

BMWE
September 26, 1996

MEDIATION AGREEMENT

**CASE A-12718, A-12718 Sub 1, Sub 1A, Sub 2,
Sub 3, Sub 4, Sub 5, Sub 6, Sub 7, and Sub 8**

DATED SEPTEMBER 26, 1996

between railroads represented by the

NATIONAL CARRIERS' CONFERENCE COMMITTEE

and

employees of such railroads represented by the

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

Case No. A-12718
A-12718 Sub 1
A-12718 Sub 1A
A-12718 Sub 2
A-12718 Sub 3
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A-12718 Sub 8

MEDIATION AGREEMENT

THIS AGREEMENT, made this 26th day of September, 1996, 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 Maintenance of Way Employees, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On December 1, 1995, all hourly, daily, weekly, and monthly rates of pay of employees covered by this Agreement in effect on the preceding day shall be increased in the amount of three-and-one-half (3-1/2) 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 3-1/2 percent to the existing hourly rates of pay.

(b) Daily Rates -

Add 3-1/2 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 3-1/2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 3-1/2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) through (d) above 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) Piece Work -

Adjustment of piece-work rates of pay shall be based on the amount of increase applicable to the basic hourly rates for the class of work performed. Where piece-work rates of pay are in effect on carriers having special rules as to the application of any increase, or decrease, in such rates, such rules shall apply.

(g) Deductions -

Insofar as concerns deductions, which may be made from the rates resulting from the increase herein granted, under Section 3(m) of the Fair Labor Standards Act of 1938, they may continue to be made to the extent that such deductions were being legally made as of August 31, 1941.

(h) 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 arbitrariness 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 - Signing Bonus

Subject to Sections 9 and 10, each employee with 2,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period January 1, 1995 through December 31, 1995 will be paid, on the date of this Agreement, a Signing Bonus of four hundred dollars (\$400.00).

Section 3 - First Lump Sum Payment

On July 1, 1996, each employee will be paid a lump sum equal to the excess of (i) three (3) percent of the employee's compensation for 1995, excluding pay elements not subject to general wage increases under Section 1(h) of this Article and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause (i) above and (y) \$76.68.

Section 4 - Second General Wage Increase

Effective July 1, 1997, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 1997 for employees covered by this Agreement shall be increased in the amount of three-and-one-half (3-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Second Lump Sum Payment

On July 1, 1998, each employee will be paid a lump sum equal to the excess of (i) three-and-one-half (3-1/2) percent of the employee's compensation for 1997, excluding pay elements not subject to general wage increases under Section 1(h) of this Article and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause (i) above and (y) one-and-one-half times one-quarter of the amount, if any, by which the carriers' payment rate for 1998 for foreign-to-occupation health benefits under the Plan exceeds such payment rate for 1995.

Section 6 - Third General Wage Increase

Effective July 1, 1999, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 1999 for employees covered by this Agreement shall be increased in the amount of three-and-one-half (3-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as provided for in Section 1 hereof.

Section 7 - Definition of Carriers' Payment Rate

The carrier's payment rate for any year for foreign-to-occupation health benefits under the Plan shall mean twelve times the payment made by the carriers to the Plan per month (in such year) per employee who is fully covered for employee health benefits under the Plan. Carrier payments to the Plan for these purposes shall not include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or provide for current Plan benefits, or any amounts

paid by remaining carriers to make up the unpaid contributions of terminating carriers pursuant to Article III, Part A, Section 1 of the Imposed Agreement dated February 6, 1992 (effective July 29, 1991) between the organization signatory hereto and the carriers represented by the National Carriers' Conference Committee (Imposed Agreement).

Section 8 - Eligibility for Receipt of Signing Bonus, Lump Sum Payments

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

Section 9 - Employees Working Less Than Full-Time

For employees who have fewer straight time hours (as defined) paid for in the period described in Section 2 than the minimum number set forth therein, the dollar amount of the Signing Bonus specified in Section 2 shall be adjusted by multiplying such amount by the number of straight time hours (including vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) for which the employee was paid during such period divided by the defined minimum hours.

Section 10 - Signing Bonus Proration

In the case of any employee subject to wage progression or entry rates, the dollar amount of the Signing Bonus specified in Section 2 shall be adjusted by multiplying such amount by the weighted average entry rate percentage applicable to wages earned during the specified determination period.

ARTICLE II - COST-OF-LIVING PAYMENTS

Part A - Cost-of-Living Payments Under Imposed Agreement Dated February 6, 1992

The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II, Part B of the Imposed Agreement shall be rolled in to basic rates of pay on November 30, 1995 and such Article II, Part B shall be eliminated at that time.

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

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

(b) The measurement periods shall be as follows:

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
March 1995	March 1996	
plus		
March 1997	March 1998	Dec. 31, 1999

The number of points change in the CPI during each of these measurement periods shall be added together before making the calculation described in Part C, Section 1(e) of this Article.

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

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

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

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That Shall Be Taken Into Account</u>
Dec. 31, 1999	6 th of March 1995 CPI
	plus
	6 th of March 1997 CPI

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

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

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

Section I - Cost-of-Living Allowance and Effective Dates of Adjustments

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2000 based, subject to paragraph (d), on the CPI for March 2000 as compared with the CPI for September 1999. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

Measurement Periods

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 1999	March 2000	July 1, 2000
March 2000	September 2000	January 1, 2001

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.

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

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

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1, 2000	3% of September 1999 CPI
January 1, 2001	6% of September 1999 CPI, less the increase from September 1999 to March 2000

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(ii) Limitation. In calculations under paragraph (e), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.

(iii) If the increase in the CPI from the base month of September 1999 to the measurement month of March 2000 exceeds 3% of the September 1999 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2000 during such measurement period.

(iv) Any increase in the CPI from the base month of September 1999 to the measurement month of September 2000 in excess of 6% of the September 1999 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

(v) The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.

(e) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (d), shall be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion shall not be counted.)

The cost-of-living allowance in effect on December 31, 2000 shall be adjusted (increased or decreased) effective January 1, 2001 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be added to the amount of the cost-of-living allowance in effect on December 31, 2000 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments.

(f) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependant upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W during such measurement period.

