ARBITRATION AWARD 458
APPENDIX B
May 19, 1986

ARTICLE I:	Page	General Wage Increase
Section 1.		1st General Wage Increase
Section 2.		2nd General Wage Increase
Section 3.		3rd General Wage Increase
Section 4.		4th General Wage Increase
Section 5.		5th General Wage Increase
Section 6.		6th General Wage Increase
Section 7.		Standard Rates
Section 8.		Application of Wage Increases
ARTICLE II:	4	Cost Of Living Adjustments
Section 1.		Amount & Effective Dates Of Cost Of living Adjustments
Section 2.		Application Of Cost Of Living Adjustments
ARTICLE III:	7	Lump Sum Payments
ARTICLE IV:	8	Pay Rules
Section 1.		Milage Rates
Section 2.		Miles In Basic Day & Overtime Division
Section 3.		Conversion To Local Rate
Section 4.		Engine Exchange
Section 5.		Duplicate Time Payments
Section 6.		Rate Progressioin New Hires
ARTICLE V:	10	Final Terminal Delay Freight Service
Section 1.		Computation Of Time
Section 2.		Extension Of Time
Section 3.		Payment Computation
Section 4.		Multiple Trips
Section 5.		Exceptions
Section 6.		Local Freight Service

	Page	
ARTICLE VI:	11	Deadheading
Section 1.		Payment When Deadheading And Service Combined
Section 2.		Payment For Deadheading Separate From Service
Section 3.		Application
ARTICLE VII:	13	Road Switches, Etc.
Section 1.		Reduction In Work Week
Section 2.		New Road Switches Agreements
ARTICLE VIII:	14	Road Yard & Incidental Service
Section 1.		Road Crews
Section 2.		Yard Crews
Section 3.		Incidental Work
Section 4.		Construction Of Article
ARTICLE IX:	16	Interdivisional Service
Section 1.		Notice
Section 2.		Conditions
Section 3.		Procedure
Section 4.		Arbitration
Section 5.		Existing Interdivisional Service
Section 6.		Construction of Article
Section 7.		Protection
ARTICLE X:	19	Locomotive Standards
ARTICLE XI:		Termination Of Seniority
ARTICLE XII:	20	Firemen
Section 1.		Amendments Of 7/19/72 Moving & Training Agreement
ARTICLE VIII:	24	Reserve Firemen
Section 2.		Application
ARTICLE XIII	31	Retention Of Seniority
ARTICLE XIV:		Expenses Away From Home

	Page	
ARTICLE XV:	31	Benefits Provided Under The Rail Road Employees National Health And Welfare Plan
Section 1.		Continuation Of Plan
Section 2.		Benefit Changes
Section 3.		Special Committee
ARTICLE XVI:	33	Informal Disputes Committee
ARTICLE XVII:		Locomotive Designs, Construction And Maintenance
Section 1.		Maintenance Of Locomotives
A.		Local Implementation
B.		National Committee
Section 2.		Dispachment Of Locomotives
Section 3.		Locomotive Design & Construction
ARTICLE XVIII:	36	General Provisions
Section 1.		Court Approval
Section 2.		Effect Of This Agreement

June 17, 1986
File: Arb.Award 458, NA 1986/GCA

C O R R E C T I O N

On CL No. 0,86-63, dated June 10, 1986

Arbitration Award 492 - should be Arbitration Award 458.

BURLINGTON NORTHERN RAILROAD

EMPLOYEE RELATIONS
3000 Continental Plaza
777 Main Street
Fort Worth, Texas 76102

June 6, 1986

File: EF-1(b) 5/19/86

Mr. C. B. Clark
General Chairman, BLE
Suite 217, Union Station Bldg.
Denver, Colorado 80202

Mr. J. A. Finley
General Chairman, BLE
P. O. Box 666
Teague, Texas 75860

Mr. R. E. Pelava
General Chairman, BLE
333-On-Sibley Street, Suite 410
St. Paul, Minnesota 55101

Mr. M. L. Royal
General Chairman, BLE
Cervini Bldg., Room 112
1002 Texas Boulevard
Texarkana, Texas 75501

Mr. W. C. Walpert
General Chairman, BLE
3433 South Campbell, Suite 0
Springfield, Missouri 65807

Gentlemen:

In reference to the National Arbitration Award of May 19, 1986.

