) Any other dispute arising under the Agreement or under an insurance contract implementing it requiring determination of an employee’s physical condition or the cause or the date of commencement of a disability.

Section 3 — Consist of Disputes Committee

(a) In the disposition of any disputes as described in Section 2 (a), (b) and (c) hereof (those which do not involve application of an insurance contract implementing the Agreement) the Committee will consist of two railroad members who will be appointed by the National Carriers’ Conference Committee and two organization members who will be appointed by the Organization signatory to the Agreement.

(b) In the disposition of any disputes as described in Section 2 (d) hereof (those which involve application of an insurance contract implementing the Agreement) the Committee will include, in addition, two representatives of the insurer.

Section 4 — Location of Disputes Committee

The Disputes Committee shall meet at Washington, D.C., unless Otherwise agreed to by the members hereof.

Section 5 — Meetings of Disputes Committee

The Disputes Committee shall meet initially on or before October 1, 1973 if any docketed disputes are to be decided. Subsequent meetings will be promptly held to consider and decide additional docketed disputes, provided that such meetings will be held not less than bi-monthly if any docketed disputes are to be decided.
Section 6 — Failure of Agreement — Disputes Committee

(a) A dispute as described in Section 2 (a), (b) and (c) hereof (which does not involve application of an insurance contract implementing the Agreement) may be decided by a majority vote of the four partisan members of the Disputes Committee. In the event such partisan members are unable to reach a decision with respect to any such docketed dispute, they shall endeavor to agree on the selection of a neutral referee to act as a member of the Committee in the disposition of such dispute. If they are unable to agree on such selection, the National Carriers’ Conference Committee or the Organization may within 15 days after the dispute is deadlocked request the National Mediation Board to appoint such neutral referee under the Railway Labor Act pursuant to the provisions of Section 7 hereof.

(b) A dispute as described in Section 2 (d) hereof (which involves application of an insurance contract implementing the Agreement) may be decided only by a unanimous vote of the six members of the Disputes Committee. In the event of failure to reach a unanimous decision, such a dispute may be handled under the procedures of the second and third sentences of (a) hereof if the six members of the Disputes Committee agree thereto. In the event of failure so to agree, the dispute will promptly be submitted to arbitration under the form of arbitration agreement attached as Appendix A unless the six members of the Disputes Committee agree upon some other procedure for disposition of the dispute or upon some modification of the form of arbitration agreement.

(c) Any time limit specified herein or in Sections 7 and 11 may be extended by agreement of the members of the Disputes Committee.

(d) In the absence of his partisan colleague, a partisan member of the Disputes Committee may vote on behalf of both.

Section 7 — Selection of Referees

(a) The National Carriers Conference Committee and the Organization agree to select a panel of not less than three potential referees for the purpose of disposing of disputes as described in Section 2 (a), (b), and (c) hereof which are deadlocked by the partisan members of the Disputes Committee, such selections to be made within 15 days of the signing of this Memorandum Agreement. If the parties are unable to agree upon the selection of at least three such potential referees within the 15 days specified, the National Mediation Board shall be requested to name such referees as are necessary to fill the panel within 10 days after receipt of the request.

(b) The National Carriers’ Conference Committee and the Organization shall advise the National Mediation Board of the names of the potential referees they have selected, and the Mediation Board shall notify those the parties have selected or the Mediation Board has named, and their successors when required, informing them of the nature of their duties, the parties to the Agreement, and such further matters as it may deem advisable, and shall obtain their consent to serve as panel members.

(c) In any case in which a neutral referee is needed to act as a member of the Disputes Committee, such neutral referee shall be selected by the Disputes Committee or appointed by the National Mediation Board from the panel of potential referees hereby established.

Section 8 — Tenure — Filling Vacancies — Referees

(a) Each member of the panel of potential referees shall serve as a member thereof until his membership is terminated at the request of either the Organization or the National Carriers’ Conference Committee, or both, in which event a successor member will be selected or appointed in the manner outlined in Section 7 hereof. The request shall be served by the moving party upon the Disputes Committee and the National Mediation Board. If the referee in question shall then be acting as a referee in any
dispute pending before the Disputes Committee, he shall continue to serve as a member of the Disputes Committee until the disposition of such dispute is made.

(b) If a vacancy occurs in the panel of potential referees for any reason, a successor referee will be selected or appointed in the manner outlined in Section 7 hereof.

(c) At any time the National Carriers Conference Committee and the Organization may by agreement add to the panel or request the National Mediation Board to add to it in the manner outlined in Section 7 hereof.

Section 9 — Procedure with Referee

(a) When the Disputes Committee is augmented by a referee as provided in Section 6 hereof, such referee shall preside at meetings of the Disputes Committee and shall be designated for purposes of the dispute as a member and the Chairman of the Disputes Committee.

(b) The decision of the referee shall be final and binding.

Section 10 — Time Limits

Note: The term "claims and grievances" as used in this Section 10 and in Section 13 below refers solely to claims and grievances arising out of application of the Supplemental Sickness Benefit Agreement or of an insurance contract implementing such Agreement. Such term does not refer to time claims or grievances.

In the interest of expeditious handling, any dispute as described in Section 2 hereof will be handled on an accelerated basis within the time limits hereinafter indicated. Accordingly, notwithstanding the established time limit procedures in effect on individual railroads, claims, grievances and appeals under the Agreement and insurance contracts implementing it shall be handled as follows:

(a) On request of the employee or his representative, the insurance company (or self-insuring railroad) will furnish copy of the employee’s notice of disability, the railroad’s certification, and the insurance company’s disallowance of claim. Such a request may be made by the employee or his representative on the employing railroad, which will promptly forward it to the insurance company.

(b) Each railroad party to the Supplemental Sickness Benefit Agreement will promptly designate an officer to review appeals, claims and grievances, as outlined below, and will notify employee representatives as to the officer so designated. Such officer will receive such appeals, claims and grievances, and his decision thereon will be final, subject to action by the Disputes Committee.

(c) Appeals from an insurance company’s denial of benefits based upon a railroad’s certification to the insurance company, and from denial of benefits by a railroad whose employees are not covered by any insurance contract, must be presented in writing by or on behalf of the employee involved to the designated officer of the railroad within 60 days from the date the employee receives notice of such denial of benefits. If on review the railroad finds that its certification to the insurance company was incorrect, it shall correct such certification and so notify the employee and the insurer. (A self-insuring railroad finding it has made an incorrect determination shall correct its determination and proceed accordingly.) If on such review the railroad confirms its original certification or determination, it shall within 60 days from the date of the appeal notify whoever filed the appeal, in writing, of the factual basis for its certification or determination. If the employee or his representative is dissatisfied with the decision, he may within 60 days from the date of such decision refer the matter to the Disputes Committee as provided in Section 11 hereof.* If the designated officer does not act on such an appeal within 60 days from the date of the appeal, the employee or his representative may within 120 days after the date of the appeal take the matter directly to the Disputes Committee as provided in Section 11 hereof.*
*A dispute as described in Section 2 (e) or (f) hereof arising on a self-insuring railroad may be referred to the Panel of Physicians as provided in Section 12 hereof.

(d) Appeals from an insurance company’s denial of benefits, other than a denial based upon a railroad’s certification to the insurance company, must be presented in writing, by or on behalf of the employee involved, to the designated officer of the insurance company within 60 days from the date the employee receives notice of such denial of benefits. If on review the insurance company affirms its original action, or if it does not notify the employee of its decision within 60 days of the date of the employee’s appeal, the employee or his representative may submit the matter to the Disputes Committee as provided in Section 11 hereof or to the Panel of Physicians as provided in Section 12 hereof.

(e) Any claims or grievances growing out of the application of the Agreement, other than appeals covered by Paragraphs (c) and (d) hereof, and not involving application of an insurance contract implementing it, must be presented in writing, by or on behalf of the employee involved, to the designated officer of the railroad within 60 days from the date of the occurrence on which the claim or grievance is based. The procedures set forth in Paragraph (c) above (other than for notification to the insurance company) shall apply to the handling of such claims or grievances.

(f) Any claims or grievances involving application of an insurance contract implementing the Agreement, other than those covered by Paragraph (d) hereof, must be presented in writing, by or on behalf of the employee involved, to the designated officer of the insurance company within 60 days of the date of the occurrence on which the claim or grievance is based. The procedures set forth in Paragraph (d) above shall apply to the handling of such claims or grievances.

(g) Failure of an employee to handle an appeal, claim or grievance within the time limits specified herein will not prejudice his rights to consideration of such appeal, claim or grievance if in the opinion of the Disputes Committee justifiable cause for failure to observe the time limits exists.

Section 11 — Procedure for Submitting Disputes

The following procedure shall govern the submission of disputes as described in Section 2 (a), (b), (c) and (d) hereof:

(a) Disputes may be submitted on behalf of an employee either by the employee or by the duly authorized employee representative on the individual railroad.

(b) The employee or his representative will prepare a Notice of Submission, which will include the following: (1) Name of Employee; (2) Employee Number or Social Security Number; (3) Employing Railroad; (4) Division or Department, and Location where employed; (5) Date of Disability; (6) Reason Insurer (or Railroad) gave for denial of benefits; (7) Employee’s Statement, with all available substantiating evidence and argument.

(c) The employee or his representative will furnish 15 copies of such Notice of Submission to —

Mr. J. F. Griffin
Administrative Secretary
National Railway Labor Conference
Room 714—1225 Connecticut Ave., NW
Washington, D.C. 20036

who is hereby designated as the docketing officer. He will in turn promptly furnish 2 copies of the Notice of Submission to the employing railroad and 2 copies to the insurance company involved, and 1 copy to each member of the Disputes Committee. If in the event of a dispute as to application of an insurance contract implementing the Supplemental Sickness Benefit Agreement the employee’s representative is not an
organization signatory to such Agreement, 2 copies will be furnished also to the signatory organization.

(d) The Docketing Officer will promptly request of the insurance company (or self-insuring railroad) copies of the employee’s notice of disability, the railroad’s certification, and the notice of disallowance of benefits, and will distribute such copies as provided in (c) above.

(e) Answering submissions will be prepared by the railroad or the insurer, as the case may be, within 30 days of the receipt of the petitioner’s ex parte submission. The signatory organization may also prepare a submission setting forth its position, in case the employee is not represented by such organization. The responding party or parties will furnish 15 copies of such answering submission to the Docketing Officer, who in turn will promptly furnish 3 copies thereof to the organization involved, 2 copies to the employing railroad or the insurance company, as the case may be, and 1 copy to each member of the Disputes Committee.

(f) When the ex parte and answering submissions have been submitted as set forth above, the dispute will be promptly docketed and all concerned will be advised accordingly.

Section 12 — Panel of Physicians

Any dispute involving an insurance company’s or a self-insuring railroad’s denial of benefits on the basis that the employee was not disabled within the meaning of Paragraph 2 (a) of the Agreement or that his disability did not commence while he was insured, or for any other reason requiring determination of the employee’s physical condition or the cause or the date of commencement of a disability, will be considered by a Panel of Physicians. Such a panel will consist of duly licensed physicians and/or surgeons, and will be appointed separately in each instance, but appointment to such a panel will not bar the appointment of one or more members thereof, individually or together, to other such panels. One physician will be chosen by the employee or his representative, one will be chosen by the railroad involved, and one will be chosen by the insurance company if an insurance contract implementing the Agreement is involved. The panel will review the employee’s claim, will in its discretion examine the person of the employee, and will receive such additional evidence as the employee or his representative, the railroad, and the insurer may submit. If all members of the panel do not agree on disposition of the dispute, they will refer it to another physician whom they will jointly select, or, if they cannot agree upon the selection of such a physician, to a physician selected by the medical association in the locality in which the employee is headquartered, and his decision will be final. If the panel examines the person of the employee, its examination will be conducted as close as practicable to the employee’s residence or headquarters.

Section 13 — Error in Procedure

(a) In any case in which an employee files with his employing railroad an appeal, claim or grievance which under Section 10 he should have filed with an insurance company, or files with an insurance company an appeal, claim or grievance which he should have filed with his employing railroad, whoever actually receives such appeal, claim or grievance shall promptly refer it to the officer who should have received it. In such a case the 60-day time limit under Section 10 will start to run from the date the proper officer received the appeal, claim or grievance.

(b) In any case in which an insured employee submits to the Disputes Committee a dispute within the jurisdiction of the Panel of Physicians, or in any case in which an employee submits to the Panel of Physicians a dispute within the jurisdiction of the Disputes Committee, the tribunal to which the dispute was submitted shall promptly refer it to the tribunal actually having jurisdiction.
Section 14 — Referrals between Disputes Committee and Panel of Physicians

(a) If the Disputes Committee should find that the ultimate disposition of a case properly referred to it requires determination, in addition to matters as to which the Disputes Committee has jurisdiction, of the employee’s physical condition or the extent, cause, or date of commencement of his disability, it shall refer that matter to a Panel of Physicians appointed under Section 12, and shall include the Panel’s findings with its decision on the case. The Panel’s findings as to employee’s physical condition or the extent, cause, or date of commencement of his disability shall be final.

(b) If a Panel of Physicians should find that the ultimate disposition of a case properly referred to it requires determination not only of the employee’s physical condition or the extent, cause, or date of commencement of his disability but also of some other matter involving application of the Agreement or of an insurance contract implementing it, it shall refer the case, including such findings as it has made (which shall be final as to the employee’s physical condition or the extent, cause, or date of commencement of his disability), to the Disputes Committee. The case will thereafter be handled to conclusion under the provisions of Section 6, and the findings of the Panel of Physicians will be included with the decision of the Disputes Committee or the findings of the Board of Arbitration if one is created under Section 6 (b).

Section 15 — Disputes Brought by Organizations, Railroads or Insurers

An organization or a railroad party to the Supplemental Sickness Benefit Agreement, or an insurer under an insurance contract implementing it, may submit a dispute as described in Section 2 hereof to the Disputes Committee or to the Panel of Physicians, as appropriate.

The procedure for submission to the Disputes Committee by an organization, a railroad, or an insurer shall be as outlined in Section 11 hereof. The ex parte submission will include the question at issue, full statement of facts, and the position of the petitioner; the docketing officer will forward copies to the other parties at interest and members of the Disputes Committee; and the respondent(s) will furnish answering submission(s) which the docketing officer will forward to the petitioner, any other parties at interest, and members of the Disputes Committee.

In the same manner, any two parties at interest (employee or organization, railroad, or insurer) may submit a dispute jointly under the procedure outlined in Section 11, in which event the remaining party will be the respondent. All parties may submit a dispute jointly, in which event the joint submission will include joint statement of facts and the position of each party, and only 10 copies need be furnished the docketing officer who will docket the case without making any exchange of submissions.

Section 16 — Rule of Evidence

The Disputes Committee, the Panel of Physicians, and any Board of Arbitration under Section 6 (b) shall consider all evidence available to it. Although all parties are expected to make available all pertinent information at all stages of handling, failure to include a pertinent matter in the record at an earlier stage of handling will not bar its consideration at a later stage.

Section 17 — Final and Binding Character

Decisions of the Disputes Committee and of the Panel of Physicians shall be in writing and shall be final and binding on the parties to the dispute, and if in favor of the petitioner shall direct the other party or parties to comply therewith on or before a day named.

Section 18 — Expenses

All expenses in connection with the resolution of disputes under this Memorandum Agreement shall be borne by the party (railroad, labor organization, insurer or employee) incurring them. Compensation and expenses of neutral referees selected or appointed
under Section 7, and of arbitrators appointed by the National Mediation Board, shall be paid in accordance with existing law. Compensation and expenses of any other neutrals, including arbitrators and physicians not appointed by the National Mediation Board, shall be borne equally by the parties involved.

Section 19 — Insurance Departments
The parties recognize that insurance companies are subject to regulation by the Insurance Departments of the several States and the District of Columbia, that if a person who is insured under an insurance contract implementing the Agreement should seek an administrative remedy or sanction such could directly involve an Insurance Department in a dispute, and that once a regulatory body has intervened any disposition of a dispute may be affected by the regulatory process.

Section 20 — Amendment of the May 9, 1973 Supplemental Sickness Benefit Agreement
(a) The reference in Paragraph 10 (b) of the Agreement to “eligibility for benefits within the meaning of Paragraph 2 (b)” is corrected to “eligibility for benefits within the meaning of Paragraph 2 (a).”
(b) Paragraph 10 (e) of the Agreement is revised to provide that neutral referees appointed by the National Mediation Board to serve with the Disputes Committee in the disposition of disputes as described in Section 2 (a), (b), (c) and (d) hereof shall be compensated and reimbursed for their expenses in accordance with existing law.


FOR THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE:
/s/ W. H. Dempsey, Chairman

FOR THE ORGANIZATION:
/s/ C. J. Chamberlain, President
Brotherhood of Railroad Signalmen

The Provident Life and Accident Insurance Company hereby adopts the above procedure for the purpose of implementing Section VII, Claim Provisions — Disputes, of Group Policy R-5000.

FOR THE PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY:
/s/ B. E. Ridge
Vice President
APPENDIX A

Form of Arbitration Agreement

This Agreement is made and entered into this _____ day of _______, 19___, by and among the Railroads represented by the National Carriers’ Conference Committee and parties to the Supplemental Sickness Benefit Agreement dated May 9, 1973 (hereinafter referred to as the Railroads), the Brotherhood of Railroad Signalmen, and the Provident Life and Accident Insurance Company (hereinafter referred to as the Insurer):

**FIRST:** The petitioner, __________, is an employee of the _________ [Railroad], and is represented by the Brotherhood of Railroad Signalmen.

[or]

The petitioner is the Brotherhood of Railroad Signalmen, acting on behalf of __________, an employee of the _________ [Railroad].

[and]

The _________ [Railroad] is a party to the Supplemental Sickness Benefit Agreement above referred to, and is a Participating Railroad under Group Policy R-5000 of the Provident Life and Accident Insurance Company with respect to its employees represented by __________. The Provident Life and Accident Insurance Company of Chattanooga, Tennessee, through its Group Policy R-5000, is the national insurer of such Supplemental Sickness Benefit Agreement. _________ is an Insured Employee under such Group Policy.

**SECOND:** Paragraph 10 of the Supplemental Sickness Benefit Agreement provides in part that the Disputes Committee established thereby shall have jurisdiction over any disputes (with certain exceptions not here material) which may arise involving application of such agreement or of an insurance contract implementing it. Section VII of Group Policy R-5000 provides in part that any dispute (with certain exceptions not here material) between an insured employee and the insurance company over the terms, conditions and provisions of such Group Policy shall be submitted to a committee consisting of two members appointed by the Group Policyholder, two members appointed by the Labor Organization identified at the head of Exhibit A to such Group Policy, and two members appointed by the Insurance Company; such committee is the same Disputes Committee as was established by Paragraph 10 of the Supplemental Sickness Benefit Agreement. The Memorandum Agreement of _________, 1973 on procedure for the handling of disputes provides in part that such Disputes Committee shall have exclusive jurisdiction over such disputes. The Supplemental Sickness Benefit Agreement, Group Policy R-5000 and the Memorandum Agreement provide that if the Disputes Committee cannot otherwise agree with respect to a specific dispute, such dispute shall be submitted to arbitration. In the handling of the disputes referred to, the members of such Disputes Committee are authorized to act for and bind their respective principals.

**THIRD:** The controversy hereinafter specifically identified is hereby submitted to arbitration as provided for in (c) of Paragraph 10 of the Supplemental Sickness Benefit Agreement, Section VII of Group Policy R-5000, and Section 6 of such Memorandum Agreement.

**FOURTH:** The Board of Arbitration (hereinafter referred to as “the Board”) shall consist of four members. One member shall be appointed by the railroad members of the Disputes Committee. Another member shall be appointed by the organization members of the Disputes Committee. A third member shall be appointed by the insurance company members of the Disputes Committee.

[and]
The fourth member, who will be the Chairman, shall be ____________________.

[or]

The fourth member, who will be the Chairman, shall be appointed by the National Mediation Board.

[or]

The fourth member, who will be the Chairman, shall be appointed by the American Arbitration Association.

FIFTH: (1) The Chairman of the said Board shall make all necessary rules for conducting its hearings; provided that the Board shall accord parties to the controversy a full and fair hearing, which shall include an opportunity to present evidence in support of their respective positions.

(2) The salary and expenses of the fourth member (the Chairman) of the Board shall be paid in accordance with existing law.

[or]

(2) The salary and expenses of the fourth member (the Chairman) of the Board shall be borne equally by the petitioner, the National Carriers’ Conference Committee, and the Insurer.

SIXTH: The Board shall begin its hearings not sooner than 15 days nor later than 30 days from the date on which the fourth member is selected or appointed, unless extension of time is mutually agreed upon by the partisan members of the Arbitration Board.

SEVENTH: The Board will hold its hearings in the offices of the National Railway Labor Conference, Washington, D.C., or elsewhere as determined by the Board, at such times as it may determine.

EIGHTH: The Board shall make and file its award prior to the expiration of a period of 60 days from the beginning of its hearings, but the partisan members of the Arbitration Board at any time prior to the expiration of said 60 days agree upon an extension of such period.

NINTH: The specific question submitted to arbitration is: ____________________.

[or]

“Shall the claim of ____________________ for benefits under Group Policy R-5000 of the Provident Life and Accident Insurance Company, with respect to an alleged disability which allegedly commenced on or about _________, be paid, or shall any portion of such claim be paid and if so in what amount?”

TENTH: The Board shall confine itself strictly to decision of the question so specifically submitted to it, and in its award shall fix a period of time within which the parties shall comply with such award.

ELEVENTH: The signature of a majority of the members of the Board shall be competent to constitute a valid and binding award.

TWELFTH: The said award and the evidence of the proceedings before the Board relating thereto, when certified by at least a majority of the members of the Board, shall constitute the full and complete record of the arbitration, continuing in full force and effect unless changed by voluntary agreement.

THIRTEENTH: The award shall be final and conclusive upon the parties as to the facts determined by the said award and as to the merits of the controversy so decided.

FOURTEENTH: Any difference arising as to the meaning, or the application of the provisions, of such award shall be referred for a ruling to the Board; and such ruling, when acknowledged in the same manner by at least a majority of the members of the Board, shall be part of and shall have the same force and effect as such original award.

FIFTEENTH: The respective parties to the award will each faithfully execute the same.
SIXTEENTH: This agreement constitutes the entire agreement between the parties to submit such controversy to arbitration.

Signed by the parties hereto this day and year above written in Washington, D.C.

FOR THE RAILROADS:
Chairman
National Carriers’ Conference Committee

FOR THE ORGANIZATION:
President
Brotherhood of Railroad Signalmen

FOR THE INSURER:
Vice President
SUPPLEMENTAL SICKNESS BENEFIT AGREEMENT, AS AMENDED JUNE 22, 1979

THIS AGREEMENT, made this 22nd day of June 1979, by and between the participating carriers listed in Exhibit A, attached hereto and hereby made a part hereof, and represented by the National Carriers’ Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS AGREED:

1. Revision of Supplemental Sickness Benefit Plan: Effective January 1, 1979, the Supplemental Sickness Benefit Plan (hereinafter referred to as this Plan) established by the Supplemental Sickness Benefit Agreement of May 9, 1973 to cover railroad shop craft and signal employees, and revised by the Agreement dated July 14, 1976, is further revised with respect to employees parties to this Agreement as set forth in the paragraphs which follow.

2. Eligibility for Benefits: Eligible Employees, Insured Employees, Qualified Employees.

   (a) Eligible Employees. Subject to the provisions of Paragraph 3, benefits will be provided employees under this Plan if, as the result of an accidental bodily injury which occurred or a sickness which commenced while the employee was insured, the employee is disabled to the extent that he is unable to perform the duties of any job available to him in his craft, or, if there is no job available to him in his craft, to the extent that he is unable to perform the duties of the last job on which he worked prior to commencement of the disability. However, benefits under this Plan will not commence unless and until the employee is eligible for sickness benefits under the Railroad Unemployment Insurance Act. Employees eligible for benefits under this Plan are designated “Eligible Employees.”

   (b) Insured employees. A qualified employee will be insured each month which immediately follows a month in which he rendered compensated service for a participating railroad under the coverage of a schedule agreement held by the Brotherhood of Railroad Signalmen, or took vacation with pay for which he had qualified under a schedule agreement held by the Brotherhood of Railroad Signalmen. A qualified employee previously insured who ceased to be insured because of disability (as defined in Paragraph 2(a)), furlough, leave of absence or discharge, and who returns to work for the same railroad, or who commences work for another railroad at the direction of the management of his home road or by virtue of his seniority on his home road or under the provisions of a protective agreement, a statute, or an order of a regulatory authority, within twelve calendar months after his insurance had terminated, shall again become insured on the day on which he again renders compensated service under the coverage of a schedule agreement held by the Brotherhood of Railroad Signalmen, and his insurance shall continue for the remainder of that calendar month. An employee who while insured leaves the service of one railroad, and without missing more than one week of work returns to work for another railroad on which he is already a qualified employee, will continue to be insured for the remainder of that calendar month. A qualified employee who has ceased to render compensated service may continue to be insured if the participating railroad by which he is employed is obligated to provide him continued benefits under compensation maintenance provisions of an agreement, a statute, or an order of a regulatory authority and makes premium payments under the
applicable insurance contract in the same manner as if the employee had rendered compensated service.

**Note:** The term “insured” in this Paragraph 2 does not necessarily imply coverage by a contract of insurance as referred to in Paragraph 7.