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance payable to each employee effective July 1, 2000 shall be equal to the difference between (i) the cost-of-living allowance effective on that date pursuant to Section 1 of this Part, and (ii) the lesser of (x) the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers' 1999 payment rate for foreign-to-occupation health benefits under the Plan over such payment rate for 1998, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, and (y) one-half of the cost-of-living allowance effective July 1, 2000.

(b) The increase in the cost-of-living allowance effective January 1, 2001 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.

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

(d) The procedure specified in paragraphs (b) and (c) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.

(e) The definition of the carriers' payment rate for foreign-to-occupation health benefits under the Plan set forth in Section 7 of Article I shall apply with respect to any year covered by this Section.

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

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part C will be payable as provided in Section 2 and will not become part of basic rates of pay. Such allowance and the adjustments thereto will be applied as follows:

(a) Hourly Rates - Add the amount of the cost-of-living allowance to the hourly rate of pay produced by application of Article I.

(b) Daily Rates - Determine the equivalent hourly rate by dividing the established daily rate by the number of hours comprehended by the daily rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the daily rate shall be added to the daily rate produced by application of Article I.

(c) Weekly Rates - Determine the equivalent hourly rate by dividing the established weekly rate by the number of hours comprehended by the weekly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the weekly rate shall be added to the weekly rate produced by application of Article I.

(d) Monthly Rates - Determine the equivalent hourly rate by dividing the established monthly rate by the number of hours comprehended by the monthly rate. The amount of the cost-of-living allowance multiplied by the number of

hours comprehended by the monthly rate shall be added to the monthly rate produced by application of Article I.

(e) Piece Work - Adjustment of piece-work rates of pay shall be based on the amount of increase applicable to the basic hourly rate for the class of work performed. Where piece-work rates of pay are in effect on carriers having special rules as to the application of any increase, or decrease, in such rates, such rules shall apply. In the absence of any definite rule governing, the equivalent of the hourly amount of the cost-of-living allowance shall be added to the established unit piece-work price.

(f) Minimum Daily Increases - The increase in rates of pay described in paragraphs (a) through (e), inclusive, shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.

Section 4 - Continuation of Part C

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

ARTICLE III - EQUITY WAGE ADJUSTMENT

(a) Effective on the date of this Agreement, rates of pay of employees covered by this Agreement shall be increased in the amount of \$.35 per hour. (See Side Letter No. 4)

(b) Effective on January 1, 2000, rates of pay of employees covered by this Agreement shall be increased in the amount of \$.21 per hour.

(c) The Board has identified two examples of intercraft rate inequities where individuals perform the same work as members of another craft on a carrier and the other craft is compensated at a higher rate. The Sheet Metal Workers' International Association (SMWIA) Water Service Mechanic rate is higher than the BMWE Water Service Mechanic positions and the International Association of Machinists (IAM) Traveling Mechanic's rate is higher than the BMWE Equipment Maintainer, even though they do the same work. These positions are obviously skilled positions which should be part of the seventy percent group entitled to a \$.50 differential. These positions, and any other intercraft inequities that the parties can

agree on should be corrected at the actual rate differential, if higher than the \$.50 per hour differential. This subsection shall be implemented in accordance with Side Letter No. 5.

ARTICLE IV - RATE PROGRESSION

Section 1

Article III of the October 17, 1986 National Agreement (as amended), including all applicable Side Letters, and all other local rules governing entry rates are amended to provide that covered employees shall be paid at 90 percent of the applicable rates of pay (including COLA) for the first twelve (12) calendar months of employment and shall be paid at 95 percent of the applicable rates of pay (including COLA) for the second twelve (12) calendar months of employment for all service performed on positions covered by an agreement with the organization.

Section 2

Employees covered by the aforementioned Article III or local rules governing entry rates on the date of this Agreement shall be credited, for purposes of the application of Section 1, for all calendar months of employment rendered as of the effective date of this Article.

Section 3

This Article shall be effective ten (10) days after the date of this Agreement.

ARTICLE V - DENTAL BENEFITS

Section 1 - Continuation of Plan

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

Section 2 - Eligibility

Existing eligibility requirements under the Dental Plan are amended, effective on October 1, 1996, to provide that in order for an employee and his eligible dependents to be covered for Covered Dental Expenses (as defined in the Dental Plan) during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least

seven (7) calendar days during the applicable qualifying month. Existing Dental Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect. (See Side Letter No. 6)

Section 3 - Benefit Changes

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

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

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

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

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

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

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

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

ARTICLE VI - VISION CARE

Section 1 - Establishment and Effective Date

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

(a) Eligibility and Coverage. Employees and their dependents will be eligible for coverage under the Plan beginning on the first

day of the calendar month after the employee has completed a year of service for a participating railroad, but no earlier than the first day of January 1999. An eligible employee who renders compensated service on, or receives vacation pay for, an aggregate of at least seven (7) calendar days in a calendar month will be covered under the Plan, along with his eligible dependents, during the immediately succeeding calendar month. (See Side Letter No. 6)

(b) Managed Care. Managed vision care networks that meet standards developed by the National Carriers' Conference Committee concerning quality of care, access to providers and cost effectiveness shall be established wherever feasible. Employees who live in a geographical area where a managed vision care network has been established will be enrolled in the network along with their covered dependents. Employees enrolled in a managed vision care network will have a point-of-service option allowing them to choose an out-of-network provider to perform any vision care service covered by the Plan that they need. The benefits provided by the Plan when services are performed by in-network providers will be greater than the benefits provided by the Plan when the services are performed by providers who are not in-network providers, including providers in geographic areas where a managed vision care network has not been established. These two sets of benefits will be as described in the table below.

