

NATIONAL AGREEMENT OF 1973
(April 27, 1973)

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A G R E E M E N T

THIS AGREEMENT, made this 27th day of April, 1973, by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - GENERAL WAGE INCREASE

(a) Effective January 1, 1974, all standard basic daily rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 1973, shall be increased by an amount equal to 4.0%.

(b) Effective January 1, 1974, all standard mileage rates of pay of employees represented by Brotherhood of Locomotive Engineers in road service in effect on December 31, 1973 shall be increased by an amount equal to 4.0%.

(c) In computing the percentage increases under paragraphs (a) and (b) above, 4.0% shall be applied to standard basic daily rates of pay, and 4.0% shall be applied to standard mileage rates of pay, respectively, applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily or mileage rate of pay:

Passenger - 600,000 and less than 650,000 pounds

Freight - 950,000 and less than 1,000,000 pounds
(through freight rates)

Yard Engineers - Less than 500,000 pounds

Yard Firemen - 250,000 and less than 300,000 pounds
(separate computations covering five-day
rates and other than five-day rates)

(d) Application of Wage Increase

(i) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article I.

(ii) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(iii) Daily earnings minima shall be increased by the amount of the respective daily increases.

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

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

(vi) The differential of \$4.00 per basic day in freight and yard service, and 4¢ per mile for miles in excess of 100 in freight service, will be maintained for engineers working without firemen on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required. Such differential will continue to be applied in the same manner as the local freight differential.

(vii) In computing the increased rates of pay effective January 1, 1974 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less which are therefore paid on a daily basis without a mileage component, whose rates had been increased by "an additional \$.40" effective July 1, 1968, 4.0% of the daily rates, exclusive of the local freight differential and any other money differential above existing standard daily rates but including the \$.40 increase, in effect for such firemen December 31, 1973 applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds, shall be added to each applicable weight-on-drivers daily rate of pay.

(viii) Other than standard rates:

(a) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of January 1, 1974, by the equivalent of 4.0%, computed and applied in the same manner.

(b) The differential of \$4.00 per basic day in freight and yard service, and 4¢ per mile for miles in excess of 100 in freight service, will be maintained for engineers working without firemen on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required. Such differential will continue to be applied in the same manner as the local freight differential.

(c) Daily rates of pay, other than standard, of firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less which are therefore paid on a daily basis without a mileage component, shall be increased by 4.0% effective January 1, 1974, computed and applied in the same manner as provided in paragraph (vii) above.

(e) The standard basic daily and mileage rates of pay produced by application of the increases provided for in this Article I are set forth in Appendix 1, which is a part of this Agreement.

ARTICLE II - COST-FREE UNION DUES DEDUCTION AGREEMENT

Within 60 days following request by the organization, each railroad party to this Agreement and the organization signatory to this Agreement will reach an understanding or agreement to modify their union dues deduction agreement (or, if there is no dues deduction agreement, the parties on the individual railroads will negotiate a union dues deduction agreement), effective with the first calendar month following 60 days after the date of such agreement (unless otherwise agreed to), which will conform to the following guidelines:

1. Deductions will be limited to periodic union dues, initiation fees, and assessments (not including fines and penalties) which are uniformly required as a condition of acquiring or retaining membership.
2. No costs will be charged against the organization or the affected employees in connection with the dues deduction agreement.
3. Appropriate written assignment form executed by the individual involved must be in the hands of the designated railroad officer at least 30 days in advance of the first payroll deduction scheduled for that individual; provided, however, that dues deduction assignments currently in effect need not be reexecuted and may be continued in effect subject to their terms and conditions.
4. The dues deduction amounts may not be changed more often than once every three months.
5. The parties to the dues deduction agreement will mutually agree on the payroll period on which the deductions uniformly will be made.
6. The dues deduction agreement will include appropriate priorities of deductions in cases where the individual's pay check is insufficient to permit deduction of the full amounts specified on the deduction lists. The following payroll deductions, as a minimum, will have priority over the deductions called for by the dues deduction agreement:

Federal, State, and Municipal taxes; premiums on any life insurance, hospital-surgical insurance, group accident or health insurance, or group annuities; other deductions required by law, such as garnishments and attachments; and amounts due the carrier by the individual.
7. In the event there is insufficient earnings to permit the full amount of the union dues deduction, no deduction will be made.
8. The carrier will furnish uniform alphabetical deduction lists (in triplicate) for each local lodge each month. Such lists will include the employee's name, Social Security number or pay roll identification number, and the amount of union dues deducted from the pay of each employee.

This Article II becomes effective 60 days after the date of this Agreement on each of the carriers party to this Agreement, unless within 45 days after the date of this Agreement the General Chairman of the organization signatory hereto advises the designated railroad officer in writing that the organization desires to retain the existing dues deduction agreement. In that event, all of the provisions of the existing dues deduction agreement will be retained, subject to the provisions of Article III of this Agreement.