Just so there is no misunderstanding, you are hereby advised that this Carrier does not make an election under Articles V, VI, VII and IX, to preserve existing rules and practices.

Sincerely,

J. J. Ratcliff
Asst. Vice President
Labor Relations

ALL LOCAL CHAIRMEN
ALL ASSISTANT LOCAL CHAIRMEN
GCA-BLE/BNRC
(Except C&S, FW&D, and Frisco)

June 10, 1986
File: Arb.Award 472, NA 1986/G

CL No. 0,86-63

Dear Sirs and Brothers:

This attached letter received from the Burlington Northern indicates they have accepted Articles V, VI, VII, and IX in Arbitration Award 472, dated May 1986.

R.E. Pelava

cc: M.E. Hansen, S-T/BLE

BEFORE THE
ARBITRATION BOARD

Constituted Pursuant to a National Mediation Board Arbitration Agreement Made and Entered Into On April 15, 1986

By and Between

CERTAIN CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE	)	Arbitration Board No. 458
and	)	
CERTAIN OF THEIR EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS	)	National Mediation Board

(National Mediation Board Case Nos. A-10712 and A-11472)

AWARD

Washington, D.C.
May 19, 1986

BEFORE THE
ARBITRATION BOARD

Constituted Pursuant to a National Mediation Board Arbitration Agreement Made and Entered Into On April 15, 1986

By and Between

CERTAIN CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE	)	Arbitration Board No. 458
and	)	
CERTAIN OF THEIR EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS	)	National Mediation Board

(National Mediation Board Case Nos. A-10712 and A-11472)

AWARD

Washington, D.C.
May 19, 1986

This award is made in conformance with the Railway Labor Act pursuant to a voluntary arbitration agreement executed by certain carriers represented by the National Carriers' Conference Committee (Carriers) and the employees of these carriers represented by the Brotherhood of Locomotive Engineers (BLE). That Agreement was executed on April 15, 1986, under the auspices of the National Mediation Board. A copy of the Arbitration Agreement is attached as Appendix "A".

William J. Wanke and Charles I. Hopkins, Jr. were duly designated by the BLE and the Carriers respectively, as members of the Arbitration Board. Rodney E. Dennis was appointed by the National Mediation Board to serve as Chairman of this Board. Such designations and appointment were made in accordance with the Railway Labor Act and the terms of the parties' Arbitration Agreement. Roland Watkins, Esq. was assigned by the National Mediation Board (NMB) to serve as Special Assistant to the Board. Mr. Watkins provided valuable assistance to this Board during the entire proceeding.

Background

The BLE represents approximately 25,000 Locomotive Engineers, or about 10% of the total number of represented employees on the Nation's railroads. On some carriers, the BLE represents Locomotive Firemen, Hostlers and Hostler Helpers.

The railroad companies in this dispute are represented by the National Carriers' Conference Committee.

On January 3, 1984, the BLE in accordance with Section 6 of the Railway Labor Act, served notice on the individual railroads of their demands for changes in the collective bargaining agreements. Another notice dealing with health benefits was served by the BLE on January 17, 1984. The Carriers served their notices on or about January 23, 1984.

The first formal meeting occurred on May 16, 1984. After several months of negotiations, the Carriers, on August 27, 1984, applied to the NMB for its mediatory services. The application was docketed as NMB Case No. A-11472. During the course of negotiations, the parties agreed to include in these negotiations the BLE's October 20, 1979 Section 6 notice regarding locomotive design which dispute had been previously docketed as NMB Case No. A-10712.

Mediation was undertaken by NMB Chairman Walter C. Wallace and NMB Staff Mediation Director E. B. Meredith. They met with the parties on October 23, 1984, and on numerous occasions throughout the following year. On December 18, 1985, the Carriers and the BLE reached an agreement.

The December 18, 1985 Agreement was placed before the appropriate BLE membership for approval. The Agreement was not ratified.