Plan Benefit	In-Network	Other Than In-Network
One vision examination per 12-month period.	100% of reasonable and customary charges	100% of reasonable and customary charges up to a \$35 maximum
One set of frames of any kind per 24-month period —	100% of reasonable and customary charges ¹	100% of reasonable and customary charges up to a \$35 maximum
One set of two lenses of any kind, including contact lenses, per 24-month period.	100% of reasonable and customary charges ²	100% of reasonable and customary charges up to the following maximums: up to \$25 for single vision lenses up to \$40 for bifocals up to \$55 for trifocals up to \$80 for lenticulars up to \$210 for medically necessary contact lenses up to \$105 for contact lenses that are not medically necessary
Where the employee or dependent requires only one lens	100% of reasonable and customary charges ^{2/}	100% of reasonable and customary charges up to a maximum of one-half of the maximum benefit payable for a set of two lenses of the same kind

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

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

Section 2 - Administration

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

ARTICLE VII - NATIONAL HEALTH AND WELFARE PLAN

The Railroad Employees National Health and Welfare Plan ("the Plan") is amended, effective on October 1, 1996, as provided in this Section. In order for an Eligible Employee (as defined by the Plan) to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Existing Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect. (See Side Letter No. 6)

ARTICLE VIII - VACATIONS

Effective January 1, 1997, employees shall be permitted to take one week of their vacation allowance per year in less than 40 hour increments, provided that such vacation days will be scheduled in accordance with existing rules on the carrier applicable to the scheduling of personal leave days.

ARTICLE IX - SUPPLEMENTAL SICKNESS

The January 9, 1980 Supplemental Sickness Benefit Agreement, as amended effective July 1, 1991 (Sickness Agreement), shall be further amended as provided in this Article.

Section 1 - Adjustment of Plan Benefits

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

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

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	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earning (as of December 31, 1994)	\$14.71 or more	\$2,560 or more
Class II Employees Earning (as of December 31, 1994)	\$13.51 or more but less than \$14.71	Less than \$2,560 but more than \$2,351
Class III Employees Earning (as of December 31, 1994)	Less than \$13.51	Less than \$2,351

Basic and Maximum Amount Per Month

<u>Classification</u>	<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
Class I	\$942	\$783	\$1,725
Class II	\$835	\$783	\$1,618
Class III	\$719	\$783	\$1,502

Combined Benefit Limit

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$1,851
Class II	\$1,736
Class III	\$1,610

Section 2 - Adjustment of Plan Benefits During Agreement Term

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

ARTICLE X - OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article V of the Agreement of February 10, 1971, as amended ("1971 Agreement"), is further amended as follows effective on the date of this Agreement.

Section 1

Article V(a) of the 1971 Agreement is amended to read as follows:

"This Article is intended to cover accidents involving employees covered by this agreement while such employees are operating, riding in, boarding, or alighting from off-track vehicles authorized by the carrier and any accident which occurs while an employee is under pay."

Section 2

Article V(b)(1) of the 1971 Agreement shall be amended to read as follows:

(1) Accidental Death or Dismemberment

The carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	\$300,000
Loss of Both Hands	\$300,000
Loss of Both Feet	\$300,000
Loss of Sight of Both Eyes	\$300,000
Loss of One Hand and One Foot	\$300,000
Loss of One Hand and Sight of One Eye	\$300,000
Loss of One Foot and Sight of One Eye	\$300,000
Loss of One Hand or One Foot or Sight of One Eye	\$150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

Section 3

Article V(b)(3) of the 1971 Agreement shall be amended to read as follows:

(3) Time Loss

"That 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 1

Article V(b)(4) of the 1971 Agreement shall be amended by substituting the figure "\$10,000,000" for the figure "\$1,000,000" wherever the latter figure appears.

ARTICLE XI - SECTION 10901 TRANSACTIONS

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Section 1

The railroads should provide at least a 60-day notice of intent to sell or lease a line of railroad to a purchaser under 49 U.S.C. §10901. During the 60-day period, the parties shall meet upon the request of the organization to discuss the planned transfer. The transaction agreement between the carrier and the purchaser should obligate the purchaser to give priority hiring consideration to employees of the selling carrier who work on the line. Further, the agreement between the carrier and purchaser should obligate the purchaser to assume a neutral stance in any union organizing effort undertaken by the organization. Should any recommendation in this paragraph be deemed contrary to the Railway Labor Act, the remaining recommendations shall continue in full force and effect.

Section 2

The selling carrier shall provide affected employees priority employment rights for other positions on the seller, both within craft and in other crafts where qualified. For access to positions within craft, the parties shall, at the request of the organization, develop a system seniority roster for use in such transactions in the same manner as that provided in the UTU and BLE national settlements. In addition, employees securing positions on the selling carrier which require a change in residence shall be eligible for up to \$5,000 in relocation allowance, again in the same manner as provided in the UTU and BLE settlements.

Section 3

Employees who secure a position with the buyer should be provided with an opportunity to return to the seller during the first 12-month period. Employees displaced by the sale shall have recall rights on the seller's property, as a minimum, for a period equal to their company seniority.

ARTICLE XII - WORKFORCE STABILIZATION

Part A

Section 1 - The February 7, 1965 Agreement

Entitlement to certain elements of job security, currently available under the February 7, 1965 Agreement (Agreement), shall be upgraded, so that employees who have at least ten continuous years of service will be entitled to the protection.

Section 2

(a) Article I, Section 1 of the Agreement shall be amended to read as follows:

"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 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 BMWE Agreement."

(b) Article I, Section 2, of the February 7, 1965 Agreement shall be amended to read as follows:

"Section 2 - Seasonal employees, who had compensated service during each of the years 1995, 1996, and 1997 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 1997 unless or until retired, discharged for cause, or otherwise removed by natural attrition."

(c) Article IV, Section 1, of the Agreement shall be amended to read as follows:

"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 wage

increases."

(d) Article V, paragraph 2 of the Agreement shall be amended to change the reference of a four hundred dollar (\$400) transfer allowance to eight hundred dollars (\$800).

Part B - Conrail Supplemental Unemployment Plan

Conrail shall adopt any modifications made to the Conrail Supplemental Unemployment Plan in Conrail's tentative agreement with the BRS. Other than any such modifications, we recommend that the organization's proposals be withdrawn.

Part C - Work Force Stabilization

The Work Force Stabilization (WFS) Program effective on January 18, 1994, and applied retroactively back to July 29, 1991 shall continue in effect for the new agreement, and shall entitle an employee initially assigned to a WFS gang when it starts its work during the production season for the calendar year, six months of WFS work benefits or WFS unemployment benefits, subject to the terms of the agreement.