(c) **Qualified Employees.** A qualified employee is one who

(i) has completed 30 days of continuous employment relationship with the same participating railroad, in a capacity in which he has been represented by the Brotherhood of Railroad Signalmen and covered by its schedule agreement, and

(ii) has completed the requirements to be a “Qualified Employee” as that term is used in Section 3 of the Railroad Unemployment Insurance Act, reading as follows:

“An employee shall be a ‘qualified employee’ if the Board finds that his compensation will have been not less than $1,500 with respect to the base year, and, if such employee has had no compensation prior to such year, that he will have had compensation with respect to each of not less than five months in such year.”

The term “base year” means the completed calendar year immediately preceding the beginning of a benefit year. The term “benefit year” means for purposes of the above definition the twelve-month period beginning July 1 of any year and ending June 30 of the next year.

In arriving at the $1,500, only the first $600 of compensation in any month is counted. If the Act should be amended so as to change the definition of “qualified employee” or the associated elements mentioned above during the life of this Agreement, this Paragraph 2(c) will be regarded as amended in conformity with the Act.

An employee will become a qualified employee the first day of the calendar month after he fulfills both such conditions. The requirement of Subparagraph (c) (i) will be waived with respect to an insured employee who is furloughed and while insured commences work for another participating railroad.

3. **Exclusions and Limitations.** No benefits will be provided under this Plan —

(a) for the first four consecutive days of any disability;

(b) for a longer period, with respect to any disability, than twelve months. Continuing or successive periods of disability will be considered as the same disability unless separated by return to work on a full-time basis for a period of 90 calendar days or more, or unless due to entirely unrelated causes and separated by return to work on at least one day. If benefits are denied in accordance with Subparagraph (j) below because the employee received vacation pay during his disability, the twelve months period specified above shall be extended by the period during which benefits were denied for that reason;

(c) for any disability for which the employee is not treated by a duly qualified physician or surgeon, as certified by the physician or surgeon pursuant to Paragraph 9;

(d) for any day on which the employee performs work for remuneration;

(e) for any disability commencing after the employee had commenced work on a regular or permanent basis for the participating railroad on a position other than a position coming under a schedule agreement held by the Brotherhood of Railroad Signalmen, unless the last position on which he rendered service prior to the disability was a position coming under a schedule agreement held by the Brotherhood of Railroad Signalmen;

(f) for any intentionally self-inflicted disability;

(g) for disability to which the contributing cause was the commission or attempted commission by the employee of an assault, battery or felony;

(h) for disability due to war or act of war, whether war is declared or not, insurrection or rebellion, or due to participating in a riot or civil commotion;
(i) for any period during which an employee is unable to work as the result of pregnancy or resulting childbirth, abortion or miscarriage, except that, subject to the other provisions of this Paragraph 3, benefits will be provided in case of miscarriage resulting from an accident or injury; provided that on or after April 29, 1979 such disabilities will be covered to the extent required by applicable law;

(j) subject to the provisions of Paragraph 5(a), for any period during which an employee eligible to receive sickness benefits under the Railroad Unemployment Insurance Act is denied such benefits for any reason including failure by the employee to make application for benefits;

(k) to the extent permitted by applicable law after the employee has attained age 65; or

(l) for any disability commencing after the employee’s employment relationship has terminated, except as provided in the next last sentence of Paragraph 2(b).


(a) Subject to the provisions of Subparagraph 4(b), for periods of disability commencing on or after January 1, 1979, the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act will be the amount shown in Lines 3, 5, 7 or 9 of Schedule A below, depending on date of commencement of the period of disability involved, and the monthly benefit under this Plan for employees who have exhausted their sickness benefits under the Railroad Unemployment Insurance Act will be the amount shown in Lines 11, 13, 15 or 17 of Schedule A below, depending on date of commencement of the period of disability involved, determined in each case on the basis of the rate of pay (including any differentials regularly paid on the position plus any applicable cost-of-living allowance) as of January 1, 1979, as shown in Line 1 or Line 2 of the last position on which the employee rendered service prior to commencement of the disability. The benefit rate will not change during any period of disability unless during such period the employee exhausts his sickness benefits under the Railroad Unemployment Insurance Act, in which event his monthly benefit rate under this Plan will be increased by $544, or unless during such period a new benefit year under the Act starts and the employee whose sickness benefits under the Act had been exhausted is again eligible for such benefits, in which event his monthly benefit rate under this Plan will be reduced by $544.

NOTE: The amounts shown on the benefit and limit schedules on the following pages are subject to adjustment to reflect the increases provided in Article IV of the June 4, 1991 Agreement. Refer to the information beginning on Page S-37-91 for the updated benefits and limits.
A. Benefit Schedule

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Last Position on Which Service was Rendered Prior to Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Class 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Signalmen or Maintainers or comparable or higher-rated positions</td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
</tbody>
</table>

Rate of Pay as of January 1, 1979:

1. Hourly
   - $8.56 or above
   - $6.98 and less than $8.56
   - Below $6.98

2. Monthly
   - $1,490 or above
   - $1,215 and less than $1,490
   - Below $1,215

Benefit — for Employees eligible for R.U.I.A. Sickness Benefits:

During periods of disability commencing from January 1 to June 30, 1979:*

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Per Month</td>
<td>$377</td>
<td>$345</td>
<td>$290</td>
</tr>
<tr>
<td>4</td>
<td>Per Day</td>
<td>$12.56</td>
<td>$11.50</td>
<td>$9.67</td>
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</table>

During periods of disability commencing from July 1 to December 31, 1979:*

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>Per Month</td>
<td>$456</td>
<td>$345</td>
<td>$290</td>
</tr>
<tr>
<td>6</td>
<td>Per Day</td>
<td>$15.20</td>
<td>$11.50</td>
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During periods of disability commencing from January 1 to June 30, 1980:*

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Per Month</td>
<td>$485</td>
<td>$345</td>
<td>$290</td>
</tr>
<tr>
<td>8</td>
<td>Per Day</td>
<td>$16.17</td>
<td>$11.50</td>
<td>$9.67</td>
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</tbody>
</table>

During periods of disability commencing July 1, 1980 or later:

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Per Month</td>
<td>$528</td>
<td>$345</td>
<td>$290</td>
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<tr>
<td>10</td>
<td>Per Day</td>
<td>$17.60</td>
<td>$11.50</td>
<td>$9.67</td>
</tr>
</tbody>
</table>

Benefit — for Employees who have exhausted R.U.I.A. Sickness Benefits:

During periods of disability commencing from January 1 to June 30, 1979:*

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Per Month</td>
<td>$921</td>
<td>$889</td>
<td>$834</td>
</tr>
<tr>
<td>12</td>
<td>Per Day</td>
<td>$30.70</td>
<td>$29.63</td>
<td>$27.80</td>
</tr>
</tbody>
</table>

During periods of disability commencing from July 1 to December 31, 1979:*

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Per Month</td>
<td>$1,000</td>
<td>$899</td>
<td>$834</td>
</tr>
<tr>
<td>14</td>
<td>Per Day</td>
<td>$33.33</td>
<td>$29.63</td>
<td>$27.80</td>
</tr>
</tbody>
</table>

During periods of disability commencing from January 1 to June 30, 1980:*

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Per Month</td>
<td>$1,029</td>
<td>$899</td>
<td>$834</td>
</tr>
<tr>
<td>16</td>
<td>Per Day</td>
<td>$34.30</td>
<td>$29.63</td>
<td>$27.80</td>
</tr>
</tbody>
</table>

During periods of disability commencing July 1, 1980 or later:

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Per Month</td>
<td>$1,072</td>
<td>$599</td>
<td>$834</td>
</tr>
<tr>
<td>18</td>
<td>Per Day</td>
<td>$35.73</td>
<td>$29.63</td>
<td>$27.80</td>
</tr>
</tbody>
</table>

*Both dates inclusive.

Note: Weekly rated positions will be classified with reference to Line 2 of Schedule A on the basis of the weekly rate multiplied by 4-1/3.
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 day basis at 1/30 of the monthly rate, as shown in Lines 4, 6, 8, 10, 12, 14, 16, and 18.

(b) If subsequent to the date of this Agreement the Railroad Unemployment Insurance Act should be so amended as to increase daily benefit rates thereunder for days of sickness subsequent to June 30, 1980, and the sum of 21.75 times the average daily benefit for the Class under the Act as so amended, as identified below, plus the amounts shown in Line 9 of Schedule A above should exceed the amounts in Line 3 of Schedule B below, the amounts shown in Lines 9 and 10 of Schedule A shall be reduced to the extent that the sum of the amounts shown in Line 9 plus 21.75 times the average daily benefit for the class under the amended Act, as identified below, will not exceed the amounts shown in Line 3 of Schedule B. Corresponding adjustments shall also be made in the amounts shown in Lines 7 and 8 of Schedule A if such amendments should increase such benefit rates for days of sickness subsequent to December 31, 1979 and prior to July 1, 1980; and corresponding adjustments shall also be made in the amounts shown in Lines 5 and 6 of Schedule A if such amendments should increase such benefit rates for days of sickness subsequent to July 1, 1979 and prior to January 1, 1980. “The average daily benefit for the Class under the Act as so amended” for purposes of this Paragraph 4(b) is the benefit which would be payable to an employee who had worked full time in his base year and whose hourly rate of pay at the December 31, 1978 wage level was:

For employees in Class 1 — $8.76
For employees in Class 2 — $7.57
For employees in Class 3 — $7.09
### B. Limit Schedule

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Signalmen or Maintainers or higher-rated positions</td>
<td>Signalmen or comparable positions, rated below Signalmen</td>
<td>Lower-rated signal positions</td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td>Assistant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td></td>
<td>$8.56 or above</td>
<td>$6.98 and less than $8.56</td>
<td>Below $6.98</td>
</tr>
<tr>
<td>(3)</td>
<td></td>
<td>$1,490 or above</td>
<td>$1,215 and less than $1,490</td>
<td>Below $1,215</td>
</tr>
<tr>
<td>(4)</td>
<td></td>
<td>$1,095</td>
<td>$952</td>
<td>$894</td>
</tr>
</tbody>
</table>

#### Rate of Pay as of January 1, 1979:

5. **Offsets.**

**a) Benefits provided under laws.** In any case in which an eligible employee who is not eligible for sickness benefits under the Railroad Unemployment Insurance Act receives annuity payments under the Railroad Retirement Act, or insurance benefits under Title II of the Social Security Act, or unemployment, maternity or sickness benefits under an unemployment, maternity or sickness compensation law, or any other social insurance payments under any law, the benefit which would otherwise be payable to him under this Plan will be reduced to the extent that the sum of such payments or benefits in a month plus the monthly benefit payable under this Plan will not exceed the amount shown in Line 3 of Schedule B in Paragraph 4(b). In keeping with Paragraph 3(j), in any case in which an eligible employee who is eligible for sickness benefits under the Railroad Unemployment Insurance Act does not receive such benefits because of the operation of Section 4(a-1) (ii) of such Act, the benefit which would otherwise be payable to him under this Plan will be reduced to the extent the sum of the monthly payments or benefits referred to in such Section 4(a-1) (ii) plus the monthly benefit payable under this Plan will not exceed the amount shown in Line 3 of Schedule B in Paragraph 4(b). In case of retroactive award of annuity payments or pensions under the Railroad Retirement Act or insurance benefits under Title II of the Social Security Act, or unemployment, maternity or sickness benefits under an unemployment, maternity or sickness compensation law or other social insurance payments under any law, the insuring agent may recover from the employee the excess of benefits paid under this Plan over the benefits which would have been payable under this paragraph if the retroactively awarded payments, pensions or benefits had been in effect from their retroactive effective date.

**b) Benefits Provided under Other Private Plans.** In any case in which an eligible employee is eligible also for benefits under any plan, fund or other arrangement, by whatever name called, toward the cost of which any employer shall have contributed, including but limited to any group life policy providing installment payments in event of permanent total disability, any group annuity contract, any pension or retirement annuity plan, or any group policy of accident and health insurance (other than an insurance policy insuring this supplemental sickness benefit plan as referred to in Paragraph 7)
providing benefits for loss of time from employment because of disability, his benefit under this Plan shall be reduced to the extent that the sum of the benefit for which he is so eligible in a month, plus 21.75 times the daily sickness benefit payable to him under the Railroad Unemployment Insurance Act, plus the monthly benefit payable to him under this Plan, will not exceed the amount shown in Line 3 of Schedule B in Paragraph 4(b).

(c) **Off-Track Vehicle Accident Benefits.** The benefit payable under this Plan for an employee who has been injured in an off-track vehicle accident covered under Article IV (as amended) of the Agreement of April 21, 1969, or similar provisions, will be reduced by the amount of any payment for time lost which such employee may receive under Paragraph (b) (3) of such Article IV or under provisions similar thereto.

6. **Liability Cases.** In case of a disability for which the employee may have a right of recovery against either the employing railroad or a third party, or both, benefits will be paid under this Plan pending final resolution of the matter so that the employee will not be exclusively dependent upon his sickness benefits under the Railroad Unemployment Insurance Act. However, the parties hereto do not intend that benefits under this Plan will duplicate, in whole or part, any amount recovered for loss of wages from either the employing railroad or a third party, and they intend that benefits paid under this Plan will satisfy any right of recovery for loss of wages against the employing railroad to the extent of the benefits so paid. Accordingly, benefits paid under this Plan will be offset against any right of recovery for loss of wages the employee may have against the employing railroad; the insuring agent will be subrogated to any right of recovery for loss of wages the employee may have against any party other than the employing railroad; as a condition to paying any benefits under this Plan the insuring agent may require the employee to assign to it any such recovery or right thereto from any party other than the employing railroad, to the extent that benefits are payable under this Plan; and on any recovery for loss of wages from any party other than the employing railroad, the employee will reimburse the insuring agent from such recovery for any benefits paid under this Plan. For purposes of this Paragraph, a recovery which does not specify the matters covered thereby shall be deemed to include a recovery for loss of wages to the extent of any actual wage loss due to the disability involved.

7. **Provision of Benefits.**

(a) The National Carriers’ Conference Committee will arrange with the Provident Life and Accident Insurance Company for renewal of Group Policy R-5000 of Provident, amended in conformity with the provisions of this Agreement, to cover the parties to this Agreement.

(b) Such insurance contract may cover, in addition to employees parties to this Agreement, other railroad signal employees who are employed by railroads parties to this Agreement or by other railroads, whether or not such employees are represented by the Brotherhood of Railroad Signalmen, and may cover general chairmen or other full-time representatives of signal employees, provided that there will be no difference between the benefits, premium rates and payment obligations applicable to or with respect to such employees and general chairmen and the benefits, premium rates and payment obligations applicable to or with respect to employees covered by this Agreement, except that as to such general chairmen and full-time representatives the payment obligations will be met by the individuals involved who will make their remittances through the Brotherhood of Railroad Signalmen.

(c) It is agreed, and the insurance contract will provide, that the insurer of the national insurance contract will provide the benefits herein provided for under the conditions herein set forth for the 30-month period from January 1, 1979 through June 30, 1981; that the insurer will furnish financial data, statistical and actuarial reports, and claim
experience information to the Brotherhood of Railroad Signalmen in the same detail and at the same time that it furnishes such data to the policyholder railroads; and that any dividends or retroactive rate refunds will be paid into the fund established pursuant to the next following paragraph.

(d) The National Carriers’ Conference Committee will establish a fund, to be held by the insurer, to which will be credited any dividends or retroactive rate refunds under the national insurance contract and interest on the amount in the fund. Withdrawals may be made from such fund during the period of this Agreement to supplement payments by participating railroads with respect to compensated service rendered during such period. Withdrawals may thereafter be made from such fund only to provide supplemental sickness benefits unless otherwise agreed to.

(e) Benefits at the rates provided by this revised Plan will become effective January 1, 1979 for qualified employees who will have rendered compensated service or taken vacation with pay, as specified in Paragraph 2(b) above, in December 1978.

(f) The amounts to be paid by the participating railroads will be at such rates as, when supplemented by withdrawals from the fund as provided under Paragraph 7(d) above, will equal the premium rates charged by the insurer.

(g) All employees covered by schedule agreements held by the Brotherhood of Railroad Signalmen who render any compensated service in the calendar month involved will be counted in determining the number of covered employees with respect to whom premium payments are made, except that no employee will be counted if he is counted by another railroad in determining the number of its covered employees with respect to whom it is making premium payments.

(h) The insurance contract will provide that, if the Benefit Schedule should be reduced in accordance with Paragraph 4(b) as the result of an increase in Railroad Unemployment Insurance Act sickness benefits, there will be an appropriate adjustment in premium rates with the new premium rates to be developed in the light of experience under the insurance contract and actuarial estimates of future experience, making appropriate allowance for cost of administration.

(i) Deleted.

(j) At the discretion of the Policyholder the national insurance contract may be placed on a minimum premium basis. Before placing the contract on a minimum premium basis, the documents implementing such change shall be submitted to the Brotherhood of Railroad Signalmen for its review and discussion.


9. Evidence of Disability. Benefits under this Plan will be paid to eligible employees subject to presentation of satisfactory evidence of disability and of the continuation thereof. The insuring agent will furnish appropriate forms on which the employee may furnish notice of disability, including information necessary to establish his eligibility for benefits and information pertinent to the amount of benefits due him and any applicable exclusions, limitations and offsets, and forms on which the physician or surgeon treating him may furnish evidence of the date of commencement, nature, extent and probable duration of the disability, and may require completion of such forms or statements covering the same matters within 90 days after the commencement of a disability, provided that failure to furnish completed forms or statements within that time shall not invalidate or reduce any claim if it was not reasonably possible to furnish such completed forms or statements within that time and such completed forms or statements are furnished as soon as reasonably possible; the 90 days will be extended as necessary to comply with applicable State law. The insuring agent may make such investigations as it deems necessary, including examination of the person of the employee when, so often as, and to the extent that such examination is necessary to the
investigation of an employee’s claim. Except as delays may be caused by investigation of individual claims, benefits under this Plan will be paid not less frequently than once every month.

10. **Disputes.** (See detailed Memorandum Agreement dated November 29, 1973.)
11. Omitted. (July 14, 1976 Agreement.)
12. Omitted. (July 14, 1976 Agreement.)

13. **Blanking Jobs and Realigning Forces.** Any restrictions against blanking jobs or realigning forces will not be applicable in situations in which an employee whose job is blanked or is covered by a realignment of forces is absent because of disability. On railroads on which prior to July 1, 1973 there were such restrictions, in case an employee is absent because of disability and more than one employee is involved in a realignment of forces to cover such absent employee’s work, local officials will promptly inform the local representatives of employees as to the realignment in an endeavor to avoid misunderstandings. (From May 9, 1973 Agreement.)

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

15. **Effect of this Agreement.** This Agreement is in settlement of the dispute growing out of notices served on the carriers listed in Exhibit A on or about March 1, 1978, and shall remain in effect through June 30, 1981, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

16. **Duration.** No notice to change the Supplemental Sickness Benefit Plan, and no notice dealing with the matters of sick leave, sickness benefits, or any other matter covered by this Agreement, may be served by any party to this Agreement prior to April 1, 1981 (not to become effective prior to July 1, 1981). This Paragraph will not bar changes in this Plan by mutual agreement of the National Carriers’ Conference Committee and the Brotherhood of Railroad Signalmen.

**SIGNED AT WASHINGTON, D.C., THIS 22nd Day OF JUNE 1979.**

**BROTHERHOOD OF RAILROAD SIGNALMEN:**

/s/ R. T. Bates  
President

/s/ W. D. Best  
Secretary-Treasurer

/s/ C. S. Chandler  
Vice President

/s/ Melvin B. Frye  
Vice President

/s/ John T. Bass  
Vice President

/s/ W. W. Altus, Jr.  
Vice President

/s/ John E. Platt  
Vice President

/s/ W. B. Harwell  
Vice President
/s/ John E. Hansen
Vice President

NATIONAL CARRIERS’ CONFERENCE COMMITTEE:

/s/ Charles I. Hopkins, Jr.
Chairman

/s/ C. F. Burch

/s/ A. E. Egbers

/s/ F. L. Elterman

/s/ C. E. Mervine, Jr.

/s/ George S. Paul

/s/ L. W. Sloan

/s/ Robert E. Upton
EXHIBIT A

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED ON OR ABOUT MARCH 1, 1978 OF DESIRE TO REVISE AND SUPPLEMENT THE SIGNALMEN’S NATIONAL SUPPLEMENTAL SICKNESS BENEFIT AGREEMENT AS SET FORTH IN ATTACHMENT “A” THERETO, SERVED ON RAILROADS GENERALLY BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE BROTHERHOOD OF RAILROAD SIGNALMEN, AND PROPOSALS SERVED BY THE CARRIERS FOR CONCURRENT HANDLING THEREWITH.

This authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Railroad Signalmen.

Akron, Canton & Youngstown Railroad Company
Alton & Southern Railway
Atchison, Topeka and Santa Fe Railway Company
Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company
* Boston and Maine Corporation
Burlington Northern Inc.
Canadian Pacific Limited
Central of Georgia Railroad Company
Central Vermont Railway, Inc.
THE CHESSIE SYSTEM:
  Baltimore and Ohio Railroad Company
  Baltimore and Ohio Chicago Terminal Railroad Company
  Chesapeake and Ohio Railway Company
  Staten Island Railroad Corporation
  Western Maryland Railway Company
Chicago & Illinois Midland Railway Company
Chicago and North Western Transportation Company
Chicago and Western Indiana Railroad Company
* Chicago, Milwaukee, St. Paul and Pacific Railroad Company
Consolidated Rail Corporation
Delaware and Hudson Railway Company
Denver and Rio Grande Western Railroad Company
Denver Union Terminal Railway Company
Detroit & Toledo Shore Line Railroad Company
Detroit Terminal Railroad Company
Detroit, Toledo and Ironton Railroad Company
Duluth, Winnipeg and Pacific Railway Company
Elgin, Joliet and Eastern Railway Company
THE FAMILY LINES SYSTEM:
  Seaboard Coast Line Railroad
  Louisville and Nashville Railroad
  Clinchfield Railroad Company
  Georgia Railroad
  Atlanta and West Point Railroad Company
  Western Railway of Alabama
Fort Worth and Denver Railway Company
Galveston, Houston & Henderson Railroad Company
Grand Trunk Western Railroad Company
Green Bay and Western Railroad Company
Houston Belt & Terminal Railway Company
Illinois Central Gulf Railroad Company
Indiana Harbor Belt Railroad Company
Joint Texas Division of CRI&P—FW&D Railway Company
Kansas City Southern Railway Company
   Louisiana & Arkansas Railway Company
Kansas City Terminal Railway Company
Kentucky & Indiana Terminal Railroad Company
Maine Central Railroad Company
   Portland Terminal Company
Missouri-Kansas-Texas Railroad Company
1-Missouri Pacific Railroad Company
   Monongahela Railway Company
   New Orleans Public Belt Railroad
   *-New York, Susquehanna & Western Railroad
   Norfolk and Western Railway Company
   Peoria and Pekin Union Railway Company
   Pittsburgh & Lake Erie Railroad Company, The Lake Erie & Eastern Railroad Company
   Richmond, Fredericksburg and Potomac Railroad Company
   St. Louis-San Francisco Railway Company
   St. Louis Southwestern Railroad Company
   Soo Line Railroad Company
2-Southern Pacific Transportation Company (Pacific Lines and Texas and Louisiana Lines)
   Southern Railway Company
      Alabama Great Southern Railroad Company
      Cincinnati, New Orleans and Texas Pacific Railway Company
      Georgia Southern and Florida Railway Company
      New Orleans Terminal Company
      St. Johns River Terminal Company
   Terminal Railroad Association of St. Louis
   Toledo, Peoria and Western Railroad Company
   Union Pacific Railroad Company
   Union Railroad Company (Pittsburgh)
   Washington Terminal Company
   Western Pacific Railroad Company

NOTES: —
   * - Subject to the approval of the Courts.
   1 - Authorization includes the Gulf District, Former C&EI, Former T&P and Former
      TP-MP Terminal RR. of New Orleans.
   2 - Authorization includes the Former Pacific Electric Railway Company.

FOR THE CARRIERS:
/s/Charles I. Hopkins, Jr.

FOR THE BROTHERHOOD OF RAILROAD SIGNALMEN:
/s/R. T. Bates
Washington, D. C.,
June 13, 1979
Mr. V. M. Speakman Jr., President  
Brotherhood of Railroad Signalmen  
P.O. Box U, 601 West Golf Road  
Mt. Prospect, Illinois 60056

Dear Mr. Speakman:

This refers to Section 4 of Article IV – Supplemental Sickness of the Agreement of June 4, 1991. The parties agree to accept the recommendation of the subcommittee referred to in that Section and will modify existing administrative procedures of the Supplemental Sickness Benefit Plan (Plan) as promptly as possible to provide as follows:

1. Plan benefits will commence for qualified employees after all certification requirements (i.e., claim application, employer certification, physician certification, and Railroad Unemployment Insurance eligibility) have been met and before Railroad Retirement Board pays RUIA sickness benefits, providing the insurance company administering the Plan continues to have access to the Board’s eligibility data base.

2. During the first thirty (30) days of a qualified disability, assuming all certification requirements have been met timely, Plan benefits will be paid covering the first fourteen (14) days of disability so that qualified disabled employees receive their first benefit checks on or about the thirtieth (30th) day of disability following the application for benefits. Benefit payments thereafter would follow the established thirty (30) day payment cycle.

3. Participating railroads, particularly those that have 500 or more employees enrolled in a Plan, will be urged to provide employee certification information throughout established electronic certification process as promptly as possible.

Participating railroads that have had continuing difficulty in providing employee certification information on a timely basis will be urged to adopt procedures permitting employees to receive on-site employer certification of their eligibility. On-site employer certification procedures will be developed as reasonably promptly as possible, but not later than May 1, 1992.

