

Tentative Agreement between BMWED and Norfolk Southern

Amending all BMWED Agreements

August 28, 2024



The following represents the tentative agreement between Norfolk Southern (Carrier) and the Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters (BMWED) to amend their collective bargaining agreements in advance of the 2025 round of national bargaining and in full and final satisfaction of the parties' rights to serve notice and amend their agreements, relative to the 2025 round of national bargaining, pursuant to the moratorium provisions of the agreements and the Railway Labor Act, as amended, 45 U.S.C. § 151, et seq.

The parties agree that this tentative agreement constitutes a single, complete and comprehensive package agreement, that the agreement is subject to unconditional approval or ratification as a whole in accordance with each party's internal governance and procedures, and that no part of this agreement may be modified or rejected without modification or rejection of the agreement in its entirety.

1. General Wage Increases
 - July 1, 2025 – 4.0%
 - July 1, 2026 – 3.75%
 - July 1, 2027 – 3.5%
 - July 1, 2028 – 3.25%
 - July 1, 2029 – 3.0%

2. Vacation for New Hires (Year 0)

Effective January 1, 2025, new hire employees working full-time to have paid vacation days, to be taken as single day vacation subject to all applicable rules, based on their date of hire month (in Year 0) as follows:

- January/February 5 days
- March/April 4 days
- May/June 3 days
- July/August 2 days
- September/October 1 day

*Employees working alternative work schedules will earn this entitlement in accordance with local agreement rules.

3. Vacation Year 1 Non-qualifying Employees

Effective January 1, 2025, employees working full-time in their second calendar year of employment (Year 1) who did not qualify for vacation in the prior year (Year 0) under the National Vacation Agreement but who worked a full-time schedule will have five (5) paid vacation days subject to all applicable rules.

4. Vacation Accrual Acceleration

Effective January 1, 2025, the collective agreement provisions with respect to granting of vacation will be amended to reflect the following accrual schedules:

- | | |
|-----------------------------------|---------|
| ▪ Two (2) or more years | 10 days |
| ▪ Six (6) or more years | 15 days |
| ▪ Fifteen (15) or more years | 20 days |
| ▪ Twenty-three (23) or more years | 25 days |

5. Single Day Vacation

Effective January 1, 2025, employees will be permitted to take five (5) days of their accrued vacation allowance as single vacation days within each calendar year, subject to all applicable rules. This will not impair any agreements providing for the scheduling of more than five (5) days of vacation as single day vacation.

6. Health and Welfare

The following provisions are expressly contingent upon authorization, approval and implementation by the National Carriers' Conference Committee (NCCC) as an administrator for The Railroad Employees National Health & Welfare Plan.

- A. Effective January 1, 2025, coverage for surviving dependents will be extended through the end of the sixth (6th) month following the month in which the employee dies.
- B. Effective January 1, 2025, plan benefits will include male sterilization procedures (i.e., vasectomy), not including reversals.
- C. Effective January 1, 2025, the individual annual maximum dental benefit will be increased from \$1,500 to \$2,500, and the individual lifetime maximum orthodontia benefit will be increased from \$1,000 to \$2,500.
- D. Effective January 1, 2025, the vision frame allowance will be increased from \$115 every two years to \$250 every two years.
- E. Effective January 1, 2025, the monthly payment for employees who elect to opt-out of coverage under the national health and welfare plan will be increased from \$100 to \$200.
- F. Effective January 1, 2025, or as soon as reasonably practicable thereafter, the plan will offer a new medical coverage option with a reduced employee-only rate.
 - 1) There will be a single funding pool to include existing plan options and the new reduced-rate option.