ARTICLE XIII - EXPENSES AWAY FROM HOME

Section 1 - First Adjustment

The allowances specified in the Award of Arbitration Board No. 298 (rendered September 30, 1967), as adjusted in various subsequent national agreements, shall be further adjusted as follows:

(a) The maximum reimbursement for actual reasonable lodging expense provided for in Article I, Section A(3) is increased from \$20.25 to \$23.50 per day;

(b) The meal allowances provided for in Article I, Sections B(1), (B(2) and B(3) are increased from \$4.75, \$9.50, and \$14.50 per day, respectively, to \$6.25, \$12.75, and \$19.00 per day, respectively; and

(c) The maximum reimbursement for actual meals and lodging costs provided for in Article II, Section B is increased from \$34.75 per day to \$42.50 per day.

Section 2 - Second Adjustment

Effective July 1, 1998, the daily allowances specified in paragraphs (a), (b), and (c) of Section 1 above will be further adjusted to (a) \$26.75; (b) \$7.00, \$14.25, and \$21.25, respectively, and (c) \$48.00.

Section 3 - Minimum Allowance

On carriers where expenses away from home are not determined by the allowances made pursuant to the award of Arbitration Board No. 298, such allowances will not be less than those provided for in this Article.

Section 4

This Article shall become effective ten (10) days after the date of this Agreement.

ARTICLE XIV - TRAVEL ALLOWANCE

Section 1

(a) At the beginning of the work season employees are required to travel from their homes to the initial reporting location, and at the end of the season they will return home. This location could be hundreds of miles from their residences. During the work season the carriers' service may place them hundreds of miles away from home at the end of each work week. Accordingly, the carriers will pay each employee a minimum travel allowance as follows for all miles actually traveled by the most direct highway route for each round trip:

0 to 100 miles	\$ 0.00
101 to 200 miles	\$25.00
201 to 300 miles	\$50.00
301 to 400 miles	\$75.00
401 to 500 miles	\$100.00

Additional \$25.00 payments for each 100 mile increments.

(b) At the start up and break up of a gang, an allowance will be paid after 50 miles, with a payment of \$12.50 for the mileage between 51 and 100 miles.

(c) Carriers may provide bus transportation for employees to their home area on weekends. Employees need not elect this option.

Section 2

For employees required to work over 400 miles from their residences the carrier shall provide, and these employees shall have the option of electing, an air travel transportation package to enable these employees to return to their families once every three weeks. Ground transportation from the work site to the away from home airport shall be provided by each carrier, and on the return trip the carrier shall provide ground transportation from the away from home airport to the lodging site. In dealing with programmed work, the employees and carrier may know how long the employees will be required to work beyond the 400 mile range, and the employer can

require the employees to give advanced notice of their intention to elect the air transportation option so that the carrier may take advantage of discounted air fares. Employees must make themselves available for work on at least ninety percent of the regularly scheduled work days during the three week period. And, they will not qualify for the travel allowance set forth in Section I during the three week period. Irrespective of the customary meal and lodging entitlement that employees have under their local agreements, when employees elect the air transportation option, they shall be entitled to meals and lodging during the two away-from-home weekends in the three-week cycle and they shall not be entitled to meals and lodging during the third weekend upon which they return home by air transportation.

Section 3

Nothing herein shall be construed to bar the parties from reaching mutual agreement on alternative arrangements.

Section 4

This Article shall become effective ten (10) days after the date of this Agreement except on such carriers where the organization representative may elect to preserve existing rules or practices pertaining to travel allowances by notification to the authorized carrier representative.

ARTICLE XV - SUBCONTRACTING

Section 1

The amount of subcontracting on a carrier, measured by the ratio of adjusted engineering department purchased services (such services reduced by costs not related to contracting) to the total engineering department budget for the five-year period 1992-1996, will not be increased without employee protective consequences. In the event that subcontracting increases beyond that level, any employee covered by this Agreement who is furloughed as a direct result of such increased subcontracting shall be provided New York Dock level protection for a dismissed employee, subject to the responsibilities associated with such protection.

Section 2

Existing rules concerning contracting out applicable to employees covered by this Agreement will remain in full effect.

ARTICLE XVI - PRODUCTION GANGS

Section 1

For purposes of Articles VIII, IX and X of the February 6, 1992 Imposed Agreement (Imposed Agreement), a production gang or crew is defined as a mobile and mechanized gang consisting of ten (10) or more employees.

Section 2

For purposes of applying Article XIII - Regional and System-Wide Gangs of the Imposed Agreement on those carriers which timely opted to create such gangs after the implementation of the recommendations of Presidential Emergency Board No. 219 ("covered carrier"), a regional and system-wide production gang shall be a gang that is heavily mechanized and mobile, continuously performing specific, programmed, major repair and replacement work utilizing a substantial (no fewer than twenty) number of employees.

Section 3

(a) A covered carrier shall give at least 60 days' written notice to the General Chairman or the General Chairmen of its intention to establish a regional or system-wide gang for the purpose of working over specified territory of the carrier or throughout its territory. The notice will include the number and staffing of the gang the carrier intends to operate during the work season, as well as identification of the location, beginning and ending mile post location of the work, starting and ending date of the project and the seniority districts involved.

If the parties are unable to reach agreement concerning the changes proposed by the carrier within thirty (30) calendar days from the serving of the original notice, either party may submit the matters set forth above to the final and binding arbitration procedures previously created for the resolution of this type of dispute.

(b) An individual who bids and is subsequently assigned to work on a regional and system-wide production gang established by a covered carrier may be held to that gang for a period of no more than 30 days. After such time, the employee will be entitled to bid for other jobs with the carrier, subject to the limitation that no more than ten percent of a gang may bid off during a one week period.

Section 4

Each employee assigned to a regional or system-wide production gang established by a covered carrier under this Article who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five

percent of his or her compensation earned during the calendar year on that gang. Such compensation shall not exceed \$1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the carrier disbands the gang in less than six months, the carrier will be responsible for payment of the production incentive earned as of that date.

Section 5

Existing property-specific agreements on a covered carrier, whether arrived at voluntarily or through arbitration, will continue to control the terms and conditions of regional and system-wide gangs on each covered carrier or sub-section of covered carrier property.

Section 6

This Article is intended to continue the use of regional and system gangs on carriers which timely opted to create such gangs after the implementation of the recommendations of PEB No. 219, but not to extend their use to carriers which opted to operate under other local provisions.

Section 7

This Article shall become effective ten (10) days after the date of this Agreement.