4. The hourly rates of pay used to define various Plan benefit amount classification will be automatically adjusted, during the moratorium periods of applicable national agreements, when rates of pay are adjusted for railroad employees covered by the Plan pursuant to such agreements. This modification will not change the benefits provided, but it will permit employer certification information to be provided more quickly.

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

Very truly yours,

/s/ C. I. Hopkins, Jr.

I agree:

/s/ V. M. Speakman, Jr.
AUGUST 8, 1996 AGREEMENT
ARTICLE VII - SUPPLEMENTAL SICKNESS

The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article IV of the June 4, 1991 National Agreement (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 for the period July 1, 1991 through 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 for the period July 1, 1991 through December 31, 1994.

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

<table>
<thead>
<tr>
<th>Class I Employees Earning (as of 12/31/94)</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15.39 or more</td>
<td>$2,678 or more</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class II Employees Earning (as of 12/31/94)</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12.57 or more but less than $15.39</td>
<td>$2,187 or more but less than $2,678</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class III Employees Earning (as of 12/31/94)</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $12.57</td>
<td>Less than $2,187</td>
<td></td>
</tr>
</tbody>
</table>

Basic and Maximum Benefit Amount Per Month

<table>
<thead>
<tr>
<th>Effective</th>
<th>Basic</th>
<th>RUIA</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>[7/1/95] through</td>
<td>Class I</td>
<td>$1,058</td>
<td>$783</td>
</tr>
<tr>
<td>[12/31/95]</td>
<td>Class II</td>
<td>$845</td>
<td>$783</td>
</tr>
<tr>
<td>[1/1/96] through</td>
<td>Class III</td>
<td>$769</td>
<td>$783</td>
</tr>
<tr>
<td>[6/30/96]</td>
<td>Class I</td>
<td>$1,128</td>
<td>$783</td>
</tr>
<tr>
<td>[7/1/96] through</td>
<td>Class II</td>
<td>$845</td>
<td>$783</td>
</tr>
<tr>
<td>[12/31/99]</td>
<td>Class III</td>
<td>$769</td>
<td>$783</td>
</tr>
</tbody>
</table>

Combined Benefit Limit

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$1,956</td>
</tr>
<tr>
<td>Class II</td>
<td>$1,745</td>
</tr>
<tr>
<td>Class III</td>
<td>$1,664</td>
</tr>
</tbody>
</table>

Section 2 - Further Adjustment of Plan Benefits

The benefits provided under the Plan shall be further adjusted as provided below by multiplying the wage level in effect for the applicable Class on December 31, 1999 by
the percentages specified below, provided, however, that the Class I basic benefit shall
in no event be lower than the amount in effect as of January 1, 1997:

<table>
<thead>
<tr>
<th>Effective</th>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>[1/1/2000]</td>
<td>Class I</td>
<td>58.7%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>[7/1/2000]</td>
<td>Class I</td>
<td>63.8%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>[1/1/2001]</td>
<td>Class I</td>
<td>65.6%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>[7/1/2001]</td>
<td>Class I</td>
<td>68.4%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
</tbody>
</table>

**Combined Benefit Limit**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$2,168</td>
</tr>
<tr>
<td>Class II</td>
<td>$1,936</td>
</tr>
<tr>
<td>Class III</td>
<td>$1,844</td>
</tr>
</tbody>
</table>
ARTICLE IV - SUPPLEMENTAL SICKNESS

The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article VII of the August 8, 1996 National Agreement (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, 1999 under the terms of that Agreement.

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

<table>
<thead>
<tr>
<th>Class I Employees</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earning (as of 12/31/99)</td>
<td>$17.77 or more</td>
<td>$3,092 or more</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class II Employees</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earning (as of 12/31/99)</td>
<td>$14.53 or more</td>
<td>$2,528 or more</td>
</tr>
<tr>
<td>but less than $17.77</td>
<td></td>
<td>but less than $3,092</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class III Employees</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earning (as of 12/31/99)</td>
<td>Less than $14.53</td>
<td>Less than $2,528</td>
</tr>
</tbody>
</table>

Basic and Maximum Benefit Amount Per Month

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Classification</th>
<th>Basic</th>
<th>RUIA</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>[1/1/00]</td>
<td>Class I</td>
<td>$1,042.50</td>
<td>$1,000.50</td>
<td>$1,954</td>
</tr>
<tr>
<td>through</td>
<td>Class II</td>
<td>$ 944.50</td>
<td>$1,000.50</td>
<td>$1,945</td>
</tr>
<tr>
<td>[6/30/00]</td>
<td>Class III</td>
<td>$ 858.50</td>
<td>$1,000.50</td>
<td>$1,859</td>
</tr>
<tr>
<td>[7/1/00]</td>
<td>Class I</td>
<td>$1,080.00</td>
<td>$1,044</td>
<td>$2,124</td>
</tr>
<tr>
<td>through</td>
<td>Class II</td>
<td>$ 944.50</td>
<td>$1,044</td>
<td>$1,945</td>
</tr>
<tr>
<td>[12/31/00]</td>
<td>Class III</td>
<td>$ 858.50</td>
<td>$1,044</td>
<td>$1,859</td>
</tr>
<tr>
<td>[1/1/01]</td>
<td>Class I</td>
<td>$1,140.00</td>
<td>$1,044</td>
<td>$2,184</td>
</tr>
<tr>
<td>through</td>
<td>Class II</td>
<td>$ 944.50</td>
<td>$1,044</td>
<td>$1,945</td>
</tr>
<tr>
<td>[6/30/01]</td>
<td>Class III</td>
<td>$ 858.50</td>
<td>$1,044</td>
<td>$1,859</td>
</tr>
<tr>
<td>[7/1/01]</td>
<td>Class I</td>
<td>$1,189.50</td>
<td>$1,087.50</td>
<td>$2,277</td>
</tr>
<tr>
<td>through</td>
<td>Class II</td>
<td>$ 944.50</td>
<td>$1,087.50</td>
<td>$1,945</td>
</tr>
<tr>
<td>[12/31/04]</td>
<td>Class III</td>
<td>$ 858.50</td>
<td>$1,087.50</td>
<td>$1,859</td>
</tr>
</tbody>
</table>

Combined Benefit Limit

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$2,330</td>
</tr>
<tr>
<td>Class II</td>
<td>$2,085</td>
</tr>
<tr>
<td>Class III</td>
<td>$1,993</td>
</tr>
</tbody>
</table>
Section 2 - Further Adjustment of Plan Benefits

The benefits provided under the Plan shall be further adjusted as provided below by multiplying the wage level in effect for the applicable Class on December 31, 2004 by the percentages specified below, provided, however, that the Class I basic benefit shall in no event be lower than the amount in effect as of January 1, 2002:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2005</td>
<td>Class I</td>
<td>58.7%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>7/1/2005</td>
<td>Class I</td>
<td>63.8%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>1/1/2006</td>
<td>Class I</td>
<td>65.6%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>7/1/2006</td>
<td>Class I</td>
<td>68.4%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
</tbody>
</table>

Combined Benefit Limitation

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$2,667</td>
</tr>
<tr>
<td>Class II</td>
<td>$2,388</td>
</tr>
<tr>
<td>Class III</td>
<td>$2,286</td>
</tr>
</tbody>
</table>

JULY 1, 2007 AGREEMENT
ARTICLE IV - SUPPLEMENTAL SICKNESS

The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article IV of the September 24, 2003 National Agreement (Sickness Agreement), shall be further amended as provided in this Article.

Part A – Plan Benefit Adjustments

Section 1 - Adjustment of Plan Benefits

(a) The benefits provided under the Supplemental Sickness Benefit Plan established pursuant to the Sickness Agreement ("SSB Plan") 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, 2004 under the terms of that Agreement.

(b) Section 4 of the Sickness Agreement shall be revised as follows:
Per Hour | Per Month
--- | ---
Class I Employees (Earning as of 12/31/04) | $20.99 or more | $3,652.00 or more
Class II Employees (Earning as of 12/31/04) | $17.33 or more but less than $20.99 | $3,015.00 or more but less than $3,652.00
Class III Employees (Earning as of 12/31/04) | Less than $17.33 | Less than $3,015.00

Basic and Maximum Benefit Amount Per Month

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Basic</th>
<th>RUIA</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>[1/1/05] through [6/30/05]</td>
<td>Class I</td>
<td>$1,189.50</td>
<td>$1,218.00</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>$1,010.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>$915.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td>[7/1/05] through [12/31/05]</td>
<td>Class I</td>
<td>$1,213.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>$1,010.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>$915.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td>[1/1/06] through [6/30/06]</td>
<td>Class I</td>
<td>$1,282.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>$1,010.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>$915.00</td>
<td>$1,218.00</td>
</tr>
<tr>
<td>[7/1/06] through [12/31/09]</td>
<td>Class I</td>
<td>$1,367.25</td>
<td>$1,239.75</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>$1,010.00</td>
<td>$1,239.75</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>$915.00</td>
<td>$1,239.75</td>
</tr>
</tbody>
</table>

Combined Benefit Limit

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$2,667.00</td>
</tr>
<tr>
<td>Class II</td>
<td>$2,388.00</td>
</tr>
<tr>
<td>Class III</td>
<td>$2,286.00</td>
</tr>
</tbody>
</table>

Section 2 - Further Adjustment of Plan Benefits

The benefits provided under the Plan shall be further adjusted as provided below by multiplying the wage level in effect for the applicable Class on December 31, 2009 by the percentages specified below, provided, however, that the Class I basic benefit shall in no event be lower than the amount in effect as of January 1, 2007:
<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2010</td>
<td>Class I</td>
<td>58.7%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>7/1/2010</td>
<td>Class I</td>
<td>63.8%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>1/1/2011</td>
<td>Class I</td>
<td>65.6%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
<tr>
<td>7/1/2011</td>
<td>Class I</td>
<td>68.4%</td>
</tr>
<tr>
<td></td>
<td>Class II</td>
<td>65.3%</td>
</tr>
<tr>
<td></td>
<td>Class III</td>
<td>65.3%</td>
</tr>
</tbody>
</table>

### Combined Benefit Limitation

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$3,151.00</td>
</tr>
<tr>
<td>Class II</td>
<td>$2,822.00</td>
</tr>
<tr>
<td>Class III</td>
<td>$2,703.00</td>
</tr>
</tbody>
</table>

### Part B – Notice of Disability

Existing agreements and practices regarding the time within which notices of disability must be filed under the SSB Plan, and the consequences of failure to file within that time period, shall be modified as set forth below.

#### Section 1 – Notification

A SSB Plan participant shall give the vendor administering claims under the Plan notice of disability, solely with respect to disabilities beginning on or after the date of this Agreement, within sixty (60) days after the start of the disability, unless failure to do so is due to a serious physical or mental injury or illness suffered by the participant, in which case the notice of disability must be given to the vendor as soon as amelioration of such serious physical or mental illness or injury reasonably permits. All claims with regard to which a notice of disability is not given in compliance with this time limitation shall be denied whether or not the SSB Plan has been prejudiced by such noncompliance or the claim is otherwise valid and payable.

#### Section 2 – Appeals

All final (second-level) appeals from claim denials under the SSB Plan that are pending on the date of this Agreement or are thereafter filed, where disposition of the claim required medical judgment that involved the participant’s eligibility for SSB Plan benefits, his or her physical condition, the cause of his or her disability, or the date his or her disability started, will be considered and determined by a Disputes Committee consisting of one or more individuals selected by MCMC, LLC, an independent review
entity, or such successor as may be mutually selected by the parties. In the event of a
disagreement between the parties regarding selection of a successor, such dispute shall
be resolved in the same manner as provided for in the existing arrangements governing
disposition of deadlocks on matters brought before the Joint Plan Committee of the
National H&W Plan.

February 6, 2012, Agreement

ARTICLE V — SUPPLEMENTAL SICKNESS

The June 22, 1979, Supplemental Sickness Benefit Agreement, as amended by Article
IV of the July 1, 2007, BRS National Agreement (Sickness Agreement), shall be further
amended as provided in this Article.

Part A — Plan Benefit Adjustments

Section 1 — Adjustment of Plan Benefits

(a) The benefits provided under the Supplemental Sickness Benefit Plan established
pursuant to the Sickness Agreement ("SSB Plan") 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, 2009, under the terms of that Agreement.

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

<table>
<thead>
<tr>
<th>Class I Employees</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earning (as of 12/31/09)</td>
<td>$24.80 or more</td>
<td>$4,315.00 or more</td>
</tr>
<tr>
<td>Class II Employees</td>
<td>$20.47 or more</td>
<td>$3,562.00 or more</td>
</tr>
<tr>
<td>Earning (as of 12/31/09) but less than $24.80</td>
<td>but less than $3,562.00</td>
<td></td>
</tr>
<tr>
<td>Class III Employees</td>
<td>Less than $20.47</td>
<td>Less than $3,562.00</td>
</tr>
<tr>
<td>Earning (as of 12/31/09)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Basic and Maximum Benefit Amount Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective</td>
</tr>
<tr>
<td>[1/1/10]</td>
</tr>
<tr>
<td>through</td>
</tr>
<tr>
<td>[6/30/10]</td>
</tr>
<tr>
<td>Effective</td>
</tr>
<tr>
<td>[7/1/10]</td>
</tr>
<tr>
<td>through</td>
</tr>
<tr>
<td>[12/31/10]</td>
</tr>
<tr>
<td>Effective</td>
</tr>
<tr>
<td>[1/1/11]</td>
</tr>
<tr>
<td>through</td>
</tr>
<tr>
<td>[6/30/11]</td>
</tr>
<tr>
<td>Effective</td>
</tr>
<tr>
<td>[7/1/11]</td>
</tr>
<tr>
<td>through</td>
</tr>
<tr>
<td>[12/31/11]</td>
</tr>
</tbody>
</table>
### Combined Benefit Limit

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$3,151.00</td>
</tr>
<tr>
<td>Class II</td>
<td>$2,822.00</td>
</tr>
<tr>
<td>Class III</td>
<td>$2,703.00</td>
</tr>
</tbody>
</table>

### Section 2 — Further Adjustment of Plan Benefits

(a) Effective July 1, 2012, 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.

(b) The benefit adjustment described in Section 2(a) above shall be made effective on each of the following dates: July 1, 2013, July 1, 2014, and January 1, 2015.

(c) The benefit adjustment described in Section 2(a) above shall be made effective on the date of each general wage increase that becomes effective after January 1, 2015.
SECTION T

Union Dues Checkoff

ARTICLE II — APRIL 27, 1973 AGREEMENT

COST-FREE UNION DUES DEDUCTION AGREEMENT

Within 60 days following request by the organization, each railroad party to this Agreement and the organization signatory to this Agreement will reach an understanding or agreement to modify their union dues deduction agreement (or, if there is no dues deduction agreement, the parties on the individual railroads will negotiate a union dues deduction agreement), effective with the first calendar month following 60 days after the date of such agreement (unless otherwise agreed to), which will conform to the following guidelines:

1. Deduction will be limited to periodic union dues, initiation fees, and assessments (not including fines and penalties) which are uniformly required as a condition of acquiring or retaining membership.

2. No costs will be charged against the organization or the affected employees in connection with the dues deduction agreement.

3. Appropriate written assignment form executed by the individual involved must be in the hands of the designated railroad officer at least 30 days in advance of the first payroll deduction scheduled for that individual; provided, however, that dues deduction assignments currently in effect need not be re-executed and may be continued in effect subject to their terms and conditions.

4. The dues deduction amounts may not be changed more often than once every three months.

5. The parties to the dues deduction agreement will mutually agree on the payroll period on which the deductions uniformly will be made.

6. The dues deduction agreement will include appropriate priorities of deductions in cases where the individual’s pay check is insufficient to permit deduction of the full amounts specified on the deduction lists. The following payroll deductions, as a minimum, will have priority over the deductions called for by the dues deduction agreement:

   - Federal, State, and Municipal taxes; premiums on any life insurance, hospital-surgical insurance, group accident or health insurance, or group annuities; other deductions required by law, such as garnishments and attachments; and amounts due the carrier by the individual.

7. In the event there is insufficient earnings to permit the full amount of the union dues deduction, no deduction will be made.

8. The carrier will furnish uniform alphabetical deduction lists (in triplicate) for each local lodge each month. Such lists will include the employee’s name, Social Security number or payroll identification number, and the amount of union dues deducted from the pay of each employee.

This Article II becomes effective 60 days after the date of this Agreement on each of the carriers party to this Agreement, unless within 45 days after the date of this Agreement the General Chairman of the organization signatory hereto advises the designated railroad officer in writing that the organization desires to retain the existing dues deduction agreement. In that event, all of the provisions of the existing dues deduction agreement will be retained, subject to the provisions of Article V of this Agreement.
SECTION U
Amtrak

BRIEF ANALYSIS OF ARRANGEMENTS CERTIFIED BY SECRETARY OF LABOR AS “FAIR AND EQUITABLE PROTECTION” FOR RAILROAD EMPLOYEES AFFECTED BY DISCONTINUANCE OF INTERCITY RAIL PASSENGER SERVICE PURSUANT TO THE NATIONAL RAIL PASSENGER SERVICE ACT OF 1970

The Secretary’s letter of certification and the attached document identified as “Appendix C-I,” containing the provisions for the protection of employees, contain no reasons for the elimination of benefits long established pursuant to Section 5 (2) (f) of the Interstate Commerce Act. The Secretary also fails to explain the numerous language changes made from formulae established under Section 5 (2) (f) or his reasons for the inclusion of several novel and vague additions to established protective formulae.

There are listed below obvious deficiencies in the Appendix which render it inferior to the so-called “New Orleans Conditions” imposed by the Interstate Commerce Commission under Section 5 (2) (f). As a result of these deficiencies, the Secretary of Labor has certified to the Corporation as fair and equitable protection for employees a formula of benefits substantially less than those established pursuant to Section 5 (2) (f) of the Interstate Commerce Act.

1. Section 4 of the Appendix eliminates the requirement for any notice to employees of the railroads prior to the discontinuance of intercity passenger train service proposed to be effected on May 1, 1971. The “New Orleans Conditions” by their adoption of Section 4 of the Washington Agreement require at least ninety (90) days advance notice.

2. Section 4 (d) eliminates the requirements of Section 5 of the Washington Agreement as incorporated into the “New Orleans Conditions” that implementing agreements providing for the selection of employee forces involved to perform the remaining work following displacement and re-arrangement and providing for the assignment of employees to the remaining jobs must be executed prior to the displacement or rearrangement of the employee forces. Section 4 (d) would permit the railroads to take whatever unilateral action they deemed necessary to dismiss and displace employees and to rearrange and assign forces prior to the execution of such agreements. The effect of this provision would be to forever deprive certain employees of their rights which they would secure under the implementing agreements. For example, Section 7 of the Appendix requires a dismissed employee to exercise his option to resign and receive separation pay within 7 days of the date on which he is dismissed. Because of Section 4 (d) many employees may resign long before implementing agreements are executed. It is probable that such implementing agreements would transfer the seniority rights of dismissed employees to seniority rosters following which they could bid on comparable positions and remain in the employ of the railroad thereby preserving the many benefits, such as railroad retirement benefits which they would forfeit by resigning and accepting separation pay. In addition, other employees may be required to exercise their seniority at distant points requiring them to sell their homes and move to distant cities. Implementing agreements very probably would eliminate many such moves but would be executed too late to protect employees who had already transferred.

The requirement that implementing agreements be executed prior to the effectuation of changes in employee forces has been considered by the Interstate Commerce Commission and all arbitrators who have considered the question under the Washington
Agreement or the “New Orleans Conditions,” as the most important single benefit or protection afforded employees by the Washington Agreement as incorporated into the “New Orleans Conditions.”

3. Section 7 of the Appendix effectively eliminates the employee’s option to resign and accept separation pay in lieu of the other benefits provided him because it allows an employee only 7 days following his dismissal in which to exercise his option. Section 9 of the Washington Agreement as incorporated into the “New Orleans Conditions” provides an affected employee 30 days within which to exercise this option. The 7 days provided by Appendix Section 7 does not allow a man sufficient time to assess his situation and make a considered decision on so important a matter. Indeed, it is probable that due to the short time allowed to them the dismissed employees affected by the proposed May 1 train discontinuance won’t even be aware of the existence of this right in time to exercise it should they desire to do so.

4. Appendix Section 8 purports to protect employees against loss of their fringe benefits as does Section 8 of the Washington Agreement (“New Orleans”). However, the Washington Agreement protects an affected employee’s fringe benefits so long as other employees on his home railroad enjoy such benefits whereas Appendix Section 8 protects an employee’s fringe benefits only for 6 years following his adverse effect or as long as other employees have such benefits — whichever is the shorter period.

5. Appendix Section 9 eliminates a most valuable protection afforded employees under Section 10 of the Washington Agreement (New Orleans). Under the latter provision when an employee is required to move his place of residence he is reimbursed for his wage loss during the time necessary for him to transfer and for a reasonable time thereafter (not to exceed two working days) which he may use in securing a place of residence in his new location. Section 9 of the Appendix would restrict an employee’s protection against wage loss to three working days regardless of the time necessary for him and his family to move to the new location and to secure a place in which to live.

6. Section 9 of the Appendix by virtue of one minor word change eliminates the protection which “New Orleans” affords employees who are required to move a second time due to the changes effected by the carrier. Section 8 of the Appendix provides that changes in place of residence “which are not a result of the transaction, which are made subsequent to the initial change or which grow out of the normal exercise of seniority rights” are not to be considered protected changes. By changing the word “and” as it appears in Section 9 (c) of the Washington Agreement (New Orleans) to “or,” the Secretary has effectively eliminated the protection to be afforded employees in subsequent moves caused by the changes put into effect by the railroads. It is interesting, and not a little confusing, to note that Appendix Section 12 (b) which contains a similar provision with regard to loss on the sale of homes was adopted from the “New Orleans Conditions” without changing “and” to “or.”

7. Section 10 of the Appendix eliminates retroactive protection for employees adversely affected in anticipation of the discontinuance of intercity rail passenger service by eliminating from the end of the sentence the words “as of the date when he was so affected.” The quoted words are found in Section 12 of the Washington Agreement (New Orleans) and appear to be the only words which were removed from that provision when it was placed in the Appendix.

8. The arbitration provision set forth in Section 11 of the Appendix will be a source of continuing litigation because it is one of two arbitration provisions in the Appendix, both of which purport to govern disputes over the “application” of the provisions of such document. In addition, provisions for the constitution of the arbitration committee render the decisions of the committee within the strict control of the railroad party to the arbitration when more than one union is involved in the proceeding. Section 11 (b) of the
Appendix provides that when a dispute involves more than one labor organization, each such organization may have a representative on the committee in which event the railroad will have an equal number of members on the committee. Section 11 (c) then provides that a majority vote of the committee shall be final. In any arbitration in which the unions involved may be in dispute with each other as well as with the carrier, the carrier members have the power of decision by merely determining with which of the unions it will cast its multiple vote. No arbitration provision in the railroad industry contains such an inequitable provision.

9. Section 11 (e) deals with the burden of proof in an arbitration provision. The employee in an arbitration proceeding under the “New Orleans Conditions” has a virtually insurmountable burden of proving that he was affected by a particular transaction. The Appendix certified by the Secretary of Labor increases that burden to the point where it will be utterly impossible for virtually any individual employee to secure any monetary protection under the provisions of the Appendix if that employee’s railroad denies his claim to protection. Section 11 (e) would permit the railroad to prevail in any arbitration if it could “prove that factors other than a transaction affected the employee.” A railroad can always prove that factors other than a train discontinuance were involved in the adverse effect visited upon any particular employee.

10. There are numerous other minor changes which, while they deprive employees of some measure of protection found in the “New Orleans Conditions,” are not deemed sufficient to cite herein. However, there is contained in Appendix Section 3 a proviso which would apparently have the effect of depriving employees presently governed by other protective agreements from the benefits of those agreements as well as any benefits which they may have under the Appendix:

“. . . provided further that the benefits under this or any other arrangement shall be construed to include the conditions, responsibilities and obligations accompanying such benefits.”

This provision is inserted without explanation and is found in no formula of protection established pursuant to Section 5 (2) (f). It could be interpreted to mean that an employee presently enjoying a guaranteed rate of pay under a protective agreement which provides that in the event of a decline in business his guarantee would cease, would be restricted to that “protection” and upon the abolition of his job as a result of the discontinuance of intercity rail passenger service he would be entitled to no protection under either formula.

Another word change which is unexplained and perhaps significant is found in Section 6 (d) which would require an employee receiving a dismissal allowance to “accept a comparable position which does not require a change in his place of residence and for which he is qualified and eligible with the railroad from which he was dismissed . . . if his return does not infringe upon the employee rights of other employees under a working agreement.” Section 7 (g) of the Washington Agreement (New Orleans) requires such an employee to “return to the service of the employing carrier for other reasonably comparable employment for which he is physically and mentally qualified and which does not require a change in his place of residence, if his return does not infringe upon the employee rights of other employees under the working agreement.” The deletion of the words in italics could well result in employees being required to accept demeaning jobs.

It was the absence of a requirement that the carriers execute implementing agreements prior to effectuating the transactions involved in the discontinuance of Central of Georgia work that resulted in the evil visited upon the employees of the Central of Georgia Railroad for over 5 years following its acquisition by the Southern Railway. The Commission in ultimately vindicating the rights of those employees
described the application of protective conditions without preceding implementing agreements as “a callous disregard by applicants [the railroads] for the established rights and interests of the employees on the Central of Georgia. (331 I.C.C. at 185.) The Commission described the absence of pre-executed implementing agreements as “the most devastating effect upon employees.” (331 I.C.C. at 172.)