BLE International President John F. Sytsma appointed a new negotiating committee to meet with the Carriers. Mediation service was provided by NMB Member Charles L. Woods and Mr. Meredith. The parties met on March 12, 13, 14 and March 17, 1986, but were unable to resolve their differences.

On March 24, 1986, the NMB, in accordance with Section 5, First, of the Railway Labor Act, offered the parties the opportunity to submit their dispute to arbitration. The Carriers accepted the NMB's proffer of arbitration on March 25, 1986, and the BLE accepted on April 2, 1986. On April 15, 1986, the parties executed an Arbitration Agreement pursuant to which this Board was created.

The Board commenced hearings on May 1, 1986. The hearings resumed on May 2, 3, 5 and 6, 1986. The parties were given full opportunity to present contentions, oral testimony and documentary evidence. The transcript of the proceeding consists of 834 pages. The BLE submitted 33 exhibits and the Carriers submitted 13 exhibits.

After a full consideration of the evidence and arguments of the parties and upon the entire record, the Arbitration Board makes the following findings and Award. These findings and Award represent the majority opinion of the Board. Thus, hereinafter when we refer to the Board we are referring to the views of the majority of the Board members.

DISCUSSION AND FINDINGS OF THE MAJORITY OF THE BOARD

In this Board's judgment, the central issue before it is the extent, if any, to which its Award should be based on the parties' tentative agreement initialed on December 18, 1985. That tentative agreement comprehends, among other things, changes in the method of compensation, divisions of work, work limitations and pay relationships. The parties have taken sharply diverging positions on this issue. The BLE has contended that the tentative settlement is seriously flawed and should be disregarded by the Board in fashioning its Award. Instead, the BLE urges the Board to issue an Award based essentially on the Brotherhood's relevant Section 6 notices. In contrast, the Carriers have argued that the tentative settlement, subject to certain modifications, should constitute the Board's Award--notwithstanding their conviction that it falls far short of the relief to which they are entitled. The Carriers have cited a host of reasons to support their position relying primarily on the findings of Emergency Board 208, the UTU Agreement, and the current transportation economic environment brought about by deregulation.

For the reasons that follow and based on our consideration of the entire record of the proceedings, we conclude that the parties' tentative agreement, modified as described below, should serve as this Board's award.

In the Board's judgment, the principal consideration supporting adoption of the tentative agreement is the UTU Agreement of October 31, 1985. That agreement covers almost the identical set of issues and governs employees peforming the same work; i.e. railroad operating employees. In fact, the UTU Agreement applies to ground service employees as well as engineers and firemen, the employee classes represented by the BLE. The commonality of interests that these two groups of employees share is obvious. It is equally obvious that harmony among the pay and work rules governing these two groups must exist. As a practical matter, efficient rail operations demand no less.

However, there are a number of other compelling justifications for adopting the parties' tentative agreement as the basis for this award. Principally, we refer to the history of efforts to bring about change in the pay and work rules of operating employees. This history exceeds a generation. It is rich and full in study, reports and recommendations. But, until the October 31, 1985 UTU Agreement, it produced little in the way of change. There is no need to recite in depth this history. It has been lived by the participants in this proceeding and is in the record for historians. It is enough to note that the parties themselves designed through agreement in the last round a Study commission that reviewed in depth this record and charted a full course of change.

We must be mindful, too, of the report of Emergency Board 208 issued under circumstances not unlike those that surround this Board. By that we mean that Emergency Board 208 was established after the original UTU Agreement was rejected. Thus, in a similar context, Emergency Board 208 issued a strong endorsement of the parties' efforts. We note that Board's views:

> Accordingly, this Board has concluded that there should be no changes in the resolution of issues [in the tentative agreement] other than the Firemen/Hostler Issue and those modifications to be set forth in the Board's recommendations which follow.
>
> It should be further recognized that the parties made substantial compromises in order to reach agreement. The Carriers, with the report of the

> Study Commission, could have argued that the rule changes recommended by the Study Commission should have been adopted en toto. They did not. The Agreement bears witness to the compromises made. (Report of Emergency Board No. 208, p. 14)

This Board shares that opinion.