ARTICLE XVII - WORK SITE REPORTING

Article VIII - Work Site Reporting of the Imposed Agreement is amended to restrict any unpaid time traveling between the carrier-designated lodging site and the work site to no more than thirty (30) minutes each way at the beginning and end of the work day.

ARTICLE XVIII - GENERAL PROVISIONS

Section 1 - Court Approval

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

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement, and to settle the disputes growing out of the notices dated November 1, 1994 and served upon the organization by the carriers listed in Exhibit A on that date, and notices dated on or subsequent to November 1, 1994 served by the organization signatory hereto upon such carriers. This Agreement shall be construed as a separate agreement by and on behalf

of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 1999 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(b) No party to this Agreement shall serve, prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal for the purpose of changing the subject matter of the provisions of this Agreement or which proposes matters covered by the proposals of the parties cited in paragraph (a) of this Section, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

(c) No party to this Agreement shall serve or progress, prior to November 1, 1999 (not to become effective before January 1, 2000), any notice or proposal which might properly have been served when the last moratorium ended on November 1, 1994.

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

SIGNED AT WASHINGTON, D.C. THIS 26TH DAY OF SEPTEMBER, 1996.

FOR THE PARTICIPATING CARRIERS
LISTED IN EXHIBIT A:

FOR THE EMPLOYEES REPRESENTED
BY THE BROTHERHOOD OF
MAINTENANCE OF WAY EMPLOYEES:

Chairman

President

ADDENDUM TO AGREEMENT

The parties have agreed to settle the issues described below by adopting the applicable recommendations of PEB No. 229 as set forth in its Report and Recommendations (Board Report). Each such issue is identified below by the numerical reference used by the Board and is intended to have effect on those properties where the local union committee had actually served a Section 6 Notice on the particular subject in question and such notice has not been withdrawn.

This Addendum is incorporated by reference and shall constitute a part of the Agreement of this date.

23. Retention of Seniority

Employees shall not be required to file their names and addresses with the carrier when furloughed to protect seniority. However, employees have the obligation to keep the carrier current as to their current address and telephone numbers.

The parties themselves should resolve what role, if any, the local committees may take in contacting furloughed employees who cannot be reached at their last address and the consequences of an employee's failure to provide a current address and telephone number.

24. Monthly Rated Positions

Monthly rated positions shall be converted to hourly rates on a cost neutral basis.

25. Printing Agreements

Each carrier shall print and distribute copies of their comprehensive agreement to all affected employees within 90 days after the parties have agreed and signed off on the agreement's contents.

26. Location of Meetings and Claims Conferences

31. Due Process Improvement Proposals

42. Expedited Arbitration Procedure for Discipline Case

A National Discipline Study Committee shall be formed within ninety days after the date of this Agreement. The Committee shall consist of a representative from each Class I railroad party to the Agreement and a corresponding organization representative from each such carrier. The parties shall select a third party facilitator to chair the Committee. If they are unable to agree they shall select a facilitator, through alternate striking, from a list of

five arbitrators provided by the National Mediation Board. The order of striking shall be determined by coin flip unless otherwise agreed by the parties. The parties shall share the cost of the facilitator equally.

The Committee shall undertake a study of all aspects of existing discipline rules on Class I railroads applicable to the organization and develop a uniform discipline rule for the entire craft represented by the organization. The Committee shall conclude its work within 90 days after its creation or as mutually agreed to by the parties. The uniform discipline rule developed shall be considered for adoption on each carrier represented on the Committee within thirty days after issuance of the rule.

27. Currency Conversion

Employees covered by this Agreement shall be paid in the equivalent of U.S. currency. The dollar rates set forth in the Agreement are U.S. dollars not Canadian dollars.

28. Camper Allowance

Some four hundred and fifty employees on the approved camper list are allowed to utilize campers on the Santa Fe. We believe that these employees should receive an increase in the camper allowance, but we are concerned over the economic impact resulting from the Carriers' assertion that the allowance extends for 60 days beyond the time they return to their home station and are no longer away from home. We recommend that the allowance be raised to \$32. As the Carrier asserts, these individuals can elect to receive the per diem that is also available. The parties themselves, in the context of a more complete record, may wish to more fully discuss this matter and reach an accord on this issue.

29. Commercial Drivers License

In view of the recent award of the CDL differential, the Board does not recommend an increase in the differential at this time. However, the Board recommends limited cost of living adjustments, applying a formula similar to that applied to wage recommendations, to the existing CDL differential on January 1, 1997 and January 1, 1999. The only change from the formula applied to the wage recommendations is that the formula will use a single measurement period. The measurement period for the first adjustment will be from March 1995 to March 1996 and the second adjustment will be from March 1997 to March 1998. The Board recommends withdrawal of the organization's proposal that the differential be extended to FHWA issues.

See Side Letter No. 8 for process to resolve disputes over application and implementation.

30. Safety

Upon written request by the organization, the parties shall meet and attempt to develop a program, in conferences on each property, consistent with the following guiding principles:

- (a) Joint, cooperative efforts at improving safety in the workplace, including training in safe work practices;
- (b) Both organization and individual employee participation should be encouraged but not required. The parties will consult with each other concerning selection of participants. However, each party will have the ultimate responsibility for determining their respective participants.
- (c) Efforts should focus on prevention of accidents or injuries and any other topic which might contribute to a safe workplace.
- (d) The program should supplement, but not substitute for preexisting employee and/or union safety committee efforts on individual properties.
- (e) Third party facilitation should be considered if joint decision making appears impaired.
- (f) If no agreement is reached within six months upon carrier receipt of the written request, the parties shall establish a Board of Arbitration. The Board shall consist of three arbitrators. Each party shall select one arbitrator and those two arbitrators shall select a third arbitrator, who shall be the Chair of the Board. If the two arbitrators cannot agree on the choice of the third member, they shall select that arbitrator by a process of alternate strike from a list of seven provided by the National Mediation Board. The Board's jurisdiction shall be limited to the establishment of a joint Labor-Management cooperative safety program on safety and the issues of safety identified in the BMWU November 1, 1994 Section 6 Notice.
- (g) For a period of sixty (60) days after the establishment of the Board the parties shall negotiate with the mediatory assistance of the members of the Board.
- (h) If no agreement is reached within the sixty day period of mediation, the Board shall fashion an agreement between

the parties on the issues. The Board shall determine its rules of procedure and shall issue its award within 90 days of its creation.