- 2) The employee-only reduced-rate option employee monthly contribution will be ten percent (10%) of the carrier's monthly payment rate, and will be subject to the provisions of the Side Letter covering contribution rates during the post-2030 amendable period (attached).
- 3) The reduced-rate option will be HSA eligible.
- 4) The reduced-rate option will have the following plan design features:

	In Network	Out of Network
Deductible	\$2,500	\$5,000
Out of pocket maximum	\$5,000	\$10,000
Coinsurance – office visits and in/outpatient care	90% after deductible	70%
RX – generic coinsurance (retail and mail order)	10% after deductible	75% of R&C
RX – formulary (retail and mail order)	20% after deductible	75% of R&C
RX – non-formulary (retail and mail order)	30% after deductible	75% of R&C
Employee contributions	10% of payment rate (2025 = \$206/month)	

G. Effective January 1, 2025, the following medical and prescription drug plan rules and practices will be implemented:

- 1) Improper billing detection and mitigation programs where available with the plan's medical vendors.
- 2) Out of network referenced-based pricing programs where available with the plan's medical vendors.
- 3) Full utilization management rules package for specialty drugs and four additional non-specialty therapeutic classifications (anti-infective agents, central nervous system, gastroenterology and ophthalmology)

H. Monthly Employee Cost-Sharing Contributions (n/a to reduced-rate option)

- 1) Effective January 1, 2025, each employee covered by this Agreement shall contribute to the Plan, for each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for the employee and/or the employee's dependents, a monthly contribution equal to 15% of the Carriers' Monthly Payment Rate. Effective on each subsequent January 1, the monthly employee cost-sharing contribution shall be adjusted to reflect 15% of the Carrier's Monthly Payment Rate for the relevant year.
- 2) For purposes of subsection (a) above, the "Carrier's Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carrier's monthly payments to –
 - a. the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
 - b. the Dental Plan for employee and dependent dental benefits, and

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c. 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 in the aforementioned plans.

I. If existing national health care legislation is repealed, the parties will meet and confer on a voluntary basis to discuss the benefits that were previously mandated.

7. This Agreement will remain in effect through December 31, 2029 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended. Neither party to this Agreement will serve or progress, prior to November 1, 2029 (not to become effective before January 1, 2030), any notice or proposal pursuant to Section 6 of the Railway Labor Act, however this does not prevent the parties from proposing or agreeing upon any subject of mutual interest.

Appended:

Side Letter regarding employee monthly contributions to health and welfare plan

Attachment A Memorandum Agreement

Wai Wong
VP Labor Relations, NS

Tony D. Cardwell
President, BMWED

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Tony D. Cardwell
President
Brotherhood of Maintenance Way Division - IBT
41475 Gardenbrook Road
Novi, MI 48375

Dear Mr. Cardwell:

This confirms our understanding and agreement regarding employee contributions to the Railroad Employees National Health and Welfare Plan. For each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for themselves and/or their dependents, a monthly cost-sharing contribution by the employee shall be made in an amount equal to 15% (fifteen percent) of the Carrier's then current Monthly Payment Rate. In the event new collective agreements are not negotiated and ratified prior to January 1, 2031, the monthly cost-sharing contribution will not be increased beyond the rate last established under the terms of the January 1, 2025 agreements.

Upon ratification of successor agreement(s), the full 15% employee contribution rate will be reinstated unless otherwise agreed. If the negotiations for such successor agreement(s) result in retroactive wage increases applicable for the period that the parties are in negotiations and the employees' monthly contribution to the Health and Welfare Plan would have otherwise exceeded the rate established under the predecessor agreements, retroactive application will also be applicable to those contribution increases.

This arrangement shall not be cited in future negotiations under Section 6 of the Railway Labor Act (up through and including a Presidential Emergency Board or interest arbitration) as a reason or justification for any future increase in compensation or limit or reduction in employee health care contributions.

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

Sincerely,

Wai Wong
VP Labor Relations, NS

I Concur:

Tony D. Cardwell
President, BMWED

ATTACHMENT A
MEMORANDUM OF AGREEMENT
between
NORFOLK SOUTHERN RAILWAY COMPANY
and
BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES

CDL DIFFERENTIALS

Effective January 1, 2025, all employees occupying positions bulletined with a CDL requirement will receive a \$1.00 per hour differential for all hours worked in such position, regardless of the Agreement territory on which such position is assigned to work. Employees holding a CDL who are not assigned to positions requiring CDL shall, when assigned to operate a vehicle requiring a CDL, receive the same differential for all time spent on such assignment.

BEREAVEMENT LEAVE

Article VII of the October 30, 1978 National Agreement is hereby amended to apply as follows:

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, grandparent, grandchild, domestic partner, half-sibling, step-sibling, step-parent or step-child. 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.