In addition to the perpetuation of the evil described by the Commission in the Southern-Central of Georgia case, the Appendix certified by the Secretary contains the evils listed above particularly that which places an insurmountable burden of proof upon individually affected employees.
U.S. Department of Labor  
Office of the Secretary  
Washington  

April 16, 1971

National Railroad Passenger Corporation  
Eighth Floor, North Building  
L'Enfant Plaza  
Washington, D.C. 20024

Gentlemen:  
I have received from you and reviewed the provisions of section 7.3 and Appendices C-1 and C-2 of your proposed “National Railroad Passenger Corporation Agreement.” I understand that it is contemplated that such agreement will be entered into between the Corporation and various of the nation’s railroads and that section 7.3 and Appendices C-1 and C-2 will be contained in any such agreement or agreements in form identical to that submitted to me.

Section 7.3 and Appendix C-1 constitute a specific and detailed commitment by railroads, providing fair and equitable arrangements to protect the interests of employees affected by discontinuances of intercity rail passenger service, all as required by Section 405 of the Rail Passenger Service Act of 1970 (P.L. 91-518).

Having reviewed these documents, I am satisfied that they meet the requirements of Section 405. I hereby certify to the National Railroad Passenger Corporation, pursuant to Section 405 of the Rail Passenger Service Act of 1970 (P.L. 91-518), that the documents accompanying this certification constitute labor protective provisions affording affected employees fair and equitable protection. This is the total certification required at this time. Employees of the National Railroad Passenger Corporation itself may be affected by subsequent transactions, the completion of which are subject to an additional certification by the Secretary of Labor, pursuant to Section 405. I note your recognition of this circumstance in Appendix C-2 of your proposed Agreement.

Sincerely,  
/s/ J. D. Hodgson  
Secretary of Labor  
Enclosure
APPENDIX C-1

The scope and purpose of this Appendix are to provide, pursuant to section 405 of the Act, for fair and equitable arrangements to protect the interest of employees of Railroad affected by discontinuances of InterCity Rail Passenger Service subject to section 405 of the Act; therefore, fluctuations and changes in volume or character of employment brought about by other causes are not within the purview of this Appendix.

ARTICLE I

1. DEFINITIONS — The definitions in Article I of the Agreement and in the Act apply in this Appendix and in the event of conflict in definitions, those in the Act shall be controlling. In addition, whenever used in this Appendix, unless its context requires otherwise:
   (a) “Transaction” means a discontinuance of InterCity Rail Passenger Service pursuant to the provisions of the Act.
   (b) “Displaced employee” means an employee of Railroad who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.
   (c) “Dismissed employee” means an employee of Railroad who, as a result of a transaction is deprived of employment with Railroad because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction.
   (d) “Protective period” means that period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of Railroad prior to the date of his displacement or his dismissal. For purposes of this Appendix, an employee’s length of service shall be determined in accordance with the provisions of section 7 (b) of the Washington Job Protection Agreement of May, 1936.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of Railroad’s employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or applicable statutes.

3. Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements; provided, that there shall be no duplication or pyramiding of benefits to any employees, and, provided further, that the benefits under this Appendix, or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits.

4. When Railroad contemplates a transaction after May 1, 1971, it shall give at least twenty (20) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of Railroad (including terminal companies and other enterprises covered by Article III of this Appendix) and by sending registered mail notice to the representatives of such interested employees; if Railroad contemplates a transaction on May 1, 1971, it shall give the notice as soon as possible after the signing of this Agreement, prior to May 1, 1971. Such notice shall contain a full and adequate statement of the proposed changes to be effected by such transaction,
including an estimate of the number of employees of each class affected by the intended changes.

At the request of either Railroad or representatives of such interested employees, negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this Appendix shall commence immediately and continue for not more than twenty (20) days from the date of notice. Each transaction which will result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all employees involved on basis accepted as appropriate for application in the particular case and any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of the twenty (20) day period there is a failure to agree, the negotiations shall terminate and either party to the dispute may submit it for adjustment in accordance with the following procedures:

(a) Within five (5) days from the termination of negotiations the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee, then the National Mediation Board shall immediately appoint a referee.

(b) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(c) The decision of the referee shall be final, binding, and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(d) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

Notwithstanding any of the foregoing provisions of this section, at the completion of the twenty (20) day notice period or on May 1, 1971, as the case may be, Railroad may proceed with the transaction, provided that all employees affected (displaced, dismissed, rearranged, etc.) shall be provided with all of the rights and benefits of this Appendix from the time they are affected through to expiration of the seventy-fifth (75th) day following the date of notice of the intended transaction. This protection shall be in addition to the protection period defined in Article I, Paragraph (d). If the above proceeding results in displacement, dismissal, rearrangement, etc. other than as provided by Railroad at the time of the transaction pending the outcome of such proceedings, all employees affected by the transaction during the pendency of such proceeding shall be made whole.

5. DISPLACEMENT ALLOWANCES — (a) So long after a displaced employee’s displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

Each displaced employee’s displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period). Both the above “total compensation” and the “total time for which he was paid” shall be adjusted to reflect the reduction on an annual basis, if any, which would have occurred during the specified twelve month period had Public Law 91-169, amending the Hours of Service Act of 1907, been in effect throughout such period (i.e.,
14 hours limit for any allowance paid during the period between December 26, 1970 and December 25, 1972 and 12 hours limit for any allowances paid thereafter); provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases.

If a displaced employee’s compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

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

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee’s resignation, death, retirement or dismissal for justifiable cause.

6. DISMISSAL ALLOWANCES — (a) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the transaction. Such allowance shall be adjusted to reflect on an annual basis the reduction, if any, which would have occurred during the specified twelve month period had Public Law 91-169, amending Hours of Service Act of 1907 been in effect throughout such period (i.e., 14 hours limit for any allowance paid during the period between December 26, 1970 and December 25, 1972 and 12 hours limit for any allowances paid thereafter); provided further that such allowance shall also be adjusted to reflect subsequent general wage increases.

(b) The dismissal allowance of any dismissed employee who returns to service with Railroad shall cease while he is so reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of Section 5.

(c) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and Railroad shall agree upon a procedure by which Railroad shall be currently informed of the earnings of such employee in employment other than with Railroad, and the benefits received.

(d) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employee’s resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, or failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible with the Railroad from which he was dismissed after being notified, or with the National Railroad Passenger Corporation after appropriate
notification, if his return does not infringe upon employment rights of other employees under a working agreement.

7. **SEPARATION ALLOWANCE** — A dismissed employee entitled to protection under this Appendix, may, at his option within 7 days of his dismissal, resign and (in lieu of all other benefits and protections provided in this Appendix) accept a lump sum payment computed in accordance with Section 9 of the Washington Job Protection Agreement of May, 1936.

8. **FRINGE BENEFITS** — No employee of Railroad who is affected by a transaction shall be deprived during his protective period of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, relief, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of Railroad, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

9. **MOVING EXPENSES** — Any employee retained in the service of Railroad or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment as a result of the transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects, for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not to exceed three working days, the exact extent of the responsibility of Railroad during the time necessary for such transfer and for a reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by Railroad and the affected employee or his representatives; provided, however, that changes in place of residence which are not a result of the transaction, which are made subsequent to the initial change or which grow out of the normal exercise of seniority rights, shall not be considered to be within the purview of this Section; provided further, that the Railroad shall, to the same extent provided above, assume the expenses, etc. for any employee furloughed within three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provisions of this Section unless such claim is presented to Railroad within 90 days after the date on which the expenses were incurred.

10. Should Railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employee of benefits to which he otherwise would have become entitled under this Appendix, this Appendix will apply to such employee.

11. **ARBITRATION OF DISPUTES** — (a) In the event Railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this Appendix, except Sections 4 and 12 of this Article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman. If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved Labor Organization or the highest officer designated by Railroad, as the case may be, shall be deemed the selected member, and the committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then
within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding upon the parties.

(b) In the event a dispute involves more than one Labor Organization, each will be entitled to a representative on the arbitration committee, in which event Railroad will be entitled to appoint additional representatives so as to equal the number of Labor Organization representatives.

(c) The decision, by majority vote, of the arbitration committee shall be final, binding, and conclusive and shall be rendered within 45 days after the hearing of the dispute or controversy has been concluded and the record closed.

(d) The salaries and expenses of the neutral member shall be borne equally by the parties to the proceeding and all other expenses shall be paid by the party incurring them.

(e) In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the Railroad’s burden to prove that factors other than a transaction affected the employee.

12. **LOSSES FROM HOME REMOVAL** — (a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of Railroad (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of the transaction and is therefore required to move his place of residence:

(i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by Railroad for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. Railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

(ii) If the employee is under a contract to purchase his home, Railroad shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, Railroad shall protect him from all loss and cost in securing the cancellation of said lease.

(b) Changes in place of residence which are made subsequent to the initial changes caused by the transaction and which grow out of the normal exercise of seniority rights, shall not be considered to be within the purview of this Section.

(c) No claim for loss shall be paid under the provisions of this Section unless such claim is presented to Railroad within 1 year after the date the employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employees, or their representatives, and Railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and one by Railroad, and these two, if unable to agree within 30 days upon a valuation, shall
endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them including the compensation of the appraiser selected by such party.

ARTICLE II

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when terminated or furloughed, even though in a different craft or class, on Railroad which he is, or by training or retraining physically and mentally can become, qualified, not however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, Railroad shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who has made a request under sections 1 or 2 of this Article II fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this Appendix.

ARTICLE III

Subject to this Appendix, as if employees of Railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by Railroad and employees of any other enterprise within the definition of common carrier by railroad in Section 1 (3) of Part 1 of the Interstate Commerce Act, as amended, in which Railroad has an interest, to which Railroad provides facilities, or with which Railroad contracts for use of facilities, or the facilities of which Railroad otherwise uses; except that the provisions of this Appendix shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier and to the National Railroad Passenger Corporation; provided that said carriers and the National Railroad Passenger Corporation shall establish one convenient central location for each terminal or other enterprise for receipt of one such application which will be effective as to all said carriers and the Corporation and Railroad shall notify such employees of this requirement and of the location for receipt of the application. Such employees shall not be entitled to any of the benefits of this Appendix in the case of failure, without good cause, to accept comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this Appendix, with the National Railroad Passenger Corporation or any carrier for which application for employment has been made in accordance with this section.

ARTICLE IV

Employees of Railroad who are not represented by a Labor Organization shall be afforded substantially the same levels of protection as are afforded to members of Labor Organizations under these terms and conditions.

In the event any dispute or controversy arises between Railroad and an employee not represented by a Labor Organization with respect to the interpretation, application or
enforcement of any provision hereof which cannot be settled by the parties within 30 days after the dispute arises, either party may refer the dispute to the Secretary of Labor for determination. The determination of the Secretary of Labor, or his designated representative, shall be final and binding on the parties.

**ARTICLE V**

1. It is the intent of this Appendix to provide employee protections which meet the requirements of Section 405 of the Act and are not less than the benefits established pursuant to Section 5 (2) (f) of the Interstate Commerce Act. In so doing, changes in wording and organization from arrangements earlier developed under Section 5 (2) (f) have been necessary to make such benefits applicable to contemplated discontinuances of intercity rail passenger service affecting a great number of railroads throughout the nation. In making such changes it is not the intent of this Appendix to diminish such benefits. Thus, the terms of this Appendix are to be resolved in favor of this intent to provide employee protections and benefits no less than those established pursuant to Section 5 (2) (f) of the Interstate Commerce Act.

2. In the event any provision of this Appendix is held to be invalid or otherwise unenforceable under applicable law, the remaining provisions of this Appendix shall not be affected, and such provision shall be renegotiated and resubmitted to the Secretary of Labor for certification pursuant to Section 405 of the Act.

**APPENDIX C-2**

(This copy of Appendix C-2 is not complete — sections dealing with other than employee protective benefits are excluded.)

NRPC, having at the date of this Agreement no employees whose interests could be affected by discontinuance of Intercity Rail Passenger Service, undertakes, after commencement of operations in the basic system, to provide fair and equitable arrangements to protect the interests of its employees affected by such discontinuance as required by Section 405 of the Act and subject to the required certification by the Secretary of Labor.

During the period such method is in the course of negotiation or arbitration, the method of handling such liability previously in effect shall be continued in effect on an interim basis.

Such arbitration shall be conducted by the National Arbitration Panel, and the parties shall make all reasonable efforts to expedite the arbitration.

In the event a percentage method is agreed upon or established by arbitration, it shall remain in effect for a minimum of one year prospectively after same becomes established, after which the percentage may again be changed by arbitration.

**Section 7.3. Labor Protection Costs.**

Railroad shall provide fair and equitable arrangements to protect the interests of its employees affected by the discontinuance of Intercity Rail Passenger Service whether occurring before, on or after January 1, 1975, to the extent required by and on the terms and conditions set forth in Appendix C-1.

(a) Railroad shall have the obligation for the costs of such protection without reimbursement by NRPC, for employees of Railroad affected by its discontinuances of Intercity Rail Passenger Service under Section 401 (a) (1) of the Act.

(b) Within sixty (60) days after May 1, 1971, Railroad shall furnish to NRPC a list of those job positions to be occupied by employees of Railroad as will be necessary for the provision of services by Railroad for NRPC pursuant to Section 3.1, and Section 3.3 insofar as such section implements Section 3.1, and in the event Railroad incurs employee protection costs as a result of the elimination or consolidation of any of the job positions set forth on such list, either NRPC or Railroad may submit to arbitration under
Article Six hereof the existence and extent of any obligation of NRPC under the Act to reimburse Railroad for such costs. As an alternative to such submission, either NRPC or Railroad shall have the option to petition the United States District Court for the District of Columbia for a declaratory judgment to resolve such controversy. In the event that such District Court determines such controversy, its determination, subject to any appeal provided by law, shall finally resolve the question under this Agreement. If such District Court determines, subject to any such appeal, that it is without jurisdiction to determine such controversy, arbitration shall proceed under Article Six hereof after final determination.

(c) In the event Railroad is required, pursuant to Section 3.2, and Section 3.3 insofar as such section implements Section 3.2, to increase the number of job positions over the number of such positions as specified on the list furnished by Railroad to NRPC pursuant to subsection (b) hereof, or is required to reestablish job positions shown on such list theretofore eliminated, and Railroad thereafter incurs employee protection costs as a result of the elimination or consolidation of such increased or reestablished job positions, NRPC shall reimburse Railroad for the full amount of such costs less the amount by which Railroad may have been relieved of its employee protection costs by such increased or reestablished positions.

(d) NRPC shall provide at its expense fair and equitable arrangements to protect the interests of its own employees affected by its discontinuance of Intercity Rail Passenger Service occurring after May 1, 1971, to the extent required by and on the terms and conditions set forth in Appendix C-2.

**PURPOSE AND COVERAGE**

The scope, purpose and intent of this Appendix are to provide, pursuant to Section 405 of the Rail Passenger Service Act of 1970, as amended (hereinafter referred to as the “Act”), fair and equitable arrangements to protect the interest of employees of the National Railroad Passenger Corporation (hereinafter referred to as the Corporation), affected by discontinuances of Intercity Rail Passenger Service as defined in Section 405 of the Act. Thus, the terms of this Appendix are to be resolved in favor of this intent to provide employees protection and benefits no less than those established pursuant to Section 5 (2) (f) of the Interstate Commerce Act. Fluctuations and changes in the volume of employment brought about by causes other than discontinuance of Intercity Rail Passenger Service are not intended to be covered by this Appendix.

**ARTICLE I**

**DEFINITIONS**

The definitions set forth herein and in the Act apply in this Appendix and in the event of conflict in definitions, those in the Act shall be controlling. In addition, whenever used in this Appendix, unless its context requires otherwise:

(a) “Transaction” means a discontinuance of Intercity Rail Passenger Service, as defined in the Act, effected after assumption of operations pursuant to the provisions of the Act.

(b) “Displaced employee” means an employee of Corporation who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) “Dismissed employee” means an employee of Corporation who, as a result of a transaction is deprived of employment with Corporation because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction, and is unable to obtain a position by the exercise of his railroad seniority if such option is available.

(d) “Protective period” means that period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date
on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of Corporation prior to the date of his displacement or his dismissal; and provided further, the protective period under this Appendix shall run concurrently with the protective period under Appendix C-1 should the “transaction” described in (a) above occur in the C-1 protective period. For purposes of this Appendix, an employee’s length of service shall be determined in accordance with the provisions of Section 7 (b) of the Washington Agreement of May, 1936.

ARTICLE II
PRESEVATION OF BENEFITS

(a) Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements including the protections in Appendix C-1, provided, that there shall be no duplication of benefits to any employees by reason of this Appendix or Appendix C-1, or any other existing or other protected conditions or arrangements at the time of a transaction by the Corporation, and, provided further, that the benefits under this Appendix or any other arrangement, shall be construed to include the conditions, responsibilities and obligations of all parties accompanying such benefits.

ARTICLE III
PROCEDURES

(a) Whenever a “transaction” is contemplated by Corporation after an initial assumption of function which will result in the transfer of work and/or positions across seniority districts, or which requires an employee to accept employment with Corporation requiring a change in his place of residence (that is: employment at a point in excess of thirty (30) miles from the employee’s place of residence, and located further from his residence than was his former work location), or which results in the elimination of a facility it shall give at least thirty (30) days’ written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees and by sending registered or certified mail notice to the representatives of such interested employees. Such notice shall contain a statement of the proposed changes to be effected by such transaction, including an estimate of the number of employees of each class or craft affected by the intended changes.

(b) At the request of either the Corporation or representatives of such interested employees, negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this Appendix shall start immediately and continue for not more than twenty (20) days (unless extended by agreement of the parties) from the date of notice. The agreement reached covering each such transaction shall provide for the selection of forces from the class or craft of employees involved on the basis accepted as appropriate for application in the particular transaction. Any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this Article III. Provided, however, that said agreement shall not diminish or enlarge the protections provided by this Appendix. At the end of the thirty (30) day period, the Corporation may proceed with the transaction.

(c) If at the end of the twenty (20) day period (or such extended period as agreed upon by the parties) there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the date of submission to arbitrate, the parties shall select a neutral referee and in the event they are unable to agree within said five (5)
days upon the selection of said referee, then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding, and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(d) Should the Corporation proceed with the transaction prior to the consummation of an implementing agreement, all employees affected shall be kept financially whole as if the transaction had not taken place from the time they are affected through to expiration of the seventy-fifth (75th) day following the date they are first affected by the transaction, or until such earlier date upon which an implementing agreement is reached. Such affected employee shall exercise his seniority to obtain a position under existing agreements; however, after an implementing agreement is reached as provided herein, such employee may again exercise his seniority under the terms of such agreement or decision to obtain a position provided therein. Any position established as a result of a transaction prior to the consummation of an implementing agreement shall be a “temporary” position and any employee selecting, bidding, or hired to fill said position during this temporary period shall accumulate no benefits under this Appendix as a result thereof. This protection shall be in addition to the protective period defined in Article I, Paragraph (d), which period shall begin on the effective date of the implementing agreement.

**ARTICLE IV**

**ALLOWANCES**

(a) **DISPLACEMENT ALLOWANCES**

(1) So long after a displaced employee’s displacement as he is unable, in the normal exercise of seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

(2) Each displaced employee’s displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period). In the case of an employee with less than one year of compensated service, his guarantee shall be computed by dividing separately, by the number of months he performed compensated service, the total compensation received by the employee and the total time for which he was paid during those months by Corporation. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(3) If a displaced employee’s compensation in his retained position (including payments under Appendix C-1) in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period but if in his retained position he works in any month in excess of the aforesaid
average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

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

(5) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee’s resignation, death, retirement or dismissal for justifiable cause under existing agreements.

(b) DISMISSAL ALLOWANCES

(1) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date first deprived of employment as a result of a transaction. (In the event an employee has less than 12 months service, his guarantee shall be computed by dividing the total compensation paid to him by the Corporation by the number of months of compensated service.) Such allowances shall also be adjusted to reflect subsequent general wage increases.

(2) The dismissal allowance of any dismissed employee who returns to service with the Corporation shall cease while so reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of Section (a).

(3) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, any payments under Appendix C-1, and his dismissal allowance exceed the amount upon which the dismissal allowance is based. Such employee, his representative, and the Corporation shall agree upon a procedure by which Corporation shall be currently informed of the earnings of such employee in employment other than with Corporation, and the benefits received.

(4) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employee’s resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, or failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible with the Corporation or a railroad (if he possesses rights to return to his former railroad employment) after appropriate notification, if his return does not infringe upon employment rights of other employees under a working agreement.

(c) SEPARATION ALLOWANCE

(1) A dismissed employee entitled to protection under this Appendix who is unable to obtain a position as provided in Paragraph (b) (4) above may at his option at any time within 30 days from the date dismissed or 10 days from the date an implementing agreement is consummated under Article III, whichever is later, if such procedure is required for the transaction causing the employee’s dismissal, resign and (in lieu of all other benefits and protections provided in this Appendix) accept a lump sum payment computed in accordance with Section 9 of the Washington Agreement of May 1936.

(2) In the event a dismissed employee makes application for and receives a dismissal allowance under Paragraph (b) above, and subsequently exercises his option for a
separation allowance within the time limits set forth above, such monies paid to him shall be deducted from his separation allowance.

ARTICLE V
FRINGE BENEFITS

No employee of the Corporation who is affected by a transaction of the Corporation shall be deprived during his protective period of benefits attached to his previous employment with the Corporation, such as free transportation, hospitalization, pensions, relief, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of the Corporation, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under applicable authority of law or corporate action or through future authorization which may be obtained.

ARTICLE VI
MOVING EXPENSES

Any employee retained in the service of the Corporation or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment as a result of a transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects, for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not to exceed three (3) working days, the exact extent of the responsibility of the Corporation during the time necessary for such transfer and for a reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by the Corporation and the affected employee or his representatives; provided, however, that changes in place of residence which are not a result of the transaction, which are made subsequent to the initial change or which grow out of the normal exercise of seniority rights, shall not be considered to be within the purview of this Article; provided further, that the Corporation shall, to the same extent provided above, assume the expenses, etc. for any employee furloughed within three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provisions of this Article unless such claim is presented to the Corporation within 90 days after the date on which the expenses were incurred.

ARTICLE VII
ANTICIPATED TRANSACTION

Should the Corporation rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employee of benefits to which he otherwise would have become entitled under this Appendix, this Appendix will apply to such employee.

ARTICLE VIII
EXCEPTIONS

Changes in employment caused by, but not limited to, any of the following conditions will not be considered a “transaction” as defined in this Appendix:

(a) Discontinuance of seasonal Intercity Rail Passenger Service which has been in operation 120 days or less, provided, however, the Corporation shall notify the representative of any employee to be affected by the proposed initiation of discontinuance of such seasonal passenger service and the number and class and craft of employees to be affected.

(b) The abolishment, elimination or discontinuance of a position or positions established subsequent to the effective date of this Appendix, for period not exceeding
two years for the purpose of performing required services in connection with non recurring special project such as, but not limited to, the operation of special and extra passenger trains in excess of that prescribed for the basic system, industrial, experimental or governmental projects when abolishments, elimination or discontinuance of said position or positions is within 60 calendar days after the completion of said project. The provisions of this paragraph shall apply only to those employees with less than 2 years of service with the Corporation, and, provided further, that the Corporation shall notify the representatives of any employee to be affected of the number of positions to be added or eliminated as a result of such special projects.

(c) Emergencies — The abolishment, elimination or discontinuance of a position or positions under emergency conditions such as flood, snow storm, hurricane, earthquake, fire or strike which suspends operation in whole or in part of Intercity Rail Passenger Service, provided that because of such emergency the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employee involved in the force reduction no longer exists or cannot be performed. When forces have been so reduced and thereafter operations are restored, employees who were affected must be recalled upon the termination of the emergency.

ARTICLE IX
ARBITRATION OF DISPUTES
(a) In the event any dispute or controversy arises between the parties hereto with respect to the interpretation or application of any provision of this Appendix, except Articles III and X, which cannot be settled within thirty (30) days after the dispute arises, such dispute may be referred by either party to the dispute to a Public Law Board for consideration and determination.

(b) In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the Corporation’s burden to prove that factors other than a transaction affected the employee.

ARTICLE X
LOSSES FROM HOME REMOVAL
(a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the Corporation (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of a transaction and is therefore required to move his place of residence:

(i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the Corporation for any loss suffered in the sale of his home for less than its fair market value, such loss to be paid within thirty (30) days of the sale of the home. In each case the fair market value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The Corporation shall in each instance be afforded an opportunity to purchase the home at such fair market value before it is sold by the employee to any other person. It is the intent of this section that the fair market value so determined and to be received by the employee is not to be reduced by any expenses incident to the closing of the transaction of sale of home such as brokerage fees, discounts, preparation of abstract, or deed of sale, and the employee will be made whole for any such expense involved.

(ii) If the employee is under a contract to purchase his home, the Corporation shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligation under his contract.
(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, the Corporation shall protect him from all loss and cost in securing the cancellation of said lease.

(b) Changes in place of residence which are made subsequent to the initial changes caused by a transaction and which grow out of the normal exercise of seniority rights, shall not be considered to be within the purview of this Article.