(i) Each party will pay for the costs of their selected arbitrator and share the costs of the third arbitrator.

33. Selection of Positions

Amend Conrail Rule 3, Section 1 to provide that awards will be made using the order of sub-department, seniority district and then other seniority districts when no qualified bids are received from the respective roster.

46. Basic Day--Inclement Weather

Amend BN rule 25E in part (underscored language) as follows:

When hourly rated employees are required to report at usual starting time and place for the day's work, including when employees are bused from their lodging site to the work site, they will be allowed a minimum of three (3) hours at pro rata rate . . .

50. Monthly Rated Positions

Monthly rated positions (all services rendered basis) shall be converted to hourly rates on a cost neutral basis.

September 26, 1996
#1

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This confirms our understanding with respect to the general wage increase provided for in Article I, Section 1, the signing bonus provided for in Article I, Section 2, and the first lump sum payment provided for in Article I, Section 3 of the Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increase, the signing bonus, and the first lump sum as soon as possible and no later than sixty (60) days after the date of this Agreement.

If a carrier finds it impossible to make such payments within that specified time period, such carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Very truly yours,


Robert F. Allen

September 26, 1996
#2

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

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

It is understood that the retroactive portion of that wage increase shall be applied only to employees who have an employment relationship with a carrier on the date of this Agreement or who retired or died subsequent to December 1, 1995.

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

Yours very truly,



Robert F. Allen

I agree:



M. A. Fleming

September 26, 1996
#3

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

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

Sections 3 and 5 of Article I are structured so as to provide payments that are essentially based on the compensation earned by an employee during a specified calendar year. Section 8 provides that all of these payments are payable to an employee who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payments. Thus, for example, under Section 3 of Article I, except for an employee who has retired or died, the Agreement requires that an employee have an employment relationship on July 1, 1996 in order to receive that Compensation Allowance payment.

The intervals between the close of the measurement periods and the actual payments established in the Imposed Agreement dated February 6, 1992 were in large measure a convenience to the carriers in order that there be adequate time to make the necessary calculations.

In recognition of this, we again confirm the understanding that an individual having an employment relationship with a carrier on the last day of a particular calendar year used to determine the amount of a payment under Section 3 and 5 of Article I will not be disqualified from receiving the payment provided for in the event his employment relationship is terminated following the last day of such calendar year but prior to the payment due date.

Yours very truly,



Robert F. Allen

September 26, 1996
#4

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This will confirm our understanding regarding Article III -
Equity Wage Adjustment of the Agreement of this date.

Such Adjustment shall be applied effective November 30, 1995.
This letter addresses payment of the retroactive portion of that
Adjustment.

Each employee subject to this Agreement who has an employment
relationship with the carrier on the date of the Agreement or who has
retired, died or was discharged for cause subsequent to November 30,
1995 (eligible employee) shall receive a payment as provided below.

1. The amount payable to an eligible employee shall be equal to
the additional amount that would have been paid to such individual
for the period November 30, 1995 through the day preceding the date
of this Agreement if his or her rate of pay had been increased in the
amount of \$.35 per hour on November 30, 1995.

2. The payment due hereunder to an eligible employee shall be
payable in the first pay period following January 1, 1997.

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

Yours very truly,

Robert F. Allen

I agree:


M. A. Fleming

September 26, 1996
#4A

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This refers to the agreement concerning "Conrail issues" reached July 30, 1996 as it relates to Article I, Section 2 of the Mediation Agreement in Case No. A-12718 initiated July 22, 1996 (Mediation Agreement).

We agree that in addition to the Signing Bonus provided for in Article I, Section 2, Conrail Maintenance of Way employees will be entitled to receive a Supplemental Signing Bonus in lieu of the payment provided for in Side Letter No. 4 of the Mediation Agreement.

The Supplemental Signing Bonus will be calculated in the following manner. Each employee with 2,080 equivalent straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave, military duty, bereavement, personal days, jury duty, and guarantees in protective agreements or arrangements) during the period commencing on October 15, 1995 and concluding on October 14, 1996 ("base period"), will be paid a Supplemental Signing Bonus of \$640.00 in the first pay period following January 1, 1997.

For employees who have more than or fewer than 2,080 equivalent straight time hours paid for (as defined in the previous sentence) during the base period, the dollar amount of the Supplemental Signing Bonus shall be adjusted by multiplying such amount by the number of equivalent straight time hours for which the employee was paid during the base period divided by 2,080.

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

Yours very truly,


Robert P. Allen

I agree:


M. A. Fleming

September 26, 1996
#4B

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This refers to the agreement concerning "Conrail issues" reached July 30, 1996 as it relates to Article III - Equity Wage Adjustment of the Mediation Agreement in Case No. A-12718 initiated July 22, 1996 (Mediation Agreement) with respect to Conrail Maintenance of Way employees hired on or after January 1, 1996 who have an employment relationship with Conrail on the date of the Mediation Agreement or who has retired, died or was discharged for cause subsequent to January 1, 1996 ("eligible employee"). This letter addresses payment of the retroactive portion of that Adjustment.

Each eligible employee shall receive a payment equal to the additional amount that would have been paid to such individual for the period from the date of hire through the day preceding the date of the Mediation Agreement if his or her rate of pay had been increased in the amount of \$.35 per hour on the date of hire. The payment due hereunder to an eligible employee shall be payable in the first pay period following January 1, 1997.

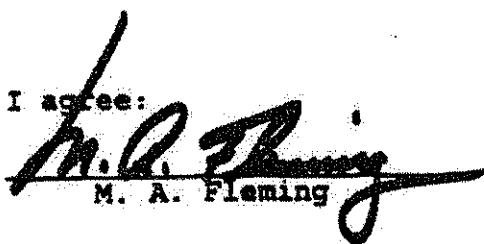
This payment is in lieu of the payment provided for in Letter #4A, which shall have no application to any eligible employee.

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

Yours very truly,

Robert F. Allen

I agree:


M. A. Fleming

September 26, 1996
#5

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This will confirm our understanding reached in connection with the Agreement of this date.

1. Within sixty (60) days after the date of this Agreement, the organization shall notify the carrier's highest designated officer of any examples of situations in which an employee represented by the organization holds a position on a property that performs the same work as a member of another craft on the same property but is compensated at a rate of pay more than fifty (50) cents per hour lower ("rate inequity").