PROBATIONARY PERIOD

The Probationary Periods provided in Rule 3(a) of the July 1, 1986 NW-WAB and Rule 2(a) of the October 1, 1972 Southern System Agreements and Article XI, Section 1 of the October 30, 1978 National Agreement are increased from sixty (60) days to ninety (90) calendar days. This revision will be applicable to all employees who first perform service after January 1, 2025.

SICK LEAVE FOR NEW HIRES

The February 22, 2023 Memorandum of Agreement is modified so that newly hired employees will be provided paid sick leave in the calendar year in which they first perform service as follows: Employees who first perform service prior to July 1st of a calendar year will be provided two (2) paid sick days for use in the calendar year. Employees who first perform service on or after July 1st of a calendar year will be provided one (1) paid sick day for use in the calendar year.

NEW HIRE CLASS PARTICIPATION

The Carrier shall provide the Organization with a schedule of onboarding training classes for new hires being held at its McDonough, Georgia training center. A representative or representatives of the General Committee may attend any such classes and have an opportunity to address the new hires.

SYSTEM MAINTENANCE GANG PROVISIONS

WHEREAS, the parties desire to explore mutually agreeable ways to transition work currently being performed by subcontractors to the BMWED craft and to explore opportunities to reduce the instances of subcontracting on the property in the future;

WHEREAS the parties desire to establish, on a trial basis, a specialized, multi-regional maintenance gang capable of performing Maintenance of Way work across the Carrier's system, to be designated as a System Maintenance Gang ("SMG");

WHEREAS, the parties desire to transition work from contractors and to explore future opportunities; and,

WHEREAS, the parties desire to establish terms and conditions under which such multi-regional gang or gangs will operate including, but not limited to, an alternative work week schedule to the regular, 40-hour work week;

IT IS HEREBY AGREED that, notwithstanding any provisions of the July 1, 1986 NW-WAB Agreement, the October 1, 1972 Agreement, or the 1992 Arbitrated Designated Program Gang (DPG) Agreement to the contrary, the following shall apply:

SECTION I- ESTABLISHMENT OF A SYSTEM MAINTENANCE GANG (SMG)

(a) There is hereby established one SMG mobile flash butt welding gang, which will be assigned to perform Flash Butt Welding work on territory governed by both the July 1, 1986 NW-WAB Agreement and the October 1, 1972 Southern Agreement. Such work may be performed on any seniority region of said Agreements and work across seniority region boundaries and shall not in any event be considered temporary service for purposes of Rule 18 or any other provision of the agreement.

(b) The work week of the SMG shall consist of a seven (7) day work week consisting of seven consecutive eleven (11) hour and twenty-five (25) minutes workdays, followed immediately by seven (7) consecutive rest days. The regular assigned work week shall begin on Wednesday and run through Tuesday of the following week.

(c) Work day meal and rest periods shall be governed by the collective bargaining agreement applicable to the work location.

(d) Positions for the SMG will be bulletined with an initial start time and location. Subsequent Work locations and start times for any work week may be communicated to employees during the previous work week but in no event later than 36 hours prior to the start of the work week.

(e) Overtime shall be paid after 11 hours and 25 minutes on regular assigned work days and for any work performed on assigned rest days.

(f) No existing regional or divisional flash butt welding gangs or Thermite Welder positions will be abolished during the pilot period as the result of work being performed by the SMG, except by agreement of the parties.

SECTION II – ASSIGNMENT OF POSITIONS TO THE SMG

(a) The SMG flash butt gang established under this agreement shall be assigned to a contractor's Flash Butt Welding truck, which will be accompanied by two contractor welding trainers. The BMWED-represented employees shall consist of (1) Foreman CDLB, (2) Welder Helpers CDLB and (1) Welder Helper non-CDL and (1) Boom Truck Operator CDLB. Rates of pay for said positions shall be as follows:

Foreman:	DPG Foreman Rate of pay with a \$1 differential
Welder Helper:	Applicable regional rate of pay
Boom Truck:	D-1 Rank on the SOU Agreement
	Machine Operator MHT on NW-WAB Agreement

(b) Advertisements for positions on the SMG will be advertised as Permanent positions and will be available to all BMWED represented employees. Timelines for bids and awards will be governed by the applicable collective bargaining agreement.