(c) No claim for loss shall be paid under the provisions of this Article unless such claim is presented to the Corporation within 1 year after the date the employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or his representative, and the Corporation. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner: One to be selected by the employee or his representative, and one by the Corporation, and these two, if unable to agree within 30 days upon a valuation shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

ARTICLE XI

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when terminated or furloughed, even though in a different craft or class, on Corporation which he is, or by training or retraining physically and mentally can become, qualified, not however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, Corporation shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who has made a request under Sections 1 or 2 of this Article XI fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this Appendix.

ARTICLE XII

SEPARABILITY CLAUSE

In the event any provision of this Appendix is held to be invalid or otherwise unenforceable under applicable law, the remaining provision of this Appendix shall not be affected, and such provision shall be renegotiated and resubmitted to the Secretary of Labor for certification pursuant to Section 405 of the Act.
ARTICLE XIII
COVERAGE: NON-AGREEMENT EMPLOYEES
(a) Employees who are not represented by a Labor Organization shall be afforded substantially the same levels of protection as are afforded to members of Labor Organizations under these terms and conditions.
SECTION V

Seniority Modification Agreement

This Agreement made this 15th day of March, 1976 by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Railroad Signalmen (hereinafter “Signalmen”), witnesses:

IT IS HEREBY AGREED:

The purpose of this Agreement is to improve the transfer opportunities for certain minority and female employees. In carrying out this general purpose, the following shall govern:

I. Opportunity for Transfer

A. Subject to the conditions set forth hereinafter, transfer of employees under this Agreement shall be permitted to any position subject to a collective bargaining agreement with the Signalmen on the carrier by which he or she is employed.

B. An employee must be qualified for the position to which he or she seeks transfer and must meet all prerequisites for that position.

C. A transfer under this Agreement shall be made only to a vacancy on a position which is not otherwise filled by an employee with existing seniority or other rights to the position, i.e., where otherwise an employee with no rights to the work would be hired.

D. The employee shall be able to use his or her company seniority date (defined in paragraph II.A below) for purposes of competing for the vacancy among other employees of the group afforded opportunity for transfer if such vacancy is subject to seniority rules of the applicable collective bargaining agreement.

E. The vacancies into which an employee may transfer with seniority shall be limited to

1. Positions within 30 highway miles of the position the employee occupies at the time the employee is notified of an available vacancy, or

2. Positions in the seniority district(s) of the new craft or classification within or overlapping the seniority district of the old craft or classification or containing the territory of the seniority district of the old craft or classification.

II. Carryover Seniority

A. The company seniority date shall be the earliest seniority date (or date of first service in the case of employees as defined in paragraph V.B.2 below) established by that employee on any of the railroad’s seniority rosters during that period of employment with the railroad which has been continuous; provided that where an employee transfers to a junior classification that is the source of supply for a senior classification or where the employee transfers to a craft as helper or assistant and is promoted to journeyman in that craft, and where seniority in the senior classification or as journeyman is established upon or after promotion or completion of training, the employee’s seniority date and standing in the senior classification or as journeyman shall be the same as it would have been had the employee completed training and been promoted with other employees (1) who were hired in that seniority district on or after the date the employee was hired, and
(2) who were in the first group of such other employees to begin training on or after the date the employee was hired.

B. An employee (as defined in paragraph V), after transfer, shall be permitted to utilize his or her company seniority date in the new craft or classification for all purposes covered by collective bargaining agreements applicable to the new craft or classification, including, but not limited to, bidding for future vacancies within the craft or classification for which the employee is qualified, recall, work shifts, wage rates, vacations, fringe benefits, lay-offs, and reductions in force.

III. Retention of Seniority

An employee shall retain his or her previously established seniority for 90 days after transfer or 90 days after such time as he or she satisfies any required probationary or training periods, whichever is longer, or for such longer periods as may be provided by any local agreement between the carrier and the organization representing the employees in the craft from which the employee transferred. If such an employee elects to return to his or her old craft or classification during such period, the employee shall relinquish all seniority established by reason of the transfer under this Agreement.

IV. Transfer Procedures

A. Within 30 days of the effective date of this Agreement each employee (as defined in paragraph V) shall be notified by the carrier in writing personally or by certified mail of his or her right to transfer under this Agreement. Such notice shall be reasonably designed to apprise each employee of his or her rights and obligations under the Agreement.

B. The time period within which an employee may exercise an option to transfer under this Agreement shall be limited to 180 days after notice is received by the employee. Within this time period, the employee may, on a form designated by the carrier, express his or her interest in making a transfer and indicate the classifications to which he or she will accept a transfer. The failure of an employee to so express his or her interest within such a time period shall operate to forfeit any rights such employee has under this Agreement. Completed applications will be considered 30 days after receipt by the carrier and the carriers will begin to transfer qualified employees to vacancies within the coverage of this Agreement which arise after June 4, 1976.

C. When a vacancy arises in a classification in which an employee has expressed an interest and where the filling of the vacancy is subject to the operation of seniority rules, the employee shall be given fifteen calendar days by the carrier in which to apply for such a position. The failure of the employee to apply for a vacancy in a classification in which the employee has expressed an interest shall operate to forfeit any rights such employee would have under this Agreement. However, if an employee fails to apply for a vacancy that would require the employee to move his or her residence, such failure shall not preclude the employee from exercising the transfer option in the future. An employee shall be permitted to make only one successful transfer with carryover seniority. A voluntary relinquishment of seniority in the craft or classification to which a transfer had been made pursuant to this or any other similar Agreement shall operate to forfeit any rights such an employee would have under this Agreement except those specified in paragraph III.

Note: It is understood that “a change of residence” under paragraph IV.C is required if the position is more than 30 highway miles from the employee’s residence and current work area and is also farther from the employee’s residence than the employee’s current work area.
V. Employees to Be Afforded Transfer Opportunity

Employees who shall have rights under this Agreement shall be limited to:

A. Blacks, Spanish-surnamed individuals, American Indians and Orientals who have a continuous employment relationship with the carrier commencing on or before August 31, 1971, and who initially established seniority by working in one of the following ICC classifications:

15. Messengers and office boys
16. Elevator operators and other office attendants
24. Motor vehicle and motor car operators
26. Janitors and cleaners
34. Maintenance of way and structures helpers and apprentices
35. Portable equipment operators
36. Portable equipment operator helpers
37. Pumping equipment operators
41. Extra gang men
42. Section men
43. Maintenance of way laborers (other than track and roadway) and gardeners and farmers
64. Skilled trades helpers (M. of E. and Stores)
65. Helper apprentices (M. of E. and Stores)
67. Coach Cleaners
70. Classified laborers (shops, enginehouses and power plants)
71. General laborers (shops, enginehouses and power plants)
72. General laborers (stores and ice, reclamation and timber treating plants)
74. Stationary firemen, oilers, coal passers and water tenders
87. Baggage, parcel room and station attendants
91. Callers, loaders, scalers, sealers and perishable freight inspectors
92. Truckers (stations, warehouses and platforms)
93. Laborers (coal and ore docks and grain elevators)
94. Common laborers (stations, warehouses, platforms and grain elevators)
96. Chefs and cooks (restaurants or dining cars)
97. Waiters, camp cooks, kitchen helpers, etc.
101. Train attendants
102. Bridge operators and helpers
103. Crossing and bridge flagmen and gatemen
104. Foremen (laundry) and laundry workers
109. Inside hostlers

B. Females who have a continuous employment relationship with the carrier commencing on or before August 31, 1971, and

1. Who initially established seniority either as (a) a coach cleaner (ICC Classification 67) or (b) a clerical, station or telegrapher employee subject to the seniority provisions of a collective bargaining agreement; or
2. Who were initially hired in a clerical, station or telegrapher position covered by a collective bargaining agreement without establishing seniority, i.e., employees excepted from the seniority rules of such collective bargaining agreement.

VI. Protection

Rights and obligations of employees under existing employee protection agreements shall not be affected by this Agreement. Any transfer under this Agreement shall be voluntary and no employee shall be required to transfer. An employee failing to exercise a transfer opportunity under this Agreement will not forfeit any rights or benefits to which he or she is entitled under existing employee protection agreements. An employee who
transfers to a new craft under this Agreement will forfeit all rights and benefits under existing employee protection agreements applicable to the employee in the former craft and will acquire rights and benefits in keeping with the employee’s company seniority date under employee protection agreements applicable to the new craft. An employee who voluntarily returns to his or her former craft in accordance with paragraph III of this Agreement or who returns because of failure to qualify in the new craft will again be subject to existing employee protection agreements applicable to the employee’s former craft.

VII. Implementation

A. This Agreement shall become effective on April 5, 1976.

B. It is understood that the opportunity for employees (as defined in paragraph V) to (a) utilize carryover seniority in another craft and (b) to retain seniority in other crafts is subject to these opportunities being provided through agreements between the carriers and representatives of other crafts.

C. Disputes arising out of the application of this Agreement shall be subject to a special disputes procedure. The parties to this Agreement will work out the details of the disputes procedure prior to the effective date of this Agreement.

VIII. Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.* SIGNED AT WASHINGTON, D.C. THIS 15th DAY OF MARCH, 1976.

*With respect to the Penn Central Transportation Company, the power of attorney to the National Carriers’ Conference committee was conditioned also upon the right of the trustees to approve the agreement.

For the employees represented by the Brotherhood of Railroad Signalmen:

/s/ C. J. Chamberlain, President
/s/ R. T. Bates, Secretary-Treasurer
/s/ Melvin B. Frye, Vice President
/s/ C. S. Chandler, Vice President
/s/ W. W. Altus, Jr., Vice President
/s/ J. W. Walsh, Vice President
/s/ W. D. Best, Vice President
/s/ J. T. Bass, Vice President
/s/ John E. Platt, Vice President

For the participating carriers listed in Exhibit A:

/s/ W. H. Dempsey, Chairman
/s/ C. A. Ball
/s/ C. F. Burch
/s/ T. C. De Butts
/s/ G. L. Farr
/s/ G. H. Gilmour, Jr.
/s/ J. R. Jones
/s/ J. J. Maher
/s/ C. E. Mervine, Jr.
/s/ George S. Paul
/s/ R. E. Upton
Mr. C. J. Chamberlain, President  
Brotherhood of Railroad Signalmen  
601 West Golf Road  
Mt. Prospect, Illinois 60056

Dear Mr. Chamberlain:

The parties agree that Paragraphs II.B and IV.C will not come into operation unless the employee meets the requirement of Paragraph I.B which provides that “an employee must be qualified for the position to which he or she seeks transfer and must meet all prerequisites for that position.”

The parties further agree that the carriers will identify to the appropriate general chairman and the President of the Brotherhood of Railroad Signalmen employees who have expressed an interest in transferring to a position subject to a collective bargaining agreement with the Signalmen. The carriers, on request of the general chairman, shall furnish to the general chairman copies of those forms submitted by employees pursuant to Paragraph IV.B in which an interest has been expressed in transferring to a position subject to a collective bargaining agreement with the Signalmen.

Very truly yours,

/s/ W. H. DEMPSEY

Accepted:

/s/ C. J. CHAMBERLAIN
RAILROADS REPRESENTED BY THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE IN NEGOTIATION OF A SENIORITY MODIFICATION AGREEMENT WITH THE BROTHERHOOD OF RAILROAD SIGNALMEN.

Participation in such Agreement is co-extensive with the provisions of current schedule agreements applicable to employees represented by the Brotherhood of Railroad Signalmen.

Akron, Canton & Youngstown Railroad Company
Alton & Southern Railway Company
*Ann Arbor Railroad Company
Atchison, Topeka and Santa Fe Railway Company
Atlanta and West Point Rail Road Company, the Western Railway of Alabama
Baltimore and Ohio Railroad Company
Baltimore and Ohio Chicago Terminal Railroad Company
Bangor and Aroostook Railroad Company
Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company
*Boston and Maine Corporation
Boston Terminal Corporation
Burlington Northern Inc.
Canadian Pacific Limited
Central of Georgia Railroad Company
*Central Railroad Company of New Jersey
    New York & Long Branch Railroad Company
Central Vermont Railway, Inc.
Chesapeake and Ohio Railway Company
Chicago & Eastern Illinois Railroad Company
Chicago & Illinois Midland Railway Company
Chicago and North Western Transportation Company
Chicago and Western Indiana Railroad Company
Chicago, Milwaukee, St. Paul and Pacific Railroad Company
*Chicago, Rock Island and Pacific Railroad Company
Clinchfield Railroad Company
Dayton Union Railway Company
Delaware and Hudson Railway Company
Denver and Rio Grande Western Railroad Company
Denver Union Terminal Railway
    Company
Detroit & Toledo Shore Line Railroad Company
Detroit Terminal Railroad Company
Detroit, Toledo and Ironton Railroad Company
Duluth, Winnipeg & Pacific Railway Company
Elgin, Joliet & Eastern Railway Company
*Erie Lackawanna Railway Company
Fort Worth and Denver Railway Company
Galveston, Houston and Henderson Railroad Company
Georgia Railroad
Grand Trunk Western Railroad Company
Green Bay & Western Railroad Company
Houston Belt & Terminal Railway Company
Illinois Central Gulf Railroad
Indiana Harbor Belt Railroad Company
Indianapolis Union Railway Company
Joint Texas Division of the CRIP R.R. and FW&D Ry.
Kansas City Southern Railway Company
Kansas City Terminal Railway Company
Kentucky & Indiana Terminal Railroad Company
*Lehigh and Hudson River Railway Company
*Lehigh Valley Railroad
Louisiana & Arkansas Railway Company
Louisville & Nashville Railroad Company
Maine Central Railroad Company
  Portland Terminal Company
Missouri-Kansas-Texas Railroad Company
Missouri Pacific Railroad Company
Monongahela Railway Company
New Orleans Union Passenger Terminal
  *New York, Susquehanna and Western Railroad Company
Norfolk and Western Railway Company
  *Penn Central Transportation Company
Pennsylvania-Reading Seashore Lines
Peoria and Pekin Union Railway Company
Pittsburgh & Lake Erie Railroad Company, The Lake Erie & Eastern Railroad Company
  *Reading Company
Richmond, Fredericksburg and Potomac Railroad
St. Louis-San Francisco Railway Company
St. Louis Southwestern Railway Company
Seaboard Coast Line Railroad Company
Soo Line Railroad Company
Southern Pacific Transportation Company —
  Pacific Lines, including former Pacific Electric Railway
  Texas and Louisiana Lines
Southern Railway Company
  Alabama Great Southern Railroad Company
  Cincinnati, New Orleans and Texas Pacific Railway Company
  Georgia Southern and Florida Railway Company
  New Orleans Terminal Company
  St. Johns River Terminal Company
Staten Island Railroad Corporation
Terminal Railroad Association of St. Louis
Texas and Pacific Railway Company
Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans
Toledo, Peoria and Western Railroad Company
Union Pacific Railroad
Union Railroad (Pittsburgh)
Washington Terminal Company
Western Maryland Railway Company
Western Pacific Railroad Company
*Subject to the approval of the Courts.
**Subject to the approval of the Trustees of the Property and to the approval of the Courts.

For the Brotherhood of Railroad Signalmen:
/s/ C. J. CHAMBERLAIN, President

For the Carriers:
/s/ W. H. DEMPSEY, Chairman
Washington, D.C., January 30, 1976
MEMORANDUM OF AGREEMENT ESTABLISHING
SPECIAL DISPUTES PROCEDURE PURSUANT TO
PARAGRAPH VII-C OF THE SENIORITY
MODIFICATION AGREEMENT

IT IS HEREBY AGREED:

1. Disputes arising out of the Seniority Modification Agreement shall be given priority and expeditious handling.

   Note: The term dispute as used in this Agreement means any claim for compensation alleged to be due, any grievance and any other dispute involving the Seniority Modification Agreement or this Memorandum of Agreement.

2. When an employee transfers with carryover seniority, written notice of the transfer will promptly be sent to the same persons and posted at the locations as would be done for a newly issued seniority roster of the seniority district involved. The notice will contain the following information:

   a. the facts which establish the employee’s eligibility under paragraph V of the Agreement;
   b. the seniority roster, position, organization and location of the position from which the employee is transferring;
   c. the seniority roster, organization and position to which the employee is transferring;
   and
   d. the seniority date and standing that the employee will be given on the roster to which the employee is transferring.

3. Disputes over the interpretation or application of the Seniority Modification Agreement or this Memorandum of Agreement may be instituted by the carrier, the organization, or by the aggrieved employee or his or her representative. All disputes by or on behalf of an employee must be submitted, and handled in accordance with the following procedures:

   a. Within 30 days of the occurrence upon which such dispute is based, it must be presented in writing to the highest carrier officer designated to handle such dispute. In disputes involving the proper seniority date of a transferee, the date of occurrence will be, for employees in active service, the date that notice of the transfer was posted in accordance with paragraph 2 hereof and for furloughed employees and employees on leave of absence, it will be the date of such employee’s subsequent return to active service. Disputes not submitted within the time period specified will be barred.

   b. The highest designated carrier officer will investigate the dispute and will render a written decision within thirty days following receipt of the written presentation. All claims or grievances arising out of a decision by the highest designated carrier officer will be barred unless within 45 days of receipt of the decision the dispute is submitted to the Board established by this Memorandum of Agreement. A conference will be held within a reasonable period of time on the property if requested by the carrier, the involved organizations or the aggrieved employee or his or her representative, but such a request shall not stay the time limits specified herein.

   c. If a decision of the highest carrier designated officer alters the carryover seniority of a transferee, notification of the decision will be given in the same manner as provided in paragraph 2.

4. In accordance with Section 3 Second of the Railway Labor Act, as amended, a Special Board of Adjustment, hereinafter referred to as the Board, is hereby established for the purpose of adjusting and deciding disputes specified in paragraph 3 above.
a. The offices of the Board shall be in Washington, D.C.

b. The Board shall consist of a referee appointed by the National Mediation Board within 30 days of the date of this Memorandum of Agreement, which referee shall serve thereafter, unless and until either the National Carriers’ Conference Committee or a majority of the organizations, parties to the disputes procedure, request the National Mediation Board to appoint a successor. Additional referees may be appointed, upon request of the parties, by the National Mediation Board.

c. In the event a referee is unable to serve, the National Mediation Board shall appoint a replacement within thirty days.

d. Each submission to the Board shall be in writing and shall include:
   (i) the question or questions at issue;
   (ii) statement of facts; and
   (iii) position(s) of the petitioner(s) and relief requested.

e. The respondent(s) may submit an answer in writing within thirty days of receipt of the filing of the written submission of the petitioner(s). Such procedure shall not preclude the acceptance by the Board of an answering submission which is received subsequent to the docketing of such a dispute but no later than ten days prior to the hearing of the matter by the Board.

f. The determination that a third or additional parties may have an interest in a dispute shall be made by the Board acting to consider and decide whether notice and opportunity to be heard should be given to such third or additional parties and due notice of such possible interest shall be given to such third or additional parties. Such parties shall be given notice of the time and date when said dispute will be heard, together with a copy of the claim and a copy of this agreement and shall be permitted to file a written submission, provided that any such submission shall be filed no later than ten days prior to the hearing of the matter by the Board. Third or additional parties shall be given the same full and fair hearing procedures as are provided for the parties hereto. Awards of the Board shall be binding upon third or additional parties who have been given proper notice, in accordance with this Agreement.

g. A dispute will ordinarily be heard within thirty days of receipt of the initial submission and answer. Notice of the dispute will be given to all parties involved and any of said parties shall have the right to be heard in person or through a representative. A written decision will be rendered by the referee within fifteen days after the close of the hearing. That decision will be final and binding upon the parties.

h. Each party to the dispute will assume its own expenses incurred in handling the dispute.

5. The time limits specified herein may be extended by mutual agreement of the parties to the dispute.

6. The procedure contained in this Memorandum of Agreement constitutes the exclusive remedy for disputes arising out of the interpretation or application of the Seniority Modification Agreement or this Memorandum of Agreement.

7. Any carrier or organization not signatory to this Agreement may become a party by serving notice of its desire to do so by mail upon the signatories hereto.

SIGNED AT WASHINGTON, D.C. THIS 16th DAY OF AUGUST, 1976.

For the employees represented by the Brotherhood of Railroad Signalmen:
/s/ C. J. CHAMBERLAIN, President
/s/ R. T. BATES, Secretary-Treasurer
/s/ C. S. CHANDLER, Vice President
/s/ MELVIN B. FRYE, Vice President
/s/ J. T. BASS, Vice President
/s/ W. W. ALTUS, JR., Vice President
/s/ J. W. WALSH, Vice President
/s/ J. E. PLATT, Vice President
/s/ W. D. BEST, Vice President

For the participating carriers listed in Exhibit A:
/s/ W. H. DEMPSEY, Chairman
/s/ C. A. BALL
/s/ C. F. BURCH
/s/ T. C. DE BUTTS
/s/ A. E. EGBERS
/s/ G. L. FARR
/s/ G. H. GILMER, JR.
/s/ J. R. JONES
/s/ C. E. MERVINE, JR.
/s/ GEORGE S. PAUL
/s/ ROBERT E. UPTON
SECTION W

ARTICLE IV
EMPLOYEE INFORMATION

Commencing June 1975, the carriers will provide each General Chairman with a list of employees who are hired or terminated, their home addresses, and Social Security numbers if available, otherwise the employees’ identification numbers. This information will be limited to the employees covered by the collective bargaining agreement of the respective General Chairmen. The data will be supplied within 30 days after the month in which the employee is hired or terminated. Where railroads can not meet the 30-day requirement, the matter will be worked out with the General Chairman.

NATIONAL RAILWAY LABOR CONFERENCE

WILLIAM H. DEMPSEY, Chairman

January 29, 1975

Mr. C. J. Chamberlain, President
Brotherhood of Railroad Signalmen

Dear Mr. Chamberlain:

This is to confirm our understanding with respect to Article IV of our Agreement of January 29, 1975, that the railroads will mail to you a copy of the same information they supply to the general chairmen. Should practical difficulties arise for any railroad in so furnishing you with such copies, the matter will be worked out between the railroad and you.

Will you please indicate your confirmation by signing a copy of this letter.

Very truly yours,
/s/ W. H. Dempsey

CONFIRMED:
/s/ C. J. Chamberlain
Mr. R.T. Bates, President  
Brotherhood of Railroad Signalmen  
601 West Golf Road  
Mt. Prospect Illinois 60056  

Dear Mr. Bates:

This confirms our discussions with respect to the organization’s request that it be supplied with additional information concerning employees it represents. The parties are mindful of the recommendation of Emergency Board No. 211 that such general information pertaining to the employment status of the organization’s members should be provided and the carriers commit themselves to providing information on a periodic basis. However, the parties require further discussion to identify the type of information requested by the organization that would be readily available from carriers generally.

Therefore, the parties agree that a committee will be appointed promptly to determine what information can be made readily available to the organization. The committee shall include individuals who are aware of the manner in which such employee information is developed and maintained on various carriers.

It is the intent of the parties that a final understanding be reached as soon as possible and that the employee information specifically referred to in the Emergency Board recommendation that is determined to be readily accessible through a carrier’s data processing system will be provided to the organization beginning no later than January 1, 1987. It is understood that a carrier will not be required to establish a new data collection system solely for the purpose of complying with this letter of understanding.

Very truly yours,

/s/ C. I. Hopkins, Jr.

I agree:
/s/ R. T. Bates
January 15, 1988

Mr. V. M. Speakman
President
Brotherhood of Railroad Signalmen
601 West Golf Road
Mt. Prospect, IL 60056

Mr. Geoffrey N. Zeh
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, MI 48203-3596

Gentlemen:

This confirms our understanding with respect to providing various information concerning the status of employees represented by the Brotherhood of Railroad Signalmen and the Brotherhood of Maintenance of Way Employes in accordance with the commitments made in Letter of Understanding #10 in the BRS National Agreement of September 23, 1986 and Letter of Understanding #16 in the BMWE National Agreement of October 17, 1986.

During the month of May 1988, the carrier parties to these agreements will provide for April 1988, the following change of status information for such employees to the extent readily accessible through a carrier’s data processing system:

(1) date of hire
(2) home address
(3) social security number or, if not available, employee identification number
(4) transfer to another craft
(5) furlough
(6) termination date (a) resignation (b) retirement (c) death
(7) promotion to official position
(8) off duty because of sickness or injury (in excess of 30 days)
(9) leave of absence

The information listed is to be provided thereafter on a calendar month basis. It is understood that the information provided needs only to include the changes that have occurred since the last report and not repeat information already provided. The information reported will indicate the status of a particular individual as of the end of that reporting period. It will be provided on magnetic tape if requested by the organization and reasonably possible.
While every reasonable effort will be made to provide the information listed above, on some carriers it will not be possible to provide certain information items at this time. Where this occurs, the carrier will notify the organization of this fact and the reason why such information is unavailable.

It also is not possible at this time to establish a uniform format for all carriers to use when submitting this information. For example, some information may be submitted in conjunction with reports already being provided; other information may be submitted separately. Furthermore, certain information on employee status may not be current and not necessarily accurate in view of the fact that such information must be collected from dispersed field operations.

Very truly yours,

/s/ C. I. Hopkins, Jr.
SECTION X
BEREAVEMENT LEAVE

Bereavement leave, not in excess of three calendar days, following the date of death will be allowed in case of death of an employee’s brother, sister, parent, child, spouse or spouse’s parent. In such cases a minimum basic day’s pay at the rate of the last service rendered will be allowed for the number of working days lost during bereavement leave. Employees involved will make provision for taking leave with their supervising officials in the usual manner. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under this provision.

This Article shall become effective thirty (30) days after the date of this Agreement except on such carriers where the organization representative may elect to preserve existing rules or practices and so notify the authorized carrier representative on or before such effective date.