We conclude as well that the tentative agreement should be adopted because it represents the parties' best efforts to make the pay and work rule changes deemed necessary to meet the challenges of deregulation. This proceeding is replete with exhibits demonstrating that the railroad industry must continue to improve its service and lower its costs if it is to remain a significant force in today's deregulated environment. Rather than deferring these problems yet again, the parties accepted the challenge and negotiated changes that they believe are necessary for the industry's future health. We can perceive no justification for this Board to disturb the parties' judgments in that area.

With the assistance of representatives of the National Mediation Board, they reached a comprehensive, voluntary settlement that incorporated a number of work and pay rule changes that had long been urged by various emergency boards and other distinguished bodies as both warranted and necessary. In return, the carriers made substantial compromises and agreed to retain various rules of special significance to the BLE. The tentative agreement is a well-balanced settlement that reflects the legitimate concerns and needs of both parties as expressed during their hundreds of hours of negotiations. Moreover, it represents the considered views of the parties' experienced negotiators, who have spent their careers in studying these issues, on the work and pay rule changes that must be made.

We believe the parties' negotiators, who had the courage and foresight to make the far-reaching changes contained in the tentative agreement deserve substantial credit for their achievement. We are unwilling to discard the fruits of those efforts and substitute our judgment for the collective wisdom of the parties' negotiators. This Board is convinced that its rejection of the tentative agreement would seriously damage the integrity of the bargaining process and weaken, if not destroy, the parties' ability to bargain successfully in the future.

In short, the realities that confront this Board permit no other conclusion. The distinguished authorities who have reviewed these issues have unanimously found the need for change compelling. Furthermore, the new competitive environment brought on by deregulation calls for no less. As noted by Emergency Board No. 208:

> The parties are well aware that the trucking industry, in particular, is making constant and inexorable inroads on the market share of the Nation's rail carriers. In that situation, it is understandable that the negotiators for both the Carriers and the UTU made significant changes in established rules and working conditions in order to halt the continued deterioration of market share and loss of railroad jobs. (Report of Emergency Board No. 208, p. 14)

We suggest that those who may be disappointed with our conclusion consider the consequences of rejecting this tentative agreement and recommending an arrangement more to the Brotherhood's liking. Such a result would destroy the successful bargaining that occurred in these negotiations, undermine the UTU contract, ignore the existence of deregulation, disregard the need for the industry to become more competitive and threaten the collective bargaining relationship that has been constructed with obvious care.

Therefore, for the reasons we have outlined, this Board has decided to adopt the parties' December 18, 1985 tentative agreement as its Award, subject to the modifications described below.

A. Pay Rule Amendments

The tentative agreement, if ratified, would have gone into effect on February 1, 1986. The carriers have contended that such agreement's pay and work rule changes, if awarded by the Board, cannot be implemented any earlier than June 1, 1986, and that they should not be required to bear the costs associated with this delay in implementation because they played no part in creating it. Accordingly, they have proposed adjustments to certain pay provisions of the settlement that are designed both to compensate the carriers for such delay and, as intended by the parties, to link the effective dates of the agreement's pay increases with commencement of work rule relief. We conclude that there is substantial evidence in the record to support these contentions and that certain adjustments are appropriate. Accordingly, the Award amends the tentative agreement as follows:

1. The first two general wage increases, originally scheduled for February 1, 1986, shall become effective on July 1, 1986.

2. The increase in the meal allowance shall become effective on July 1, 1986 rather than February 1, 1986.

3. The initial increase in the engineer's lonesome pay shall become effective on July 1, 1986 rather than February 1, 1986.

4. The third general wage increase shall be effective October 1, 1986, rather than July 1, 1986 as provided in the tentative agreement. The first COLA provision shall be similarly deferred to October 1, 1986.

The remaining modifications in this area proposed by the carriers are rejected. Accordingly, the maximum amount of the lump sum shall remain at $565, and the effective dates of the 104-mile basic day and the two-thirds reduction of the engine exchange arbitrary shall be July 1, 1986.