(c) Awards to positions will be based on seniority order for the classification of the advertised position.

Foreman positions shall be awarded on the basis of standing on the DPG Foreman roster and, if no applicants possess seniority on such roster, then in accordance with the DPG Foreman Agreement.

Welder Helper positions shall be awarded on the basis of overall seniority on the regional Welder Helper/ Track Repairman helper rosters.

(d) All BMWED employees with seniority rights established under either the July 1, 1986 NW-WAB Agreement, or the October 1, 1972 Agreement, shall have privilege to apply for position on the SMG

(e) Employees assigned to a position on the SMG shall remain on their position for a period of one year from the date that the SMG is operational. Such employees will likewise be protected from being displaced except in cases where the senior employee seeking to displace is qualified for the position and such employee has no other option but to go furlough. Exceptions to these requirements may be made in cases where a bona fide hardship is shown and shall require the consent of both the Organization and the Carrier.

(f) The establishment and filling of the five BMWED positions established under this agreement shall, at concurrent with such positions being filled, reduce of the same number of contractor employees currently on the Carrier's Southern Agreement property. Carrier will not thereafter offset this reduction with additional contractor employees to perform the work of the SMG nor will contractors be employed to fill any unassigned BMWED vacancies on the SMG.

SECTION III- LODGING AND EXPENSES

(a) Lodging and per diem expenses shall be governed by the applicable agreement; provided that employees assigned to the SMG who desire to do so, shall be entitled to receive lodging for the night following the end of the last work day and provided they stay in such lodging, receive 75% per diem for the travel day home.

SECTION IV- HOLIDAYS, PERSONAL LEAVE DAYS AND SICK DAYS

(a) Where a holiday falls on a rest day, employees who hold a position assigning them to the SMG will be compensated for 8 hours holiday day. Where a holiday falls on a day on which an employee is assigned to

work, the employee shall be compensated the regular eleven (11) hours and twenty-five (25) minutes worked at the overtime rate of pay plus an additional 8 hours of holiday pay. Normal holiday qualification rules apply.

(b) Personal leave days and sick days shall be compensated at 11 hours and 25 minutes per day.

SECTION V- VACATION

(a) Employees assigned to SMG assignments such as 7/7 will take vacation for a full day off at the regular assigned hours scheduled for the workday, which shall be compensated at the rate of 11 hours and 25 minutes.

(b) Calculation of days worked for purposes of vacation qualifying will be at 1.43 credited days per workday.

(c) An employee assigned to an SMG may, at their discretion, take as vacation the entire 7-day work week; provided that such employee shall not be entitled to receive more than 40 hours' pay for the week. Where an employee's remaining vacation hours are less than the basic work day provided for herein, the employee may be excused for the entire day; provided that compensation shall be limited to the available vacation hours. Such absence will not be held against the employee for the purpose if demonstrating excessive absenteeism.

SECTION VI- SMG BONUS

Each employee assigned to the SMG and remains on their position for a period of six months shall receive a lump sum bonus equal to 5% of the hourly compensation earned, up to a maximum of \$1000. For years in which less than six months of work is available, the bonus will be pro-rated based on the number of months actually worked.

SECTION VII- GENERAL PROVISIONS

(a) Except where expressly modified or superseded by this Agreement, all other terms and conditions of the SMG positions will be governed by the applicable agreement for the territory on which the SMG is working.

(b) The duration of this trial agreement shall be one year from the date that the SMG is operational, unless the parties expressly agree to extend beyond the one-year period.

(c) Not less than 30 days prior to the expiration of the one-year period, the parties will meet to discuss extension of the agreement. If the parties agree to extend this agreement beyond one year, one contractor employee provided for herein will at such time be replaced with a BMWED-represented welder.

(d) Except as explicitly permitted by this agreement, nothing herein shall be construed to alter the status of flash butt welding as being within the scope of the July 1, 1986, N&W-Wabash Agreement.

(e) This Agreement is without prejudice to the positions of the parties and will not be considered or cited as precedent or referred to by the parties in any matter.