(Article VIII — July 27, 1978 Agreement)

These questions and answers concerning bereavement leave were prepared jointly by various railway labor organizations and the National Railway Labor Conference:

1/30/79

Q-1: How are the three calendar days to be determined?
A-1: An employee will have the following options in deciding when to take bereavement leave:
   a) three consecutive calendar days, commencing with the day of death, when the death occurs prior to the time an employee is scheduled to report for duty;
   b) three consecutive calendar days, ending the day of the funeral service; or
   c) three consecutive calendar days, ending the day following the funeral service.

Q-2: Does the three (3) calendar days allowance pertain to each separate instance, or do the three (3) calendar days refer to a total of all instances?
A-2: Three days for each separate death; however, there is no pyramiding where a second death occurs within the three-day period covered by the first death.

Example: Employee has a work week of Monday to Friday — off-days of Saturday and Sunday. His mother dies on Monday and his father dies on Tuesday. At a maximum, the employee would be eligible for bereavement leave on Tuesday, Wednesday, Thursday and Friday.

Q-3: An employee working from an extra board is granted bereavement leave on Wednesday, Thursday and Friday. Had he not taken bereavement leave he would have been available on the extra board, but would not have performed service on one of the days on which leave was taken. Is he eligible for two days or three days of bereavement pay?
A-3: A maximum of two days.

Q-4: Will a day on which a basic day’s pay is allowed account bereavement leave serve as a qualifying day for holiday pay purposes?
A-4: No; however, the parties are in accord that bereavement leave non-availability should be considered the same as vacation non-availability and that the first work day preceding or following the employee’s bereavement leave, as the case may be, should be considered as the qualifying day for holiday purposes.

Q-5: Would an employee be entitled to bereavement leave in connection with the death of a half-brother or half-sister, stepbrother or stepsister, stepparents or stepchildren?
A-5: Yes as to half-brother or half-sister, no as to stepbrother or stepsister, stepparents or stepchildren. However, the rule is applicable to a family relationship covered by the rule through the legal adoption process.
SECTION Y

AGREEMENT

VOLUNTARY PAYROLL DEDUCTION OF POLITICAL CONTRIBUTIONS

THIS AGREEMENT, made this 30th day of November, 1979, by and between the participating carriers listed in Exhibit A, attached hereto and hereby made a part hereof, and represented by the National Carriers’ Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Railroad Signalmen, witnesseseth: IT IS AGREED:

1. Unless prohibited by any applicable law, each railroad party to this Agreement and the organization signatory to this Agreement will modify their union dues deduction agreements no later than 90 days from the date of this Agreement to provide for deductions for voluntary political contributions on a monthly basis from the compensation of employees who have executed a written authorization to provide for such deductions. The first such deduction will be made in the month following the month in which the authorization is received or in the third month following the month in which this Agreement is executed, whichever is later.

2. Deduction authorizations will remain in effect for a minimum of twelve months and thereafter until canceled by thirty days advance written notice from the employee. Changes in the amount to be deducted will be limited to one change in each twelve month period and any change will coincide with a date on which dues deduction amounts may be changed under the applicable dues deduction agreement.

3. Deductions made under this Agreement will be forwarded monthly to the Treasurer, Signalmen’s Political League.

SIGNED AT WASHINGTON, D.C., THIS 30TH DAY OF NOVEMBER, 1979.

FOR THE EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF RAILROAD SIGNALMEN:

/s/ R. T., Bates President
/s/ W. D. Best, Secretary-Treasurer
/s/ C. S. Chandler, Vice President
/s/ Melvin B. Frye, Vice President
/s/ John T. Bass, Vice President

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:

/s/ Charles I. Hopkins, Jr., Chairman
/s/ P. A. Jordan, Union Pacific
/s/ C. F. Burch, Illinois Central Gulf
/s/ A. E. Egbers, Burlington Northern
/s/ F. L. Elterman, Santa Fe

/s/ W. W. Altus, Jr., Vice President
/s/ John E. Platt, Vice President
/s/ W. B. Harwell, Vice President
/s/ John E. Hansen, Vice President

/s/ G. H. Gilmer, Norfolk & Western
/s/ C. E. Mervine, Jr., Seaboard Coast Line
/s/ George S. Paul, Southern
/s/ L. W. Sloan, Southern Pacific
/s/ Robert E. Upton, Chessie System
RAILROADS REPRESENTED BY THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE IN NEGOTIATION OF AN AGREEMENT WITH THE BROTHERHOOD OF RAILROAD SIGNALMEN TO MODIFY THEIR UNION DUES DEDUCTION AGREEMENTS WITH THAT ORGANIZATION TO PROVIDE FOR DEDUCTIONS FOR VOLUNTARY POLITICAL CONTRIBUTIONS.

This authorization is co-extensive with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Railroad Signalmen.

Akron, Canton & Youngstown Railroad Company
Alton & Southern Railway Company
Atchison, Topeka and Santa Fe Railway Company
Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company
Burlington Northern Inc.
Central of Georgia Railroad Company
Central Vermont Railway, Inc.
THE CHESSIE SYSTEM:
  Baltimore and Ohio Railroad Company
  Baltimore and Ohio Chicago Terminal Railroad Company
  Chesapeake and Ohio Railway Company
  Staten Island Railroad Corporation
  Western Maryland Railway Company
Chicago & Illinois Midland Railway Company
Chicago and North Western Transportation Company
Chicago and Western Indiana Railroad Company
*-Chicago, Milwaukee, St. Paul and Pacific Railroad Company
Delaware and Hudson Railway Company
Denver and Rio Grande Western Railroad Company
Denver Union Terminal Railway Company
Detroit & Toledo Shore Line Railroad Company
Detroit Terminal Railroad
Detroit, Toledo and Ironton Railroad Company
Duluth, Winnipeg and Pacific Railway Company
Elgin, Joliet and Eastern Railway Company
THE FAMILY LINES SYSTEM:
  Seaboard Coast Line Railroad Company
  Louisville and Nashville Railroad Company
  Clinchfield Railroad Company
  Georgia Railroad
  Atlanta and West Point Railroad Company
  Western Railway of Alabama
Fort Worth and Denver Railway Company
Galveston, Houston and Henderson Railroad Company
Grand Trunk Western Railroad Company
Green Bay & Western Railroad Company
Houston Belt and Terminal Railway Company
Illinois Central Gulf Railroad
Indiana Harbor Belt Railroad Company
Joint Texas Division of CRI&P—FW&D
Kansas City Southern Railway Company
Louisiana & Arkansas Railway Company
Kansas City Terminal Railway Company
Kentucky & Indiana Terminal Railroad Company
Maine Central Railroad Company
Portland Terminal Company
Missouri-Kansas-Texas Railroad Company
Missouri Pacific Railroad Company, including the former Gulf District, C&EI RR. and T&P Ry.
Monongahela Railway Company
New Orleans Public Belt Railroad
*-New York, Susquehanna & Western Railroad
Norfolk & Western Railway Company
Peoria and Pekin Union Railway Company
Pittsburgh & Lake Erie Railroad Company
Richmond, Fredericksburg and Potomac Railroad Company
St. Louis-San Francisco Railway Company
St. Louis Southwestern Railway Company
Southern Pacific Transportation Company
(Pacific Lines and Texas and Louisiana Lines)
Southern Railway Company
Alabama Great Southern Railroad Company
Cincinnati, New Orleans and Texas Pacific Railway Company
Georgia Southern and Florida Railway Company
New Orleans Terminal Company
St. Johns River Terminal Company
Terminal Railroad Association of St. Louis
Texas Mexican Railway Company
Toledo, Peoria and Western Railroad
Union Pacific Railroad Company
Union Railroad Company (Pittsburgh)
Washington Terminal Company
Western Pacific Railroad Company

*-Subject to the approval of the Courts.

FOR THE BROTHERHOOD OF RAILROAD SIGNALMEN

/s/ R.T. Bates
President

FOR THE CARRIER

/s/ Charles I. Hopkins, Jr.
Chairman

Washington, DC
October 1, 1979
Mr. R. Thomas Bates,
President
Brotherhood of Railroad Signalmen
601 West Golf Road
Mount Prospect, Illinois 60056

Dear Mr. Bates:

This confirms our understanding that the Agreement dated November 30, 1979 for payroll deductions for political contributions is subject to the internal approval process of your Organization and, therefore, that the official date of the Agreement shall be the date on which the National Railway Labor Conference is notified by you that the approval process has been completed. That date shall start the 90-day period specified in paragraph No. 1 of the Agreement.

If this correctly states our understanding, please so signify below.

Yours very truly,

/s/ Charles I. Hopkins, Jr.
C. I. Hopkins, Jr.

I Concur:

/s/ R. T. Bates
President
Brotherhood of Railroad Signalmen
SECTION Z

From January 8, 1982 Agreement:

ARTICLE X — PERSONAL LEAVE

Section 1
A maximum of two days of personal leave will be provided on the following basis:
Employees who have met the qualifying vacation requirements during eight calendar years under vacation rules in effect on January 1, 1982 shall be entitled to one day of personal leave in subsequent calendar years;
Employees who have met the qualifying vacation requirements during seventeen calendar years under vacation rules in effect on January 1, 1982 shall be entitled to two days of personal leave in subsequent calendar years.

Section 2
(a) Personal leave days provided in Section 1 may be taken upon 48 hours’ advance notice from the employee to the proper carrier officer provided, however, such days may be taken only when consistent with the requirements of the carrier’s service. It is not intended that this condition prevent an eligible employee from receiving personal leave days except where the request for leave is so late in a calendar year that service requirements prevent the employee’s utilization of any personal leave days before the end of that year.
(b) Personal leave days will be paid for at the regular rate of the employee’s position or the protected rate, whichever is higher.
(c) The personal leave days provided in Section 1 shall be forfeited if not taken during each calendar year. The carrier shall have the option to fill or not fill the position of an employee who is absent on a personal leave day. If the vacant position is filled, the rules of the agreement applicable thereto will apply. The carrier will have the right to distribute work on a position vacated among other employees covered by the agreement with the organization signatory hereto.

Section 3
This Article shall become effective thirty (30) days after the date of this Agreement except on such carriers where the organization representative may elect to preserve existing local rules or practices pertaining to personal leave days and so notifies the authorized carrier representatives on or before such effective date.
Dear Mr. Bates:

The following examples are intended to demonstrate the intention of the parties concerning application of the qualifying requirements set forth in Article X — Personal Leave of the January 8, 1982 National Agreement:

**Example No. 1**
Employee “A” was hired during the calendar year 1974 and rendered compensated service on a sufficient number of days in such a year to qualify for a vacation in the year 1975. He also rendered compensated service on the required number of days in the years 1976 through 1981, but not during the year 1975.

This employee would not be entitled to one day of personal leave in the year 1982 because of not having met the qualifying vacation requirements during eight calendar years prior to January 1, 1982.

**Example No. 2**
Employee “B” also was hired during the calendar year 1974 and rendered compensated service on a sufficient number of days in such year to qualify for a vacation in the year 1975. He also rendered compensated service on the required number of days in each of the years 1975 through 1981.

This employee would be entitled to one day of personal leave in the year 1982 by virtue of having met the qualifying vacation requirements during eight calendar years prior to January 1, 1982.

**Example No. 3**
Employee “C” was hired during the calendar year 1973 and rendered compensated service on a sufficient number of days in such year to qualify for a vacation in the year 1974. He also rendered compensated service on the required number of days in the years 1974 through 1980, but not during the year 1981.

This employee, despite the fact that he did not render compensated service on the required number of days in the year 1981, would be entitled to one day of personal leave in the year 1982 by virtue of having met the qualifying vacation requirements during eight calendar years prior to January 1, 1982.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.
December 30, 1981

Mr. R. T. Bates
President
Brotherhood of Railroad Signalmen
601 West Golf Road
Mt. Prospect, Illinois 60056

Dear Mr. Bates:

This has reference to your letter dated December 23, 1981 concerning a question which has arisen regarding the provisions of Article X — Personal Leave of the tentative national agreement in relation to holiday qualifications — the specific question being whether a personal leave day taken either immediately preceding or following a holiday disqualifies an employee for holiday pay.

I believe that in a situation of this nature a reasonable and fair application would be to consider the work day (or day, in the case of an other than regularly assigned employee) immediately preceding or following the personal leave day as the qualifying day for holiday purposes.

This application is consistent with the agreed-upon questions and answers relative to application of the Bereavement Leave rule contained in the agreements entered into in the last round of negotiations, i.e., Question and Answer #4 reading as follows:

“Q-4: Will a day on which a basic day’s pay is allowed account bereavement leave serve as a qualifying day for holiday pay purposes?
“A-4: No; however, the parties are in accord that bereavement leave non-availability should be considered the same as vacation non-availability and that the first work day preceding or following the employee’s bereavement leave, as the case may be, should be considered as the qualifying day for holiday purposes.”

Very truly yours,
C. I. Hopkins, Jr.
Mr. R. T. Bates  
President  
Brotherhood of Railroad Signalmen  
601 West Golf Road  
Mt. Prospect, Illinois 60056  

Dear Mr. Bates:  

During the negotiations of the Agreement of this date we discussed situations where personal leave days are taken either immediately preceding or following a holiday.

This reconfirms our understanding that the work day (or day, in the case of an other than regularly assigned employee) immediately preceding or following the personal leave day is considered as the qualifying day for holiday purposes.

Please indicate your Agreement by signing your name in the space provided below.

Very truly yours,  

C. I. Hopkins, Jr.

I agree:

__________________________  
R. T. Bates
SECTION 2A
HOURS OF SERVICE AGREEMENT

MEMORANDUM OF UNDERSTANDING

The parties hereto agree that certain modifications to existing collectively bargained rules are desirable because of restrictions imposed by the Hours of Service Act, as amended by Public Law 94-348.

NOW, THEREFORE, IT IS AGREED:

1. The following provisions will apply to any employee who is required by the Carrier to perform service outside of his regularly assigned hours and because of such service is unable to work some or all of his regularly assigned hours because of restrictions contained in the Hours of Service Act, as amended by Public Law 94-348.
   (a) Provided the employee fulfills the obligations set forth in subparagraph (b), he will be compensated for his regularly assigned hours at the straight time rate of pay.
   (b) On any day on which application of the Hours of Service law would prevent an employee from performing work during some or all of his regularly assigned hours, the carrier will have the right without payment of additional compensation to temporarily extend the employee’s assigned quitting time to permit the employee to work a full 8 hours, provided that such extension shall not exceed one hour. The number of such extensions shall not exceed four in each calendar month. (Revised by Letter of Agreement of July 27, 1978)

2. In order to minimize situations in which an employee is prevented from working some or all of his regularly assigned hours because of restrictions contained in the Hours of Service Act, representatives of the Organization signatory hereto will cooperate with the individual carriers parties hereto in modifying other collectively bargained rules such as those governing starting times, meal periods, rights and obligations respecting calls, and assigned rest days.

3. This Memorandum of Understanding shall be effective on December 1, 1976 and shall continue in effect thereafter (subject to change in accordance with the Railway Labor Act, as amended) unless canceled pursuant to Item 3 of the letter dated November 19, 1976, from W. H. Dempsey to C. J. Chamberlain. In the event this Memorandum of Understanding is not canceled pursuant to such letter, the pay provisions of paragraph 1 of this Memorandum of Understanding will be applied retroactively to July 8, 1976 to claims either timely filed under the pertinent rules on each carrier or filed within 60 days from the effective date of this agreement.

SIGNED AT WASHINGTON, D.C. THIS 19TH DAY OF NOVEMBER, 1976.

For the employees represented by the
Brotherhood of Railroad Signalmen:
/s/ C. J. Chamberlain, President
/s/ R. T. Bates, Secretary-Treasurer
/s/ C. S. Chandler, Vice President
/s/ Melvin B. Frye, Vice President
/s/ J. T. Bass, Vice President
/s/ W. W. Altus, Jr., Vice President
/s/ John E. Platt, Vice President
/s/ W. D. Best, Vice President

For the Carriers listed in Exhibit A:
/s/ W. H. Dempsey, Chairman
/s/ C. A. Ball
/s/ C. F. Burch
/s/ T. C. DeButts
/s/ A. E. Egbers
/s/ G. L. Farr
/s/ G. H. Gilmer, Jr.
/s/ J. R. Jones
/s/ C. E. Mervine, Jr.
/s/ George S. Paul
/s/ Robert E. Upton
RAILROADS PARTIES TO MEMORANDUM OF UNDERSTANDING BETWEEN THE NATIONAL RAILWAY LABOR CONFERENCE AND REPRESENTATIVES OF THE BROTHERHOOD OF RAILROAD SIGNALMEN DATED NOVEMBER 19, 1976, EFFECTIVE DECEMBER 1, 1976, IN CONNECTION WITH MODIFICATION OF CERTAIN COLLECTIVELY BARGAINED RULES DUE TO RESTRICTIONS IMPOSED BY THE HOURS OF SERVICE ACT, AS AMENDED BY PUBLIC LAW 94-348.

This authorization is co-extensive with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Railroad Signalmen.

Akron, Canton & Youngstown Railroad Company
Alton & Southern Railway Company
Atchison, Topeka and Santa Fe Railway Company
Atlanta and West Point Rail Road Company — The Western Railway of Alabama
Baltimore and Ohio Railroad Company
Baltimore and Ohio Chicago Terminal Railroad Company
Bangor and Aroostook Railroad Company
Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company
*Boston and Maine Corporation
Burlington Northern Inc.
Central of Georgia Railroad Company
Central Vermont Railway, Inc.
Chesapeake and Ohio Railway Company
Chicago & Illinois Midland Railway Company
Chicago and North Western Transportation Company
Chicago and Western Indiana Railroad Company
Chicago, Milwaukee, St. Paul and Pacific Railroad Company
*Chicago, Rock Island and Pacific Railroad Company
Clinchfield Railroad Company
Consolidated Rail Corporation —
Ann Arbor Railroad
Boston Terminal Corporation
Former Central Railroad Company of New Jersey, New York and Long Branch Railroad
Former Dayton Union Railway
Former Erie Lackawanna Railway
Former Indianapolis Union Railway
Former Lehigh and Hudson River Railway
Former Lehigh Valley Railroad
Former Penn Central Transportation Company
Former Pennsylvania-Reading Seashore Lines
Former Reading Company
Delaware & Hudson Railway Company
Denver and Rio Grande Western Railroad Company
Denver Union Terminal Railway Company
Detroit & Toledo Shore Line Railroad Company
Detroit Terminal Railroad Company
Detroit, Toledo and Ironton Railroad Company
Duluth, Winnipeg and Pacific Railway
Elgin, Joliet and Eastern Railway Company
Fort Worth and Denver Railway Company
Galveston, Houston and Henderson Railroad Company
Georgia Railroad
Grand Trunk Western Railroad Company
Green Bay and Western Railroad Company
Houston Belt & Terminal Railway Company
Illinois Central Gulf Railroad
Indiana Harbor Belt Railroad Company
Joint Texas Division of CRI&P RR.—FW&D Ry.
Kansas City Southern Railway Company
    Louisiana & Arkansas Railroad Company
Kansas City Terminal Railway Company
Kentucky & Indiana Terminal Railroad Company
Louisville and Nashville Railroad Company
Maine Central Railroad Company
    Portland Terminal Company
Missouri-Kansas-Texas Railroad Company
Missouri Pacific Railroad Company (Including former The Texas and Pacific Railway
    Company and former Chicago and Eastern Illinois Railroad)
Monongahela Railway Company
New Orleans Public Belt Railroad
New Orleans Union Passenger Terminal
Norfolk and Western Railway Company
Peoria and Pekin Union Railway Company
Pittsburgh & Lake Erie Railroad Company, Lake Erie & Eastern Railroad Company
Richmond, Fredericksburg & Potomac Railroad Company
St. Louis-San Francisco Railway Company
St. Louis Southwestern Railway Company
Seaboard Coast Line Railroad Company
Soo Line Railroad Company
Southern Pacific Transportation Company —
    Pacific Lines, including former Pacific Electric Railway Company
    Texas and Louisiana Lines
Southern Railway Company
    Alabama Great Southern Railroad Company
    Cincinnati, New Orleans and Texas Pacific Railway Company
    Georgia Southern and Florida Railway Company
    New Orleans Terminal Company
    St. Johns River Terminal Company
Staten Island Railroad Corporation
Terminal Railroad Association of St. Louis
Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans
Toledo, Peoria and Western Railroad Company
Union Pacific Railroad Company
Union Railroad Company (Pittsburgh)
Washington Terminal Company
Western Maryland Railway Company
Western Pacific Railroad Company
*Subject to the approval of the Courts.

FOR THE BROTHERHOOD
OF RAILROAD SIGNALMEN:

C. J. Chamberlain

FOR THE CARRIERS:

W. H. Dempsey

Washington, D. C.,
January 12, 1977
SECTION 2B

From September 23, 1986 Agreement:

ARTICLE V — SENIORITY RETENTION

Section 1

Any employee who was promoted to an official, supervisory, or excepted position from the craft or class represented by the Brotherhood of Railroad Signalmen on or before the date of this Agreement, may elect to accumulate seniority within the craft or class represented by the Brotherhood of Railroad Signalmen. Such an employee who elects to accumulate seniority shall have ninety (90) days from the effective date of this Agreement to pay a fee no greater than the current quarter’s membership dues to the applicable local lodge. Thereafter he shall accumulate seniority so long as he pays a fee no greater than the current membership dues of his local lodge. In the event such an employee does not pay the required fees, the duly authorized representative of the Brotherhood of Railroad Signalmen shall so notify the designated carrier officer with a copy to the employee involved. An opportunity for a hearing and reinstatement similar to that provided a current employee represented by the Brotherhood of Railroad Signalmen shall be provided. If such promoted employee is not reinstated, he shall retain but cease to accumulate seniority in the craft or class represented by the Brotherhood of Railroad Signalmen.

Section 2

Any employee who is promoted to an official, supervisory, or excepted position from the craft or class represented by the Brotherhood of Railroad Signalmen subsequent to the date of this Agreement, may elect to retain and accumulate seniority within the craft or class represented by the Brotherhood of Railroad Signalmen so long as he pays a fee no greater than the current membership dues to the applicable local lodge. In the event such an employee fails to pay such fee, the duly authorized representative of the Brotherhood of Railroad Signalmen shall so notify the designated carrier officer with a copy to the employee involved. An opportunity for a hearing and reinstatement similar to that provided a current employee represented by the Brotherhood of Railroad Signalmen shall be provided. If such promoted employee is not reinstated, his seniority in the craft or class represented by the Brotherhood of Railroad Signalmen shall be terminated and his name shall be removed from the appropriate seniority roster.

Section 3

This Article shall become effective on the date of this Agreement except on such carriers where the organization representative may elect to preserve existing rules pertaining to employees retaining seniority after promotion to an official, supervisory, or excepted position and so notifies the authorized carrier representative within thirty (30) days following the date of this Agreement.
September 23, 1986

Mr. R. T. Bates
President
Brotherhood of Railroad Signalmen
601 West Golf Road
Mr. Prospect, Illinois 60056

Dear Mr. Bates:

This refers to paragraph 1 of Article V of the Agreement of this date, specifically the last sentence thereof, which states that a promoted employee who does not remit the appropriate fees shall retain but not accumulate seniority.

What the parties intend is that in the event this situation occurs, a promoted employee’s seniority will cease to accumulate and subsequent seniority rosters will reflect an amount of seniority corresponding to the amount possessed at the time accumulation of seniority ceases in each classification. For example, a promoted employee has 20 years and 4 months in the Signalmen’s classification and 18 years and 2 months in the Foreman’s classification. He shall be shown on subsequent rosters in a manner to reflect the fact that he retains 20 years and 4 months of seniority in the Signalmen’s classification and 18 years and 2 months in the Foreman’s classification.

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

Very truly yours,
C. I. Hopkins, Jr.

I agree:

R. T. Bates
SECTION 2C

From September 23, 1986 Agreement:

ARTICLE III — RATE PROGRESSION — NEW HIRES

Article XI of the January 8, 1982 National Agreement and all other local rules governing entry rates are eliminated and the following provisions are applicable:

Section 1 — Service First 60 Months

Employees entering service on and after the effective date of this Article on positions covered by an agreement with the organization signatory hereto shall be paid as follows for all service performed within the first sixty (60) calendar months of service:

(a) For the first twelve (12) calendar months of employment, new employees shall be paid 75 percent of the applicable rates of pay (including COLA).

(b) For the second twelve (12) calendar months of employment, such employees shall be paid 80 percent of the applicable rates of pay (including COLA).

(c) For the third twelve (12) calendar months of employment, such employees shall be paid 85 percent of the applicable rates of pay (including COLA).

(d) For the fourth twelve (12) calendar months of employment, such employees shall be paid 90 percent of the applicable rates of pay (including COLA).

(e) For the fifth twelve (12) calendar months of employment, such employees shall be paid 95 percent of the applicable rates of pay (including COLA).

(f) Employees who have had an employment relationship with the carrier and are rehired will be paid at established rates after completion of a total of sixty (60) months’ combined service.

(g) Service in a craft not represented by the organization signatory hereto shall not be considered in determining periods of employment under this rule.

(h) Employees who have had a previous employment relationship with a carrier in a craft represented by the organization signatory hereto and are subsequently hired by another carrier shall be covered by this Article, as amended. However, such employees will receive credit toward completion of the sixty (60) month period for any month in which compensated service was performed in such craft provided that such compensated service last occurred within one year from the date of subsequent employment.

(i) Any calendar month in which an employee does not render compensated service due to furlough, voluntary absence, suspension, or dismissal shall not count toward completion of the sixty (60) month period.

(j) The reduced rates provided by this Article are not applicable to apprentices (assistants) or employees of the rank of signal mechanic (other than upgraded) or above.