B. Work Rule Amendments

1. New Employees. Under both the UTU Agreement of October 31, 1985 and the tentative BLE agreement, employees hired after the date of such contract are treated differently from those hired prior to such date with respect to the application of a number of pay and work rules. In the UTU Agreement, the date used to define new employees for this purpose is November 1, 1985, but in the BLE tentative settlement, the applicable date was February 1, 1986. The carriers have demonstrated on the record that, unless eliminated, this variation could produce anomalous results because the same employee could be a "new employee" under the UTU Agreement and a "present employee" under the BLE settlement. We are persuaded that this anomaly should be corrected by conforming the dates in the two contracts. Accordingly, the tentative settlement is amended to provided that, for this purpose, a new employee shall be one whose seniority in engine or train service is established on or after November 1, 1985.

2. Firemen. The same considerations discussed in the preceding paragraph require a modification to the firemen provisions of the tentative agreement. Both the UTU Agreement and the tentative BLE settlement contain provisions establishing certain rights for firemen. The nature of those rights depends on whether an employee established fireman (helper) seniority before or after a particular date. In the UTU Agreement, such date is November 1, 1985, while in the BLE tentative settlement the date was stated as either February 1, 1986 or the date of the agreement. Again, the disparity in dates between the two contracts could produce anomalous results that cannot be justified. There is simply no reason to treat two firemen who established seniority on the same day differently with respect to

work opportunities solely because they are covered by contracts negotiated months apart. Accordingly, the firemen provision in the BLE tentative settlement is amended to conform to the UTU Agreement by substituting November 1, 1985 for February 1, 1986 or the date of the agreement in the appropriate places.

3. Final Terminal Delay. In the tentative settlement, the question of the point at which final terminal delay (FTD) would begin was left to arbitration, and a grace period of 60 minutes was established. In this proceeding, the carriers have contended that this Board should fix the appropriate point, and that such point should be identical to the FTD point established in the October 31, 1985 UTU Agreement.

The organization opposed the carriers request. It argues that, because conditions vary widely at terminals, a host of local agreements have been negotiated that differ widely with respect to the defined FTD point. In addition, it contends that such agreements typically provide grace periods of only 30 minutes before FTD becomes payable. The BLE is willing to extend the grace period to 60 minutes, but contends that no other changes should be made in the existing FTD rules.

The record supports the following conclusions. The Carriers and the Brotherhood established a national FTD rule for BLE represented employees in freight service in an August 11, 1948 Agreement. That rule created a 30-minute grace period and established a defined point at which FTD would commence. That provision also gave the BLE the right to preserve existing FTD rules on individual railroads, an option apparently exercised on a number of carriers. Because such local agreements vary with respect to the defined FTD points, at present there is no uniform rule applicable to BLE employees with respect to the point at which FTD commence. However, the majority of agreements provide that final terminal delay will begin at either the main track switch to the yard or to the track in which the train is left.

In their tentative agreement, the parties exhibited a desire to establish, through arbitration, a uniform national definition of the point at which FTD would commence. The Board believes such a rule would serve the interests of both the carriers and the organization. Engineers working under separate contracts would be placed on the same footing. The burdens now placed on certain railroads by local FTD rules that are more restrictive than those existing on other railroads would be removed, facilitating their ability to compete. These considerations have convinced this Board that a national FTD rule is appropriate and should be included in our Award.

In fashioning such a rule, we begin by recognizing the underlying purpose of the rule, namely the encouragement of prompt yarding of trains arriving at their final terminal yards. Thus, as a logical matter FTD should not commence until the train arrives at the switch, or signal governing same, used in entering the yard where the train is to be left or yarded. Under such a formulation the concern addressed by the rule, avoidance of undue delay in the yarding of trains due to unnecessary yard delays, would be served. Based on our review of the record, such a rule would not be a radical break with existing practice. The carriers have produced evidence indicating that (i) a majority of agreements covering a majority of employees provide that FTD shall begin either at the main track switch to the yard or the switch to the track where the train is to be left; and (ii) almost 75 percent of all crew trips have FTD points located within a mile of such switches.