2. Any rate inequities mutually agreed to by the parties pursuant to paragraph one shall be adjusted as follows (whichever produces a higher rate of pay):

(i) to the regular pay rate of the other comparable craft position, or

(ii) by applying a \$.50 per hour differential for all hours actually worked.

3. If the parties are unable to reach resolution, this matter shall be referred to a Public Law Board created under Section 3 of the Railway Labor Act.

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

Yours very truly,


Robert F. Allen

I agree:


M. A. Fleming

September 26, 1996
#6

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This will confirm our understanding with respect to the application of the seven (7) calendar days per month eligibility requirement for benefit coverage under the health and welfare, dental and vision plans. The understanding is as follows:

1. Nothing contained in this letter shall in any way add to, diminish or alter existing rights and/or obligations of both carriers and employees with regard to eligibility requirements for benefit coverage for employees going on furlough, furloughed or returning from furlough.

2. An employee whose assignment commences on one (1) calendar day and ends on the following calendar day shall be deemed to have rendered compensated service on one (1) calendar day. This remains true even if the employee works overtime on that assignment during the following calendar day unless

(a) such employee's overtime on the following calendar day continues into his/her regularly scheduled work hours; or

(b) the employee's overtime on the following calendar day occurs on his/her rest day and such overtime continues into the hours of what would have been the employee's regular work day, based on the employee's assignment immediately preceding the rest day, had the rest day been a regular work day.

In the event 2(a) or 2(b) occurs the employee shall be deemed to have rendered compensated service on two (2) calendar days. If the overtime continues uninterrupted for more than two (2) calendar days, the same principles will apply in determining for purposes of benefit eligibility the number of calendar days on which the employee shall be deemed to have rendered compensated service.

3. An employee whose assignment commences on one (1) calendar day and ends on the following calendar day, and who then works another assignment during that following day shall be deemed to have rendered compensated service on two (2) calendar days.

4. An employee who works (or who reports to work but is instructed not to work by carrier because of inclement weather) on an eight (8) hours day's assignment shall be deemed to have rendered compensated service on one (1) calendar day for each calendar day s/he works such assignment or reports to work for such assignment but is instructed not to work because of inclement weather. An employee who works (or who reports to work but is instructed not to work by carrier because of inclement weather) on a ten (10) hours day's assignment in lieu of an eight (8) hour day's assignment will be deemed to have rendered compensated service on one and one-quarter (1.25) calendar days for each calendar day s/he works such assignment or reports to work for such assignment but is instructed not to work because of inclement weather. Similarly, an employee on assignment where the regular work day is programmed to consist of more than eight (8) hours (e.g. 9, 11, 12, 13 hours) shall be deemed to have rendered compensated service on one and on a fraction of another calendar day worked, on the same principle as described above.

5. An employee called in to work on his/her rest day shall be deemed to have rendered compensated service on one (1) calendar day.

6. A new employee who reports for duty on the first day allowed, who has less than seven (7) calendar days on which s/he is assigned to work remaining in the month, will be eligible for benefits in the following month provided the employee works all regularly assigned days in such month.

7. The change in eligibility requirements is not intended to alter current practices with respect to whether vacations, holidays, personal leave days, bereavement leave and jury duty are considered as days of compensated service for purposes of the health, dental and vision plans.

8. An employee who is called to military duty to respond to an emergency (e.g. The Gulf War) and as a result is not able to meet the seven (7) day eligibility requirement shall remain eligible for benefits for four (4) months after the month in which compensated service was last performed.

9. An employee who is suspended, dismissed or retires and, consequently, does not meet the seven (7) calendar days per month eligibility requirement shall receive the same extension of coverage as such person received prior to such change.

10. Any lapse in benefits occurring as a result of this eligibility change shall not continue beyond the month so affected, provided such employee meets the eligibility requirements governing

-39-

the immediately following month.

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

Very truly yours,


Robert F. Allen

I agree:


M. A. Flaming

September 26, 1996
#7

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This will confirm our understanding with respect to Article XII - Workforce Stabilization of the Agreement of this date.

As soon as practicable, but in no event later than October 1, 1998, the parties will review the pertinent provisions of the February 7, 1965 Agreement for the purpose of developing:

(i) a current document that incorporates the agreed-upon changes to that agreement that the parties have reached in the interim, including the aforementioned Article XII and any other appropriate conforming changes; and

(ii) alternative procedures for resolving disputes arising thereunder.

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

Very truly yours,


Robert F. Allen

I agree:


M. A. Fleming

September 26, 1996
#8

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This will confirm our understanding regarding Item 29 - Commercial Drivers License in the Addendum to the Agreement of this date.

It is the carriers' position that on those carriers who do not have an existing differential for Commercial Drivers License, that Recommendation 29, Commercial Drivers License of PEB No. 229 does not establish a CDL differential. The BMWE contends that it does establish a CDL differential.

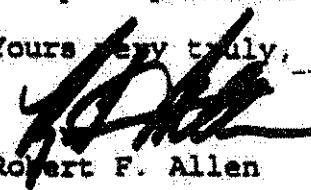
The parties have agreed to refer this matter to final and binding arbitration as provided herein.

The parties shall select a neutral person to serve as the arbitrator within thirty (30) days after the date of this Agreement. If the parties fail to agree upon such a neutral person within the aforementioned thirty days, either party may request a list from the National Mediation Board of seven (7) potential arbitrators from which the parties shall promptly choose the neutral by alternately striking names from the list. The order of striking shall be determined by coin flip except as otherwise agreed by the parties. The fees and expenses of the neutral person shall be borne equally by the parties, and all other expenses shall be paid for by the party incurring them.

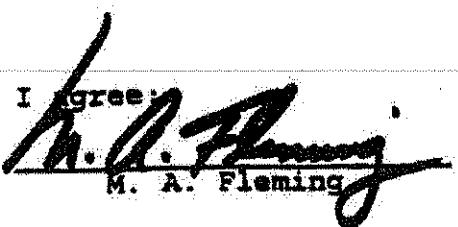
Within ten (10) days after the arbitrator is selected, each party shall submit its statement of the question(s) at issue to the arbitrator, with a copy to the other party.

If this is consistent with your understanding of our agreement,
please confirm by signing your name in the space provided below.