ARTICLE III - 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.

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 1974 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) The parties to this Agreement shall not serve nor progress prior to July 1, 1974 (not to become effective before January 1, 1975) any notice or proposal for changing any matter contained in:

(1) this Agreement,

(2) paragraph (a) of Article XIV of the Agreement of May 13, 1971, except that notices may be served regarding vacations and holidays so long as they do not relate to length of paid vacations in excess of the maximum provided in the national agreement, or, number of paid holidays in excess of the maximum provided in the national agreement,

(3) the list of items referred to the Standing Committee by Article XII of the Agreement of May 13, 1971 (plus the following additional items: overtime, guarantees, shift differential and sick leave), except as hereinafter provided in paragraph (d) of this Section 2, or

(4) bereavement or funeral pay

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

(d) The parties to this Agreement will continue in effect during the term of this Agreement the Standing Committee established by Article XII of the Agreement of May 13, 1971, including the procedures worked out by the parties. However, if either party signatory to this Agreement decides that the Standing Committee procedure should no longer be continued, the carriers or the union may serve national (but not local) Section 6 notices on the matters enumerated in said Article XII of the May 13, 1971 Agreement and paragraph (c)(3) of this Section 2.

(e) Pending or new proposals served or to be served on individual railroads dealing with training of engineers are excepted from the provisions of this Section 2.

(f) This Section 2 will not debar management and committees on individual railroads from agreeing upon any subject of mutual interest.

ARTICLE IV - RAILROAD RETIREMENT AMENDMENTS CONTINGENCY

This Agreement is contingent upon the enactment of legislation accomplishing the purposes specified in Appendix 2 attached hereto and hereby made a part hereof.

SIGNED AT WASHINGTON, D. C. THIS 27th DAY OF APRIL, 1973.

FOR THE PARTICIPATING CARRIERS
LISTED IN EXHIBIT A:

FOR THE EMPLOYEES REPRESENTED BY THE
BROTHERHOOD OF LOCOMOTIVE ENGINEERS:

William H. Dempsey
Chairman

C. J. Cony

E. A. Ball

B. J. Williams

J. K. Day Jr.

J. C. BeRuth

G. Han

J. R. Jones

9/27/72

FACT SHEET ON H.R. 7200

SUPPORT:

The bill was jointly prepared by representatives of the principal railroads and unions representing their employees. It is jointly supported by the National Railway Labor Conference, Congress of Railway Unions and the majority of the Association of American Railroads and the Railway Labor Executives' Association, respectively.

RELATION TO
COLLECTIVE
BARGAINING:

The agreement of the railroads and the unions jointly to seek enactment of the bill was negotiated as one element in an agreement that also settled their wages and rules disputes until the end of 1974. The wages and rules agreement is specifically contingent on the parties being able to get Congress to adopt the provisions of H.R. 7200.

URGENCY:

Temporary benefit increases under the Railroad Retirement Act enacted in 1970, 1971 and 1972 (P.L. 91-377, P.L. 92-46 and P.L. 92-460) of 10 percent, 15 percent and 20 percent, respectively, and cumulating to over 50 percent, will expire on June 30, 1973 unless Congress acts before that date.

EXPLANATION
OF THE BILL:

- (1) The bill extends the temporary increases in Railroad Retirement benefits of 1970, 1971 and 1972 to December 31, 1974.
- (2) Effective October 1, 1973, the railroads will pick up the Railroad Retirement taxes levied on railroad employees to the extent that they exceed social security taxes. These taxes come to a maximum of \$42.75 per employee per month in 1973 and a maximum of \$47.50 per employee per month in 1974.
- (3) The railroads and the unions will immediately set up a joint standing committee to work out a permanent structure of the Railroad Retirement Act taking into consideration the changes now enacted, sound financing of the system and the recommendations of the Commission on Railroad Retirement. The parties will report their recommendations to Congress no later than July 1, 1974.
- (4) Commencing July 1, 1974, men employees (as well as women) who have 30 years of service and are 60 years of age will be able to retire without actuarial reduction in their annuities. Women have this privilege now.

(more)

- (5) Enactment of the bill will not jeopardize the financial soundness of the Railroad Retirement Account. Admittedly, the temporary benefit increases, which would be briefly extended by the bill, are not fully financed. But, despite the decline in number of railroad employees, rates of pay and the ceiling on taxable compensation have both been increasing so fast that the taxable payroll has been increasing almost every year and was greater in 1972 than ever before. In the 10 years from 1963 through 1972 the balance in the Railroad Retirement Account increased from \$3.792 billion to \$4.046 billion.