Accordingly, the tentative settlement's FTD provision is amended to provide that FTD shall be computed from the time engine reaches the switch, or signal governing same, used in entering final terminal yard where train is to be left or yarded until finally relieved from duty, provided, that if a train is deliberately delayed (as defined in a letter attachment) between the last siding or station and such switch or signal, the time held at such point will be added to any time calculated as FTD. The grace period shall remain at 60 minutes as provided in the tentative settlement.

C. Miscellaneous

There are other minor changes adopted in this Award. They have all been discussed by the members of this Board. They do not represent significant change. Rather, they reflect for the most part clarifications of various provisions (a process that had been initiated by the parties themselves during the period the tentative agreement was subject to the ratification process) and certain adjustments in the contract and side letters (including four additional side letters) that appeared appropriate in the light of the record and discussions of the Board. For example, the Board has resolved what appeared to be a conflict between the parties as to the application of the Interdivisional Service Article of the tentative agreement. It is the Board's opinion that an exception should be made so that special overtime rules in existing interdivisional service agreements that are more favorable to the employees should continue to apply to employees with seniority in engine service prior to November 1, 1985 when such employees are working on interdivisional runs established prior to June 1, 1986. Other changes were made because of the time that has elapsed since the tentative agreement was initialed or in order to be consistent with the parties' style in formalizing their agreements.

D. Effective Dates

Except as otherwise specifically provided herein, those provisions of the tentative agreement that were to become effective on either February 1, 1986 or the date of the agreement shall become effective on June 1, 1986.

We believe that the effective dates established in this Award are consistent with the intent of this Board to implement the major work rule changes as soon as practicable. Certain rules such as Final Terminal Delay and Deadheading are to be effective on July 1, 1986 so as to be contemporaneous with the initial wage increases. The carriers earnestly pressed for June 1, which would have been the earliest possible effective date. This was based on the cost to the carriers of the delay in implementing the work rules because of the BLE's rejection of the tentative agreement which, the carriers maintained, would be compounded by delaying the effective date to July 1. Nevertheless, the Board concludes that given a June 1 effective date of this Award, it is appropriate that the effective date of the two rules in question and the initial pay increases be July 1, 1986. The cost to the carriers of delayed implementation of the rules is at least partially recompensed by the July 1, 1986 date of the initial wage increases that would have been effective February 1 under the tentative agreement and by delaying the third general increase (and COLA, if any) to October 1, 1986.

In accordance with the foregoing, the majority of this Board makes its Award as follows:

A W A R D

1. The request of the Brotherhood dated October 20, 1979, January 3, 1984, and January 17, 1984, copies of which are affixed to the Arbitration Agreement as Exhibits B, C and D, respectively, and all other proposals advanced during mediation or before this Board, are denied in their entirety except as otherwise provided in paragraph 3.

2. The request of the Carriers dated January 23, 1984, a copy of which is affixed to the Arbitration Agreement as Exhibit E, and all other proposals advanced during mediation or before this Board, are denied in their entirety except as otherwise provided in paragraph 3.

3. The tentative agreement and attached letters that were initialed by the parties on December 18, 1985, with certain modifications discussed above, are confirmed as our Award. A copy of such agreement and such letters that include these changes is affixed hereto as Appendix B and shall constitute in its entirety this Board's Award. This Board hereby finds that its Award constitutes a full and complete response to the specific questions submitted to it.

4. The Award shall become effective on the date issued and shall remain in effect in accordance with its terms until changed pursuant to the provisions of the Railway Labor Act.

5. The Award shall be final and conclusive upon the parties to the Arbitration Agreement as to the facts determined by the Award and as to the merits of the controversy decided. The Award shall be applied in the same manner as if reached through agreement and signed in the parties' customary manner.

Issued at a meeting of the Arbitration Board on May 19, 1986.