Yours very truly,


Robert F. Allen

I agree:


M. A. Fleming

-43-

September 26, 1996
#9

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

This confirms our understanding in connection with the Agreement of this date.

The carrier shall provide protective clothing and equipment (except shoes) that it deems necessary for the protection of the safety and health of employees covered by this Agreement.

The parties may elect to address this matter in a more comprehensive manner in connection with the process regarding safety (item 30) identified in the Addendum to this Agreement.

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

Very truly yours,

Robert F. Allen

I agree:


M. A. Fleming

September 26, 1996
#10

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employees
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

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

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

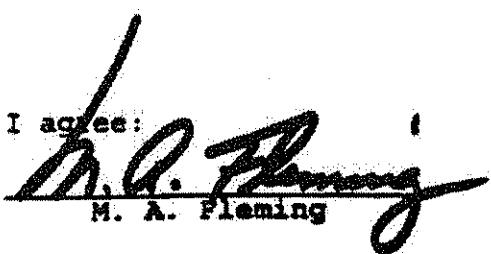
Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



M. A. Fleming

EXHIBIT A
(BMOE)

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1994 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1994 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Maintenance of Way Employees.

Alton & Southern Railroad
Atchison, Topeka and Santa Fe Railway Company
Bangor and Aroostook Railroad Company - 1
The Belt Railway Company of Chicago - 1
Burlington Northern Railroad Company
Camas Prairie Railroad Company
Chicago and North Western Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
The Baltimore and Ohio Chicago Terminal Railroad Company
The Baltimore and Ohio Railroad Company (former)
The Chesapeake and Ohio Railway Company (former)
(Northern and Southern Regions)
Chicago and Eastern Illinois Railroad Company (former)
Clinchfield Railroad (former)
Louisville and Nashville Railroad Company (former)
Monon Railroad (former)
Richmond, Fredericksburg & Potomac Railway Company
Seaboard Coast Line Railroad Company (former)
Toledo Terminal Railroad Company (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
CP-Kansas City Southern Joint Agency
Lake Superior & Ishpeming Railroad Company - 2
Los Angeles Junction Railway
Manufacturers Railway Company

Meridian & Bigbee Railroad Company - 1
Missouri-Kansas-Texas Railroad
Oklahoma, Kansas & Texas Railroad
Missouri Pacific Railroad
New Orleans Public Belt Railroad - 1
Norfolk and Portsmouth Belt Line Railroad Company
Norfolk Southern Railway Company
The Alabama Great Southern Railroad Company
Atlantic & East Carolina Railway Company
Central of Georgia Railroad Company
The Cincinnati, New Orleans & Texas Pacific Railway
Company
Georgia Southern and Florida Railway Company
Interstate Railroad Company
Norfolk & Western Railway Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Northern Indiana Commuter Transportation District - 1
Peoria and Pekin Union Railway Company
The Pittsburgh, Chartiers & Youghiogheny Railway Company
Port Terminal Railroad Association
Portland Terminal Railroad Company
Spokane International Railroad
Terminal Railroad Association of St. Louis
Union Pacific Railroad
Utah Railway Company
Western Pacific Railroad
Wichita Terminal Association

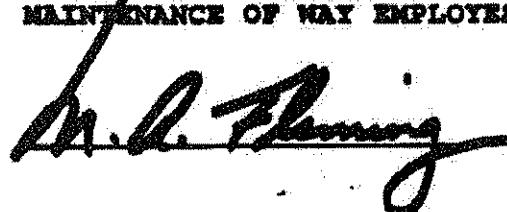
NOTES:

- 1 - Health and Welfare and Supplemental Sickness only.
- 2 - Wages and Rules and Supplemental Sickness only.

FOR THE CARRIERS:



FOR THE BROTHERHOOD OF
MAINTENANCE OF WAY EMPLOYEES:



Washington, D.C.
September 26, 1996

**AGREED-TO QUESTIONS & ANSWERS
UNDER THE SEPTEMBER 26, 1996 BMWE NATIONAL AGREEMENT**

Q.1 Article VIII permits one week of vacation to be taken in less than 40 hour increments provided such vacation days are scheduled in accordance with existing rules on a carrier governing personal leave days. How should the scheduling of such vacation days be handled?

A.1 The intent of the Article is to develop scheduling practices consistent with rules governing personal leave days on each particular carrier.

Q.2 What transactions are intended to be covered by Article XI?

A.2 Those transactions involving the sale or lease of property owned by a carrier party to this agreement to a person other than a rail carrier pursuant to 49 U.S.C. section 10901 and for which there is no statutory labor protection. Article XI is intended to cover the same transactions as are covered in the counterpart provisions (titled as "Enhanced Employment Opportunities") contained in the national agreements between the carriers and the operating craft organizations (UTU and BLE).

Q.3 Under Article XIV, Section 1, how would the travel allowance due to a covered employee be calculated under the following circumstances. The employee travels 151 miles from his residence to his initial reporting location by the most direct highway route. At the end of the first work week that employee drives home and back to the same work location. What travel allowance does that employee receive under Section 1?

A.3 The employee receives \$25.00 for the start up trip from his residence to the initial reporting location at the beginning of the work season. He receives \$75.00 for the end of first work week travel of 302 miles.

LABOR RELATIONS

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FT. WORTH

Q.4 Under Article XIV, Section 1(c), a carrier provides bus transportation to employees to their home area.

- (a) May an employee covered by that provision decline the bus transportation?
- (b) If such employee declines the bus transportation, does that declination make the employee ineligible for a travel allowance under Article XIV?

A.4 (a) Yes.

- (b) No.

Q.5 Under Article XIV, Section 2, what does an employee electing the airline option receive for meals and lodging during the two away-from-home weekends in the three week cycle?

A.5 Such employee receives the meals and lodging entitlement provided under existing local agreements with respect to a work day. The employee is not entitled to meals and lodging for the weekend on which the employee returns home by air transportation.

Q.6 How should Article XIV, Section 2 be applied where employees are working a four 10-hour day work week or other alternative schedule?

A.6 Where those situations occur, carrier and organization representatives should meet locally and develop equivalent alternatives.

Q.7 How should Addendum Items 23, 24 and 50 be applied?

A.7 Addendum items 23, 24 and 50 must be handled locally.