Section 2 — Preservation of Lower Rates

Agreements which provide for training or other reduced rates that are lower than those provided for in Section 1 are preserved. If such agreements provide for payment at the lower rate for less than the first sixty (60) months of actual service, Section 1 of this Article will be applicable during any portion of that period in which such lower rate is not applicable.
Section 3 — Savings Provision

This Article shall become effective 15 days after the date of this Agreement except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representative on or before such effective date.

NATIONAL RAILWAY LABOR CONFERENCE
1901 L. Street, N. W., Washington, D. C. 20036 / AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman &
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

Mr. R.T. Bates
President
Brotherhood of Railroad Signalmen
601 West Golf Road
Mt. Prospect, Illinois 60056

Dear Mr. Bates:

This refers to the discussion during negotiation of Article III - Rate Progression - of the Agreement of this date in connection with coverage of upgraded signalmen and signal maintainers.

This confirms our understanding that entry rates do not apply to assistant signalmen or other employees while in a training program already containing step rates during specified periods of training, nor to such employees who are forced by agreement rules to accept positions as signalmen or signal maintainers before completion of such program.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

__________________________
R. T. Bates
Mr. V. M. Speakman  
President  
Brotherhood of Railroad Signalmen  
601 West Golf Road  
Mt. Prospect, Illinois 60056  

Dear Mr. Speakman:

This confirms our understanding that entry rates do not apply to assistant signalmen or other employees while in a training program already containing step rates during specified periods of training, nor to such employees who are forced by agreement rules to accept positions as signalmen or signal maintainers before completion of such program.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

V. M. Speakman
SECTION 2D

From September 23, 1986 Agreement:

ARTICLE IV — TERMINATION OF SENIORITY

The seniority of any employee whose seniority under an agreement with BRS is established after the date of this Agreement and who is furloughed for 365 consecutive days will be terminated if such employee has less than three (3) years of seniority.

The “365 consecutive days” shall exclude any period during which a furloughed employee receives compensation pursuant to an I.C.C. employee protection order or an employee agreement or arrangement.

This Article shall become effective 15 days after the date of this agreement except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representative on or before such effective days.
SECTION 2E

ARBITRATION AGREEMENT - NOVEMBER 24, 1992

Preface

The following Agreement is the result of final and binding arbitration conducted by the Joint Skill Adjustment Study Committee pursuant to Article V of the June 4, 1991 National Agreement. In accordance with Article V, Section 2 of the National Agreement, this Arbitrated Agreement is binding on the Brotherhood of Railroad Signalmen and National Carriers’ Conference Committee and shall be implemented as specified by the terms herein.

SECTION 1. Employees assigned to positions of Signalman/Mechanic and above shall receive a differential of $.65 (sixty-five cents) per hour beginning January 1, 1993, when performing the work, duties, or tasks (hereinafter referred to as “skill differential work”) listed below:

(a) Maintenance, testing, troubleshooting, adjustment, repair of electronic systems (as defined in Appendix A).
(b) Maintenance, testing, troubleshooting, adjustment, repair of electro-mechanical systems (as defined in Appendix A).
(c) Maintenance, testing, troubleshooting, adjustment, repair of electrical functions of signal systems (as defined in Appendix A).
(d) Maintenance, testing, troubleshooting, adjustment, repair of high voltage electrical distribution systems (higher than 600 volts).
(e) Required periodic testing of signal systems and testing in connection with cutovers and system disarrangement (as defined in Appendix A).
(f) Wiring (as defined in Appendix A).
(g) Supervising or instructing employees in the work, duties or tasks listed in subsections (a) through (f), above.

SECTION 2. The differential provided under Section 1 will not become part of the basic rate and will not be subject to general wage increases scheduled under the June 4, 1991 National Agreement and thereafter, unless agreed to by the parties. The differential rate will remain the same regardless of whether the skill differential work is performed during or outside regular assigned hours. There will be no compounding or pyramid ing of the differential.

SECTION 3. The following will govern the application of the differential provided under Section 1:

(a) The senior employee(s) of a gang or group of employees working together shall have preference to the assignment of skill differential work. If the supervisory employee directing the work of a gang or group of employees and responsible for delegating the assignment of skill differential work determines that the senior employee(s) lack sufficient experience or qualification to perform certain skill differential work, the senior employee(s) may: (1) request any necessary training and instruction be promptly provided while on duty, along with a reasonable opportunity while on duty to qualify for such skill differential work; or, (2) submit within two (2) working days a written request to the designated carrier officer for a practical test to be conducted jointly by the carrier and a representative of the Brotherhood of Railroad Signalmen. The written request may be submitted after two (2) working days, but not later than twenty (20) working days, and the joint test shall be conducted, but, the employee will not be entitled to reimbursement for lost skill differential work for any time past the expiration of the two (2) day period.
An employee successfully demonstrating the ability to perform the skill differential work under the provisions of Option (2) above will be considered qualified to perform such skill differential work for purposes of future assignments and will be reimbursed for all differential payments lost as a result of initial disqualification, except as specified in the last sentence of the preceding paragraph.

An employee provided training and instruction under Option (1) above who successfully demonstrates the ability to perform the skill differential work will then be considered qualified to perform such skill differential work for purposes of future assignments. An employee provided training and instruction under Option (1) above along with an opportunity to qualify for such skill differential work, and who remains disqualified from performing the skill differential work, and who considers such disqualification unjustified, may, within five (5) working days after notice of such disqualification, submit written request to the designated carrier officer for a practical test to be conducted jointly by the carrier and a representative of the Brotherhood of Railroad Signalmen. An employee successfully demonstrating the ability to perform the skill differential work under these provisions will be considered qualified to perform such work for purposes of future assignments.

(b) Employees in training for positions of Signalman/Mechanic and above may be required and/or allowed to perform skill differential work to facilitate on-the-job training, providing that any senior employee(s) relinquishing or denied the right to perform such skilled work shall be paid the differential for all time such work is performed by the employee(s) in training.

(c) Employees assigned to positions of Signalman/Mechanic and above, other than employees in training, shall be paid the differential provided in Section 1 for the period of time actually performing the skill differential work with a minimum of one (1) hour per day. An employee performing skill differential work for more than four (4) hours during an eight (8) hour shift shall receive the differential for the entire shift. The total time devoted to performing skill differential work during a shift will be combined for computing payment under this section.

(d) During an initial three-month evaluation period of January, February and March of 1993, all employees assigned to positions of Signalman/Mechanic and above will record the time devoted to performing skill differential work. At the conclusion of the initial evaluation period, the following two items will be added separately for each position of Signalman/Mechanic and above: (1) the total time worked; and, (2) the total time for which the differential has been applied to the position less any time in excess of two hours for which the differential was paid for non-skill differential work pursuant to the second sentence of Section 3(c). If item (2) is more than fifty percent of item (1), the position will thereafter be designated as a position for which the differential will be applied for all hours actually worked, and will be so designated on subsequent bulletins advertising the position.

When it is established that there has been a material change in the equipment or duties assigned to a position of Signalman/Mechanic or above, the employee assigned to the affected position or the employee’s immediate supervisor may request that a three month evaluation be conducted on the same basis as the initial three-month period, to determine the proper application of the differential.

When a railroad establishes a new position, the position shall be subject to a three month evaluation period on the same basis as the initial three month period, to determine the proper application of the differential.

(e) Where a particular task involves skill differential work as listed herein, commingled with other work for which a differential does not apply, the differential will apply for the entire time engaged in the particular task.

(f) Employees performing skill differential work shall record the time required to perform such work. The carrier shall provide appropriate forms for use in recording the time and the skill differential work performed. The carrier shall allow reasonable time during regular assigned hours for recording and completing the necessary reports.
(g) Work, not covered by Section 1, involving new or advanced technology, shall be identified and, by agreement of the parties, added to the list of skill differential work.

**SECTION 4.** This agreement is limited to the matter of adjusting the wages of Signalmen/Mechanics and above in accordance with Article V of the June 4, 1991 National Agreement. The provisions herein will not be cited by either party with respect to the interpretation or application of any existing rules or practices.

**SECTION 5.** Any disputes arising out of the application of this agreement, which the parties are unable to resolve, will be adjudicated by a Special Board of Adjustment established by agreement of the parties, or if the parties agree in writing, by the Joint Skill Adjustment Study Committee.

Certified and Effective on the 24th day of November, 1992 by John B. LaRocco, Chairman of the Joint Skill Adjustment Study Committee.
APPENDIX A

SIGNAL SYSTEM - Railway systems recognized as signal systems utilized in the safe operation of trains, such as, but not limited to: automatic block systems, traffic control systems, interlockings, control points, highway grade crossing warning systems, train inspection devices and code systems.

CUTOVER - Placing in service new signal systems and equipment, and/or testing a disarranged signal system.

ELECTRONIC SYSTEMS - Components of a signal system or communication system that utilize electronic circuitry for operation, such as, but not limited to: highway crossing speed predictors, audio frequency overlay track circuits, electronic track circuits, microprocessor interlockings, and hot bearing detectors.

ELECTRO-MECHANICAL - Devices that combine electromagnetics and mechanical moving parts, such as, but not limited to: gate mechanisms, power switch machines, electric locks, mechanical interlocking machines with lock magnets, retarder operating mechanisms and semaphore signals. Pneumatic and hydraulic operated equipment of the same applications will be considered equivalent for purposes of this definition.

REQUIRED PERIODIC TESTING - System function and safety testing required by the Federal Railroad Administration or railroad rules, standards and instructions. Requires documentation of test.

WIRING - Installation of new wiring or changes to existing wiring when either of such wiring requires the reading and analyzing of circuit plans over and above assembly from the plan.
Article V of the June 4, 1991 National Signalmen’s Agreement provided for establishment of a Committee that was “charged with the responsibility of determining if skill adjustments are appropriate for Signalman/Mechanic and above.” A Joint Skill Committee of Brotherhood of Railroad Signalmen, Railroad Managers, and an Arbitrator were chosen to conduct the study and negotiate or arbitrate a decision. The Joint Skill Committee was unable to reach an agreement through the mediation process. The neutral arbitrator then invoked binding arbitration, asserting his authority to make the final decision. That decision is the “Arbitrated Agreement of November 24, 1992,” (Arbitrated Agreement) which defines the guidelines for the “Skill Differential Pay.” A copy of the Arbitrated Agreement is attached to these instructions.
On February 26, 1993, the parties entered into an agreement establishing a procedure for developing interpretations and uniform instructions for implementing the Arbitrated Agreement. Matters on which the parties were unable to reach agreement were submitted to a third party arbitrator for final and binding resolution. On July 30, 1993, the arbitrator issued his determinations on the questions submitted by the parties.

The National Uniform Instructions presented here are based on those matters previously agreed to by the parties and the matters determined by the arbitrator. These instructions will become effective September 1, 1993, and will supersede previous instructions.

In accordance with Section 3(d) of the Arbitrated Agreement, following an initial evaluation period of January, February and March of 1993, there was to be a determination of those positions of Signalman/Mechanic and above to be designated as positions for which the differential would be applied for all hours worked. In accordance with the agreement reached on February 26, 1993, if an affected carrier or an employee believes that a position’s designation from the initial evaluation period is not consistent with the National Uniform Instructions, an additional 30-day evaluation will be conducted. An employee seeking an additional evaluation for a position will be required to furnish the designated carrier officer with a written outline of the basis for the new evaluation. A carrier seeking an additional evaluation for a position will be required to furnish the employee assigned to the position and his authorized BRS representative with a written outline of the basis for the new evaluation.

It is the intent of the parties that additional evaluations will be conducted during the month of October 1993. Evaluations may be conducted at a later date if the change is agreed to by the carrier and the authorized BRS representatives of affected employees.

The standards outlined in Section 3(d) of the Arbitrated Agreement will be applied in reaching determinations on the designation of positions in any additional evaluation period.

Section 1

Section 1 of the Arbitrated Agreement provides that employees assigned to positions of Signalman/Mechanic and above are to be paid a differential of $.65 (sixty-five cents) per hour beginning January 1, 1993, when performing the work, duties or tasks listed below:

(a) Maintenance, testing, troubleshooting, adjustment, repair of electronic systems.

Electronic Systems is defined as: Components of a signal system or communication system that utilize electronic circuitry for operation, such as, but not limited to: highway crossing speed predictors, audio frequency overlay track circuits, electronic track circuits, microprocessor interlockings, and hot bearing detectors.

(b) Maintenance, testing, troubleshooting, adjustment, repair of electro-mechanical systems.

Electro-mechanical is defined as: Devices that combine electromagnetics and mechanical moving parts, such as, but not limited to: gate mechanisms, power switch machines, electric locks, mechanical interlocking machines with lock magnets, retarder operating mechanisms and semaphore signals. Pneumatic and hydraulic operated equipment of the same applications will be considered equivalent for purposes of this definition.

(c) Maintenance, testing, troubleshooting, adjustment, repair of electrical functions of signal systems.

Signal System is defined as: Railway systems recognized as signal systems utilized in the safe operation of trains, such as, but not limited to: automatic block systems, traffic control systems, interlockings, control points, highway grade crossing warning devices, train inspection devices and code systems.
(d) Maintenance, testing, troubleshooting, adjustment, repair of high voltage electrical distribution systems (higher than 600 volts).
(e) Required periodic testing of signal systems and testing in connection with cutovers and system disarrangement.
Required Periodic Testing is defined as: System function and safety testing required by the Federal Railroad Administration and/or railroad rules, standards and instructions. Requires documentation of test.
Cutover is defined as: Placing in service new signal systems and equipment, and/or testing a disarranged signal system.
(f) Wiring.
Wiring is defined as: Installation of wiring or changes to existing wiring when either of such wiring requires the reading and analyzing of circuit plans over and above assembly from the plan.
(g) Supervising or instructing employees in the work, duties or tasks listed in subsections (a) through (f), above.

In the application of this Section, the following will apply:
1. The differential is applicable to all skill differential work performed by an employee, regardless of whether such work is performed on straight time or overtime.
2. The differential is applicable to the actual time spent by an employee in performing skill differential work. If a skill differential task requires time in addition to a specific time allocation established by a railroad for performing the task, the differential will apply for the entire time required to complete such task.
3. The differential is applicable only to the time actually worked by an employee, regardless of whether the employee is paid an hourly or monthly rate. For example, if an employee’s rate is based on 213 hours per month and the employee actually works 176 hours in a particular month, the differential would be applicable for no more than 176 hours.
4. The differential is applicable to skill differential work performed by a monthly rated employee outside regular assigned hours, even if the employee receives no additional compensation for such service under the monthly rate.
5. When an employee covered by a Brotherhood of Railroad Signalmen agreement performs work on a communications system and such work meets the Arbitrated Agreement’s definition of skill differential work, the employee shall be paid the differential for such work.
6. Maintenance, testing, troubleshooting, adjustment and repair of devices as defined in Sections 1(a),(b),(c) and (d) of the Arbitrated Agreement is skill differential work wherever performed, regardless of whether such systems’ devices and/or component parts are in active service.
7. Wiring is skill differential work, but only if it is in connection with working circuits and requires the reading and analyzing of circuit plans over and above assembly from the plan.
8. If two or more qualified employees are working together in a group on the same task and each employee is performing skill differential work, the differential shall be paid to each Signalman/Mechanic and above in the group.
9. An employee who lacks sufficient experience or qualification to perform certain skill differential work and requests any necessary training and instruction pursuant to Option 1 of Section 3(a), or is assigned to such training in accordance with applicable schedule rules and agreements, is not entitled to the differential for that work until he/she successfully demonstrates the ability to perform the skill differential work involved. An employee in training pursuant to Option 1 may submit a written request to the designated carrier’s officer for a practical test to be conducted jointly by the carrier and a
representative of the BRS. Once an employee in training successfully demonstrates the ability to perform the skill differential work involved, he/she will be considered qualified for the purposes of such future assignments and will be paid the differential for all time such work was performed in training commencing the first day of work following his/her written request for a practical test.

1.10 Installation of the systems listed in Items (a) through (d) in Section 1 of the Arbitrated Agreement is not skill differential work, but if Section 3(e) of the Arbitrated Agreement applies, then such work is subject to payment of the differential.

1.11 The following are some other examples of work that is not skill differential work, but if Section 3(e) of the Arbitrated Agreement applies, then such work is subject to payment of the differential:

(a) Manually activating switch heaters.
(b) Starting generators.
(c) Graphiting switch plates.
(d) Locating underground cable with electronic detectors.
(e) Waiting for track time.
(f) Digging a trench.
(g) Placing conduit in trench.
(h) Pulling wire in through conduit.
(i) Filling out skill differential survey forms.
(j) Training time in Signal School.
(k) Fabrication of slide protection fence detectors.
(l) Construction projects such as digging footings, pouring concrete, constructing housings, and installing cable.

Section 2

In the application of this Section, the following will apply:

2.1 The differential rate is fixed at $.65 per hour for skill differential work and is not increased when such work is performed by an employee outside of regular assigned hours at a premium rate (e.g., overtime or double time).

Section 3

In the application of this Section, the following will apply:

3(a).1 An employee who fails to qualify for a particular skill differential work assignment under Option 1 or 2 of Section 3(a) may, after one year and upon providing evidence of receiving additional training or instruction on that work, request that a practical test for the particular task be conducted by the Carrier and a representative of the BRS.

Section 3(c)

3(c).1 A shift is a regularly assigned tour of duty for a position and may, for example, be of eight, 10 or 12 hours in length. In effect, it is the employee’s regularly assigned workday.

3(c).2 An employee who performs skill differential work for more than half of a shift is to be paid the differential for the entire shift. For example, an employee whose regular assigned work day is ten hours, is entitled to the differential for the entire shift when the employee performs more than five hours of skill differential work.

3(c).3 The skill differential time added under the provisions of the second sentence of Section 3(c) is defined as “bonus time.” Such bonus time applies only to a position’s regularly assigned shift. When an employee performs work outside of the regularly assigned hours, including rest days, the skill differential is to be paid only for the actual time the employee performs skill differential work. An employee filling a temporary vacancy/protecting another position shall be treated as if he/she were the incumbent of the position.
3(c).4 Skill differential work that is performed on an intermittent basis on one or more tasks during a day shall be combined and the differential shall be applicable to all such time, with a minimum payment of one hour that day, inclusive of all differential earned for work performed outside of the regularly assigned hours.

Some examples of application of the above:
- An employee who works five hours during his regular eight-hour shift performing skill differential work and also works overtime for another 30 minutes performing skill differential work, would be paid the differential for eight hours and 30 minutes.
- An employee works his regular eight-hour shift and two hours overtime for a total of 10 hours. During his regular shift he performs 4.5 hours of skill differential work and no skill differential work on overtime. The employee would be paid the differential for eight hours.
- An employee called for overtime work on his rest day performs skill differential work for 3.5 hours out of a total of six hours worked. The employee would be paid the differential for 3.5 hours.
- An employee whose assigned hours are 7:00 a.m. to 4:00 p.m., with a one-hour lunch period, reports to work at 9:00 a.m. because he is not rested under the Hours of Service Law prior to that time. The employee performs five hours of skill differential work during the six hours worked. The employee would be paid the differential for six hours.
- An employee assigned on his rest day to fill a temporary vacancy performs skill differential work for five hours during a regular eight-hour shift. The employee would be paid the differential for eight hours.
- An employee called on a rest day to perform emergency service works a total of 12 hours. During the first eight hours, the employee performs five hours of skill differential work and during the remaining four hours, performs two more hours of skill differential work. Since the employee is not working a regular shift under these conditions the employee would be paid the differential for the time spent performing skill differential tasks; i.e., seven hours.
- An employee who performs skill differential work for 30 minutes during his regular shift, then works overtime and performs another 15 minutes of skill differential work, would be paid one hour minimum differential for work performed during that day.
- When aggregate intermittent skill differential work time does not exceed one hour, the differential is payable for one hour.
- When aggregate skill differential work time during a shift is greater than one hour but does not exceed one-half of the total hours comprising the shift, the differential is payable for the total actual time performing skill differential work.
- When an employee performs skill differential work for more than half of a shift, the differential is to be paid for the entire shift.

3(c).5 An employee performing skill differential work outside of regularly assigned hours, who is called under established agreement provisions for overtime calls, will be paid the skill differential for the time actually worked. For example, when an employee performs one hour of work and under an established call rule receives payment for 2.7 hours, the skill differential is to be paid for the one hour actually worked, subject to the one-hour minimum provided in the first sentence of Section 3(c) of the Arbitrated Agreement.

Section 3(d)

3(d).1 Training and participation in carrier-sponsored committees, e.g., safety, training and quality, are routine parts of one’s position. Formal training of more than two consecutive full working days, however, shall not be considered as hours worked for the purposes of Section 3(d) of the Arbitrated Agreement. If, during the period of formal
training, the position is temporarily filled by another employee, the hours worked by that employee on the position shall be counted and attributed to the position filled.

3(d).2 Time paid for but not worked is not included in calculating the total time under Section 3(d).

3(d).3 For purposes of Section 3(d), bonus time as defined in the second sentence of Section 3(c) shall be reduced by up to half of such time allowed for a shift, regardless of the length of the shift. For example, an employee who works a 10-hour shift that includes five hours and ten minutes of skill differential time receives bonus time of four hours and 50 minutes. That bonus time would be reduced by two hours and twenty-five minutes for purposes of determining the total time for which the differential has been applied to a position during the evaluation period.

3(d).4 In calculating the qualifying time under Section 3(d) of the Arbitrated Agreement, time worked beyond a position’s bulletined geographical limits or off the incumbent’s assigned territory is not included in the qualifying time for purposes of position evaluation if the incumbent is being used to replace an employee assigned to that other territory. In such case, the time worked shall be attributed to the position being replaced rather than the employee’s regular position. If the incumbent is used to supplement the forces on a territory other than his/her own, such time will be included in the qualifying time of the incumbent’s position for the purposes of position evaluation. Skill differential work on overtime which is attached to the position being evaluated is counted.

3(d).5 A Signalman from a gang who is assigned to protect another position would have any time spent performing skill differential work applied to the position he is protecting, since the employee is “on that position.”

3(d).6 An employee who performs skill differential work shall be paid the differential in accordance with the Arbitrated Agreement and the Instructions herein, irrespective of whether such work is on a territory that is not included in the employee’s regular assignment.

3(d).7 An employee or supervisor seeking to establish that there has been a material change in the equipment or duties assigned to a position that would affect qualification for application of the differential for all hours worked shall provide documentation of the change and a written statement outlining the effect of the change in the application of the skill differential.

3(d).8 When it is established that there has been a material change in the equipment or duties assigned to a position and it is determined that an evaluation will be conducted, a position previously designated as one for which the differential will apply for all hours actually worked will continue in that status for the term of the evaluation.

3(d).9 The designation of a position as one which qualifies for application of the differential to all hours actually worked attaches to the position rather than the particular individual assigned to the position. When a particular individual is displaced from a position or vacates the position for some other reason, the position retains its designation.

3(d).10 An employee assigned to a position of Signalman/Mechanic and above, which is not designated under Section 3(d) as one for which the differential will be applied for all hours actually worked, will continue to receive the differential for the actual time the employee performs skill differential work during and following an evaluation period.

3(d).11 The Arbitrated Agreement does not require a position to be readvertised by reason of its designation under Section 3(d) as one for which the differential will be applied for all hours actually worked. The applicable collective bargaining agreement shall govern whether readvertisement of such positions is required.
Section 3(e)

3(e).1 Definition of “a particular task” as used in Section 3(e): “Any one of the tasks set forth in Section 1 (a) through (f) for which payment of the differential applies.”

3(e).2 In the application of Section 3(e), the differential is applicable to a particular task, as defined in 3(e).1, if the task involves both skill differential work and other work without regard for which type of work makes up the greater part of the task.

3(e).3 “Commingled” as used in this Section is work to which the differential does not apply that is performed between the time the employee starts and finishes work on “a particular task.” Traveling to and from the point where the task is to be performed is not “commingled” work, whereas traveling between the start and finish of the task work, e.g. trouble shooting/track circuit work that is directly associated with performance of such tasks, is “commingled” work.

The following are other examples:

- An employee dispatched to fix signal malfunctions drives a truck one hour to get to the problem. He spends one hour troubleshooting, one hour digging in a wire and driving truck to set shunts and one more hour finishing job. He then drives the truck one hour back to the point of origin. Total time out is five hours. The differential would be paid for the three hours at the trouble site. The two hours of driving time to and from the work site is not “commingled” work.

- An employee is called out after regular work hours to check on a red signal reported by the dispatcher. He drives for 30 minutes to the site, troubleshoots the track for an hour and finds a broken rail; he suspends work for two hours until the Track Department arrives to fix the broken rail. The employee spends 30 minutes bonding and checking signal circuits and then spends 30 minutes driving home. While the total time out is 4.5 hours, the employee is paid one and one-half hours differential for the troubleshooting and repairing/testing. The time spent driving and suspending work is not “commingled” work.

- An employee arrives at a grade crossing to check and test crossing warning signals. He checks and tests warning signals at Crossing “A.” Crossing “B” is affected through common circuits with Crossing “A,” and the employee drives from “A” to “B.” The total time working on “A” and “B,” plus driving time between “A” and “B,” amounts to two hours. This is “commingled” work and the differential would be paid for this time.

Section 3(f)

3(f).1 Carriers are required to provide appropriate forms for use in recording the time and skill differential work performed.

3(f).2 Section 3(f) requires employees to record skill differential work that they perform and the time required to perform such work, but does not require them to record other work or time. However, the carrier may require employees to furnish information in connection with work performed on their assignments, such as, but not limited to, “commingled” work.

3(f).3 Section 3(f) does not require the recording of time in specific increments.

These instructions are subject to Section 4 of the Arbitrated Agreement, which provides as follows:

“SECTION 4. This agreement is limited to the matter of adjusting the wages of Signalmen/Mechanics and above in accordance with Article V of the June 4, 1991 National Agreement. The provisions herein will not be cited by either party with respect to the interpretation or application of any existing rules or practices.”

Signed in Washington, D.C., this 16th day of August, 1993
FOR THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE:
/s/ C. I. Hopkins, Jr.
Chairman

FOR THE BROTHERHOOD OF RAILROAD SIGNALMEN:

/s/ W. D. Pickett
President
Section 1

(a) Effective January 1, 2000, skill differentials originating pursuant to the terms of Article V of the June 4, 1991 National Agreement, shall be adjusted to provide for payment of a skill allowance of $.85 per hour for all hours worked for all employees assigned to a position of Signalman/Mechanic and above.

(b) Effective January 1, 2000, employees who have or subsequently attain three (3) years' experience in positions of Signalman/Mechanic shall be paid the skill allowance for all hours worked. Employees assigned to positions other than construction signalmen shall be paid the aforementioned skill allowance for all hours worked, regardless of length of service.
Mr. W.D. Pickett, President  
Brotherhood of Railroad Signalmen  
601 W. Golf Road, P.O. Box U  
Mount Prospect, IL  60056

Dear Mr. Pickett:

  This confirms our understanding regarding the application of Article VI of the Agreement.

  Effective January 1, 2000, the local agreements then in effect on carriers identified in Exhibit A of the Agreement will expire and the provisions of Article VI will govern the application of skill differentials on such carriers.

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

Very truly yours,

/s/ Robert F. Allen

I agree:

/s/ W. D. Pickett
Article V of the June 4, 1991 National Signalmen’s Agreement provided for establishment of a Committee that was “charged with the responsibility of determining if skill adjustments are appropriate for Signalman/Mechanic and above.” A Joint Skill Committee of Brotherhood of Railroad Signalmen, Railroad Managers, and an Arbitrator were chosen to conduct the study and negotiate or arbitrate a decision. The Joint Skill Committee was unable to reach an agreement through the mediation process. The neutral arbitrator then invoked binding arbitration, asserting his authority to make the final decision. That decision is the “Arbitrated Agreement of November 24, 1992,” (Arbitrated Agreement) which defines the guidelines for the “Skill Differential Pay.” A copy of the Arbitrated Agreement is attached to these instructions.

On February 26, 1993, the parties entered into an agreement establishing a procedure for developing interpretations and uniform instructions for implementing the Arbitrated Agreement. Matters on which the parties were unable to reach agreement were submitted to a third party arbitrator for final and binding resolution. On July 30, 1993, the arbitrator issued his determinations on the question submitted by the parties.

The National Uniform Instructions presented here are based on those matters previously agreed to by the parties and the matters determined by the arbitrator. These instructions will become effective September 1, 1993, and will supersede previous instructions.

In accordance with Section 3(d) of the Arbitrated Agreement, following an initial evaluation period of January, February and March of 1993, there was to be a determination of those positions of Signalman/Mechanic and above to be designated as positions for which the differential would be applied for all hours worked. In accordance with the agreement reached on February 26, 1993, if an affected carrier or an employee believes that a position’s designation from the initial evaluation period is not consistent with the Uniform National Instructions, an additional 30-day evaluation will be conducted. An employee seeking an additional evaluation for a position will be required to furnish the designated carrier officer with a written outline of the basis for the new evaluation. A carrier seeking an additional evaluation for a position will be required to furnish the employee assigned to the position and his authorized BRS representative with a written outline of the basis for the new evaluation.

It is the intent of the parties that additional evaluations will be conducted during the month of October 1993. Evaluations may be conducted at a later date if the change is agreed to by the carrier and the authorized BRS representatives of affected employees.

The standards outlined in Section 3(d) of the Arbitrated Agreement will be applied in reaching determinations on the designation of positions in any additional evaluation period.

Section 1

Section 1 of the Arbitrated Agreement provides that employees assigned to positions of Signalman/Mechanic and above are to be paid a differential of $.65 (sixty-five cents) per hour beginning January 1, 1993, when performing the work, duties or tasks listed below:

(a) Maintenance, testing, troubleshooting, adjustment, repair of electronic systems.
Electronic Systems is defined as: Components of a signal system or communication system that utilize electronic circuitry for operation, such as, but not limited to: highway crossing speed predictors, audio frequency overlay track circuits, electronic track circuits, microprocessor interlockings, and hot bearing detectors.

(b) Maintenance, testing, troubleshooting, adjustment, repair of electro-mechanical systems.
Electro-mechanical is defined as: Devices that combine electro-magnetics and mechanical moving parts, such as, but not limited to: gate mechanisms, power switch machines, electric locks, mechanical interlocking machines with lock magnets, retarder operating mechanisms and semaphore signals. Pneumatic and hydraulic operated equipment of the same applications will be considered equivalent for purposes of this definition.

(c) Maintenance, testing, troubleshooting, adjustment, repair of electrical functions of signal systems.
Signal System is defined as: Railway systems recognized as signal systems utilized in the safe operation of trains, such as, but not limited to: automatic block systems, traffic control systems, interlockings, control points, highway grade crossing warning devices, train inspection devices and code systems.

(d) Maintenance, testing, troubleshooting, adjustment, repair of high voltage electrical distribution systems (higher than 600 volts).

(e) Required periodic testing of signal systems and testing in connection with cutovers and system disarrangement.
Required Periodic Testing is defined as: System function and safety testing required by the Federal Railroad Administration and/or railroad rules, standards and instructions. Requires documentation of test.
Cutover is defined as: Placing in service new signal systems and equipment, and/or testing a disarranged signal system.

(f) Wiring.
Wiring is defined as: Installation of wiring or changes to existing wiring when either of such wiring requires the reading and analyzing of circuit plans over and above assembly from the plan.

(g) Supervising or instructing employees in the work, duties or tasks listed in subsections (a) through (f), above.

In the application of this Section, the following will apply:

1.1 The differential is applicable to all skill differential work performed by an employee, regardless of whether such work is performed on straight time or overtime.

1.2 The differential is applicable to the actual time spent by an employee in performing skill differential work. If a skill differential task requires time in addition to a specific time allocation established by a railroad for performing the task, the differential will apply for the entire time required to complete such task.
1.3 The differential is applicable only to the time actually worked by an employee, regardless of whether the employee is paid an hourly or monthly rate. For example, if an employee's rate is based on 213 hours per month and the employee actually works 176 hours in a particular month, the differential would be applicable for no more than 176 hours.

1.4 The differential is applicable to skill differential work performed by a monthly rated employee outside regular assigned hours, even if the employee receives no additional compensation for such service under the monthly rate.

1.5 When an employee covered by a Brotherhood of Railroad Signalmen agreement performs work on a communications system and such work meets the Arbitrated Agreement’s definition of skill differential work, the employee shall be paid the differential for such work.

1.6 Maintenance, testing, troubleshooting, adjustment and repair of devices as defined in Section 1(a),(b),(c), and (d) of the Arbitrated Agreement is skill differential work, wherever performed, regardless of whether such systems, devices and/or component parts are in active service.

1.7 Wiring is skill differential work, but only if it is in connection with working circuits and requires the reading and analyzing of circuit plans over and above assembly from the plan.

1.8 If two or more qualified employees are working together in a group on the same task and each employee is performing skill differential work, the differential shall be paid to each Signalman/Mechanic and above in the group.

1.9 An employee who lacks sufficient experience or qualification to perform certain skill differential work and requests any necessary training and instruction pursuant to Option 1 of Section 3(a), or is assigned to such training in accordance with applicable schedule rules and agreements, is not entitled to the differential for that work until he/she successfully demonstrates the ability to perform the skill differential work involved. An employee in training pursuant to Option 1 may submit a written request to the designated carrier’s officer for a practical test to be conducted jointly by the carrier and a representative of the BRS. Once an employee in training successfully demonstrates the ability to perform the skill differential work involved, he/she will be considered qualified for the purposes of such future assignments and will be paid the differential for all time such work was performed in training commencing the first day of work following his/her written request for a practical test.
1.10 Installation of the systems listed in Items (a) through (d) in Section 1 of the Arbitrated Agreement is not skill differential work, but if Section 3(e) of the Arbitrated Agreement applies, then such work is subject to payment of the differential.

1.11 The following are some other examples of work that is not skill differential work, but if Section 3(e) of the Arbitrated Agreement applies, then such work is subject to payment of the differential:
   (a) Manually activating switch heaters.
   (b) Starting generators.
   (c) Graphiting switch plates.
   (d) Locating underground cable with electronic detectors.
   (e) Waiting for track time.
   (f) Digging a trench.
   (g) Placing conduit in trench.
   (h) Pulling wire in through conduit.
   (i) Filling out skill differential survey forms.
   (j) Training time in Signal School.
   (k) Fabrication of slide protection fence detectors.
   (l) Construction projects such as digging footings, pouring concrete, constructing housings, and installing cable.

Section 2
In the application of this Section, the following will apply:

2.1 The differential rate is fixed at $.65 per hour for skill differential work and is not increased when such work is performed by an employee outside of regular assigned hours at a premium rate (e.g., overtime or double time).

Section 3
In the application of this Section, the following will apply:

3(a).1 An employee who fails to qualify for a particular skill differential work assignment under Option 1 or 2 of Section 3(a) may, after one year and upon providing evidence of receiving additional training or instruction on that work, request that a practical test for the particular task be conducted by the Carrier and a representative of the BRS.

Section 3(c)

3(c).1 A shift is a regularly assigned tour of duty for a position and may, for example, be of eight, 10 or 12 hours in length. In effect, it is the employee’s regularly assigned workday.

3(c).2 An employee who performs skill differential work for more than half of a shift is to be paid the differential for the entire shift. For example, an employee whose regular assigned work day is ten hours is entitled to the differential for the entire shift when the employee performs more than five hours of skill differential work.
3(c).3
The skill differential time added under the provisions of Section 3(c) is defined as “bonus time.” Such bonus time applies only to a position’s regularly assigned shift. When an employee performs work outside of the regularly assigned hours, including rest days, the skill differential is to be paid only for the actual time the employee performs skill differential work. An employee filling a temporary vacancy/protecting another position shall be treated as if he/she were the incumbent of the position.

3(c).4
Skill differential work that is performed on an intermittent basis on one or more tasks during a day shall be combined and the differential shall be applicable to all such time, with a minimum payment of one hour that day, inclusive of all differential earned for work performed outside of the regularly assigned hours.

Some examples of the application of the above:

- An employee who works five hours during his regular eight-hour shift performing skill differential work and also works overtime for another 30 minutes performing skill differential work, would be paid the differential for eight hours and 30 minutes.

- An employee works his regular eight-hour shift and two hours overtime for a total of 10 hours. During his regular shift he performs 4.5 hours of skill differential work and no skill differential work on overtime. The employee would be paid the differential for eight hours.

- An employee called for overtime work on his rest day performs skill differential work for 3.5 hours out of a total of six hours worked. The employee would be paid the differential for 3.5 hours.

- An employee whose assigned hours are 7:00 a.m. to 4:00 p.m., with a one-hour lunch period, reports to work at 9:00 a.m. because he is not rested under the Hours of Service Law prior to that time. The employee performs five hours of skill differential work during the six hours worked. The employee would be paid the differential for six hours.

- An employee assigned on his rest day to fill a temporary vacancy performs skill differential work for five hours during a regular eight-hour shift. The employee would be paid the differential for eight hours.

- An employee called on a rest day to perform emergency service works a total of 12 hours. During the first eight hours, the employee performs five hours of skill differential work and during the remaining four hours, performs two more hours of skill differential work. Since the employee is not working a regular shift under these conditions, the employee would be paid the differential for the time spent performing skill differential tasks, i.e., seven hours.

- An employee who performs skill differential work for 30 minutes during his regular shift, then works overtime and performs another 15 minutes of skill
differential work, would be paid one hour minimum differential for work performed during that day.

- When aggregate intermittent skill differential work time does not exceed one hour, the differential is payable for one hour.

- When aggregate skill differential work time during a shift is greater than one hour but does not exceed one-half of the total hours comprising the shift, the differential is payable for the total actual time performing skill differential work.

- When an employee performs skill differential work for more than half of a shift, the differential is to be paid for the entire shift.

3(c).5
An employee performing work outside of regularly assigned hours, who is called under established agreement provisions for overtime calls, will be paid the skill differential for time actually worked. For example, when an employee performs one hour of work and under an established call rule receives payment for 2.7 hours, the skill differential is to be paid for the one hour actually worked, subject to the one-hour minimum provided in the first sentence of Section 3(c) of the Arbitrated Agreement.

Section 3(d)
3(d).1
Training and participation in carrier-sponsored committees, e.g., safety, training and quality, are routine parts of one’s position. Formal training of more than two consecutive full working days, however, shall not be considered as hours worked for the purposes of Section 3(d) of the Arbitrated Agreement. If, during the period of formal training, the position is temporarily filled by another employee, the hours worked by that employee on the position shall be counted and attributed to the position filled.

3(d).2
Time paid for but not worked is not included in calculating the total time under Section 3(d).

3(d).3
For purposes of Section 3(d), bonus time as defined in the second sentence of Section 3(c), shall be reduced by up to half of such time allowed for a shift, regardless of the length of the shift. For example, an employee who works a 10-hour shift that includes five hours and ten minutes of skill differential time receives bonus time of four hours and 50 minutes. That bonus time would be reduced by two hours and twenty-five minutes for purposes of determining the total time for which the differential has been applied to a position during the evaluation period.

3(d).4
In calculating the qualifying time under Section 3(d) of the Arbitrated Agreement, time worked beyond a position’s bulletined geographical limits or off the incumbent’s assigned territory is not included in the qualifying time for purposes of position evaluation if the incumbent is being used to replace an employee assigned to that other territory. In such case, the time worked shall be attributed to the position [of the employee] being replaced rather than the employee’s regular position. If the incumbent is used to supplement the forces on a territory other than his/her own, such time will be included in the qualifying time of the incumbent’s position for the purposes of position evaluation.
Skill differential work on overtime which is attached to the position being evaluated is counted.

3(d).5
A Signalman from a gang who is assigned to protect another position would have any time spent performing skill differential work applied to the position he is protecting, since the employee is “on that position.”

3(d).6
An employee who performs skill differential work shall be paid the differential in accordance with the Arbitrated Agreement and the Instructions herein, irrespective of whether such work is on a territory that is not included in the employee’s regular assignment.

3(d).7
An employee or supervisor seeking to establish that there has been a material change in the equipment or duties assigned to a position that would affect qualification for application of the differential for all hours worked shall provide documentation of the change and a written statement outlining the effect of the change in the application of the skill differential.

3(d).8
When it is established that there has been a material change in the equipment or duties assigned to a position and it is determined that an evaluation will be conducted, a position previously designated as one for which the differential will apply for all hours actually worked will continue in that status for the term of the evaluation.

3(d).9
The designation of a position as one which qualifies for application of the differential to all hours actually worked attaches to the position rather than the particular individual assigned to the position. When a particular individual is displaced from a position or vacates the position for some other reason, the position retains its designation.

3(d).10
An employee assigned to a position of Signalman/Mechanic and above, which is not designated under Section 3(d) as one for which the differential will be applied for all hours actually worked, will continue to receive the differential for the actual time the employee performs skill differential work during and following an evaluation period.

3(d).11
The Arbitrated Agreement does not require a position to be re-advertised by reason of its designation under Section 3(d) as one for which the differential will be applied for all hours actually worked. The applicable collective bargaining agreement shall govern whether re-advertisement of such positions is required.

Section 3(e)
3(e).1
Definition of “a particular task” as used in Section 3(e):
“Any one of the tasks set forth in Section 1 (a) through (f) for which payment of the differential applies.”
3(e).2
In the application of Section 3(e), the differential is applicable to a particular task, as defined in 3(e).1, if the task involves both skill differential work and other work without regard for which type of work makes up the greater part of the task.

3(e).3
“Commingled” as used in this Section is work to which the differential does not apply that is performed between the time the employee starts and finishes work on “a particular task.” Traveling to and from the point where the task is to be performed is not “commingled” work, whereas traveling between the start and finish of the task work, e.g. trouble shooting/track circuit work that is directly associated with performance of such tasks, is “commingled” work.

The following are other examples:

− An employee dispatched to fix signal malfunctions drives a truck one hour to get to the problem. He spends one hour troubleshooting, one hour digging in a wire and driving truck to set shunts and one more hour finishing job. He then drives the truck one hour back to the point of origin. Total time out is five hours. The differential would be paid for the three hours at the trouble site. The two hours of driving time to and from the work site is not “commingled” work.

− An employee is called out after regular work hours to check on a red signal reported by the dispatcher. He drives for 30 minutes to the site, troubleshoots the track for an hour and finds a broken rail; he suspends work for two hours until the Track Department arrives to fix the broken rail. The employee spends 30 minutes bonding and checking signal circuits and then spends 30 minutes driving home. While the total time out is 4.5 hours, the employee is paid one and one-half hours differential for the troubleshooting and repairing/testing. The time spent driving and suspending work is not “commingled” work.

− An employee arrives at a grade crossing to check and test crossing warning signals. He checks and tests warning signals at Crossing “A.” Crossing “B” is affected through common circuits with Crossing “A,” and the employee drives from “A” to “B.” The total time working on “A” and “B,” plus driving time between “A” and “B,” amounts to two hours. This is “commingled” work and the differential would be paid for this time.

Section 3(f)
3(f).1
Carriers are required to provide appropriate forms for use in recording the time and skill differential work performed.

3(f).2
Section 3(f) requires employees to record skill differential work that they perform and the time required to perform such work, but does not require them to record other work or time. However, the carrier may require employees to furnish information in connection with work performed on their assignments, such as, but not limited to, “commingled” work.
3(f).3
Section 3(f) does not require the recording of time in specific increments.
These instructions are subject to Section 4 of the Arbitrated Agreement, which provides as follows:
“SECTION 4. This agreement is limited to the matter of adjusting the wages of Signalmen/Mechanics and above in accordance with Article V of the June 4, 1991 National Agreement. The provisions herein will not be cited by either party with respect to the interpretation or application of any existing rules or practices.”
Signed in Washington, D.C., this 16th day of August, 1993

FOR THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE:
/s/ C. I. Hopkins, Jr. Chairman

FOR THE BROTHERHOOD OF RAILROAD SIGNALMEN:
/s/ W. D. Pickett President
IT IS AGREED:

Section 1 - Definitions

a. “Advanced Training” for the purpose of this agreement, means that training necessary to meet the needs of the industry and to enable the journeyman signal employee to continue to perform service in a safe and efficient manner.

b. “BRS” means the Brotherhood of Railroad Signalmen.

c. “Carrier(s)” means those carriers signatory to or those Carriers that subsequently implement Article VI of the June 4, 1991 National Signalmen's Agreement.

d. “Equipment” means that equipment which BRS represented employee may be assigned to install, maintain, test and/or adjust.

e. “Employees” or “Signal Craft” means all employees represented by the Brotherhood of Railroad Signalmen.

f. “Formal Classroom Training” or “classroom instruction” means Advanced Training provided at a central training facility.

g. “Journeyman” means a BRS represented employee that has been promoted to the Signalman/Mechanic class or higher or an employee that has been promoted above the apprentice or trainee level.

h. “Newly Hired Employees” means employees that had not established an employment relationship with a BRS represented carrier as of the date of this agreement.

i. “NCCC” means the National Carriers’ Conference Committee.

j. “On-site Training” means Advanced Training provided at a field location.

k. “Seniority District” means the area within which an employee may bid or apply for a position in accordance with existing agreement rules.

Section 2 - Objective

The objective of the Advanced Training Program is to ensure that the carrier will have a work force of properly trained Employees to meet the current and future needs of the carrier by providing the technical skills of the Signal Craft.

Section 3 - National Committee

a. This agreement is in furtherance of Article VI of the current National Agreement.

b. The ad hoc Joint Committee established therein (hereinafter “National Committee”) shall remain in place to provide assistance and encouragement to local joint advanced training committee(s) by way of guidance, oversight, information sharing and periodic monitoring of this and any subsequent agreements to fulfill the objective.

c. The individual railroads shall implement the Advanced Training Program as outlined in this agreement. The BRS representative on each carrier and the designated carrier representative shall establish a local joint advanced training committee (hereinafter “Local Committee”), with an equal number of organization and carrier members, to examine the advanced training needs of signalmen with emphasis on the more highly rated classifications in the craft to comply with this agreement.

Section 4 - The Local Committee

The Local Committee on each railroad will be responsible to implement the guidelines contained in Section 6 herein and any subsequent modification and will be guided by the
following points and principles and any others that may be adopted by mutual agreement.

a. In applying this Agreement, each Local Joint Committee shall utilize the Objective, terms contained in the Definitions and guidelines contained herein to the extent applicable in the interest of consistency from railroad to railroad.

b. It is the carrier’s responsibility to maintain a Signal Department workforce that is safe and efficient; in addition, the parties share the objective of providing properly trained signal employees to meet the carrier’s current and future needs and to maintain the skills of the craft.

c. The duties and responsibilities of the various signal job classifications will be identified and evaluated as well as any additional training needs required to maintain adequate technical skills to fulfill assigned work. The skills and knowledge required to perform those tasks will be reviewed. The Local Committee will consider the effectiveness of the training currently provided and may recommend additional training.

d. The Local Committee shall also function as an advisory body to the designated carrier representatives on continuing improvements and refinements to the advanced training programs in the areas of schedules and concentration. Such Committee may make recommendations to the carrier based on its analyses and discussions of the following:

1. Changes in schedules and concentration of training provided for journeymen, based on analyses and evaluations developed pursuant to paragraph d. above.

2. Changes in training or selection of signalmen for advanced training.

3. The need for additional training for journeymen not currently provided.

4. The terms, conditions and practices associated with additional advanced training for journeymen provided by the carrier, i.e., expenses, housing, transportation, compensation.

Section 5 - Continuing Jurisdiction

a. The Local Committee shall perform the responsibilities set forth herein on continuing basis and shall convene quarterly, or as otherwise agreed by the joint local committee, to review the status of the program implemented hereunder.

b. The National Committee shall serve as a continuing forum for (1) the exchange of ideas, information and new developments that may be of interest or assistance to the Local Committees, and (2) reviewing and making recommendations with respect to stalemates or procedural difficulties, including those referenced in Section 7 herein, that may develop on individual carriers.

c. The information developed by the Local Committees and the determinations that they make will be used solely for the purpose of implementing Article VI of the National Agreement and will not be used or relied on by either party with respect to the interpretation or application of any rule or practice.

d. This Agreement and any terms that may be agreed upon by the BRS and a carrier pursuant hereto shall become part of that carrier’s applicable collective bargaining agreement and shall be amendable only through direct negotiations and/or the provisions of the Railway Labor Act.

Section 6 - Journeyman Training
Element I - Continuing Training

a. Journeyman employees will attend formal classroom training as assigned. Training would be expected to include: existing railroad signal systems, detection systems, grade crossing warning systems and other work that may be assigned to the craft; installation, maintenance, testing and inspection of systems, devices and appurtenances; training on specific equipment as indicated by the needs of service consistent with the Objective. Such training will be sufficient to enable the employee to perform FRA, and Company
required tests and/or maintain specific equipment in accordance with the manufacturer’s recommendations.

b. Employees will be provided with instructional material, equipment, supplies and instruction necessary to successfully complete training.

Element II - Specific Equipment Training

Employees encountering equipment and/or systems which they are required to install, maintain, inspect, test and/or repair will be provided specific equipment training by the Carrier as necessary and requests by the employee or his or her supervisor will be taken into consideration. Such training may be formal or on-site.

Element III - Advanced Training

The following is a guideline which may be considered for inclusion in a course outline to provide signal employees with the knowledge and skill necessary to work with current and emerging railroad signal technologies:

I. Introduction
   a. basic math review (remedial)
   b. advanced math
   c. reading electrical diagrams
   d. electricity, electronics
   e. batteries and chargers
   f. reading schematics

II. Basic
   a. power supplies
   b. semiconductors
   c. amplifiers
   d. oscillators and electronic circuits
   e. electronic devices in current use
   f. electronic test equipment I

III. Advanced
   a. operational amplifiers
   b. numbering systems
   c. digital logic
   d. electronic test equipment II
   e. trouble shooting techniques
   f. circuit board repair
   g. system analysis - electronics in covered systems

Section 7 - Dispute Resolution

Disputes arising from the application and interpretation of this agreement shall be resolved in accordance with the provisions of the applicable collective bargaining agreement as provided by the Railway Labor Act as amended.

Section 8 - Effect of this Agreement

This agreement establishes the Advanced Training Program called for in Article VI of the June 4, 1991 National Agreement between the parties. This Advanced Training Program will only be applied to advanced training issues. This agreement effective July 1, 1994.

For the BRS:       For the Carrier:
/s/ W. D. Pickett      /s/ Robert Allen
/s/ F. E. Mason          /s/ Jeffrey L. Barton
SECTION 2G

From August 8, 1996 AGREEMENT:

ARTICLE VIII - 401(k) PLAN

Section 1

Not later than January 1, 1997, each carrier party hereto will establish a qualified 401(k) retirement plan for employees covered by this Agreement. Such plan need not be contributory with respect to the carrier.

Section 2

This Article shall not be applicable with respect to any carrier on which, as of the date of this Agreement, a qualified 401(k) retirement plan that covers employees subject to this Agreement is in effect.