Rodney E. Dennis
Chairman of the Arbitration Board

Charles I. Hopkins, Jr.
Carrier Member of the
Arbitration Board

I dissent

W. J. Wanke
Organization Member of the
Arbitration Board

Dissent attached

Dissent to Arbitration Award No. 458
by Organization Member W. J. Wanke

The Brotherhood of Locomotive Engineers strongly dissents to the Award of the majority members of Arbitration Board No. 458. This Award can not constitute a basis for disposition of the outstanding Section 6 Notices and future collective bargaining. The Award can only constitute a basis for continual dissension, dispute and endless argument, because it does not address the needs of the Brotherhood of Locomotive Engineers or the members we represent. This conclusion is supported by the fact that the membership overwhelmingly rejected the tentative agreement, for the members felt that due to the skill, responsibility and increased productivity of locomotive engineers they deserved better treatment from the railroads.

The Brotherhood of Locomotive Engineers has not been willing to accept arbitration under the Railway Labor Act since 1953, at which time they last submitted a case to arbitration. That report completely ignored the requests of this organization and went strictly by the Carriers' recommendations. This Board has done likewise! The Brotherhood of Locomotive Engineers has traditionally been a conservative organization and has prided itself on being able to reach collective agreements with the Nations' railroads based on the concept of quid pro quo. However, recent history has shown that the railroads are no longer willing to negotiate on these historic principles, but instead are trying to whipsaw their employees, specifically locomotive engineers, into concessionary agreements in the guise of competing with non-union truck drivers. We stressed our case before Arbitration Board No. 458 with three (3) days of testimony and hundreds of pages of supporting data through thirty-three (33) Exhibits. We went so far as to offer the Board as a Rebuttal Exhibit a proposed Award with the hope that the Board would finally address the specific needs of our members. This was not the case, but, as with the Study Commission the Board has seen fit to solely address the demands of the Carriers and has completely ignored the documentation and testimony of this Brotherhood. The Carriers further supported this contention during their testimony when they only argued two main areas, that pattern agreements should be adhered to no matter what they cost, but then only insofar as it meets the Carriers demands. For example, the Carriers inferred that the members represented by this organization must be <u>punished</u> for their rejection of the tentative agreement and they must never think that they can get more through arbitration than they can through collective bargaining. This ideology completely flies in the face of Sections 7 and 8 of the Railway Labor Act, as amended,

which specifically provide for arbitration to resolve disputes through peaceful means. As previously stated, this organization has always been a conservative organization and has exercised self-help very seldom; however, when this Brotherhood accepted binding arbitration, we did so with the hope that Arbitration Board No. 458 would finally give us the forum in which to address the needs of our members. This obviously has not occurred and will set back labor negotiations many years as the Carriers will continue to insist on bargaining with a single organization with whom they feel they can make the largest gains for the industry and then use the "pattern settlement" for all other organizations.

This organization clearly believes that we have the right to negotiate our own collective bargaining agreement irrespective of what any other labor organization agrees to with the nations' railroads. If a labor organization such as the Brotherhood of Locomotive Engineers no longer has the right to negotiate its own agreements, Arbitration Board No. 458 will set back labor-management relations decades and reaffirm that the only gain that can be made for labor is through adversary means.

Another concept that must be addressed in this dissent is the attempt by the Carriers to eliminate retroactivity from collective bargaining agreements. This issue was addressed before Arbitration Board No. 458 but the Board decided to punish the members of this organization by denying them the retroactivity provisions set forth in the tentative agreement. It is the organization's position that if there is no retroactivity encompassed in a collective bargaining agreement there will be no incentive in the future for the nations' railroads to make or reach a collective bargaining agreement with all expedition as required by Section 2 second. In view of the fact existing agreements remain in effect until a new one is reached there would be no impetus for those railroads to arrive at a settlement. Once again, therefore, the nations' rail carriers are dealt a full-hand to not bargain in earnest. Nothing can force them to so bargain and they, in turn, have made significant gains through their non-bargaining posture.

Moreover, any settlement of a labor dispute must be just and equitable to the employees involved. The Award of this Board violates that principle in denying the employees represented by this organization retroactive wage increases. Through this action, the differential between the locomotive engineers and the employees represented by the United Transportation Union will continue to draw apart. Further, the employees represented by the Brotherhood of Railway and Airline Clerks, who settled their dispute during the pendency of this arbitration proceeding, obtained retroactivity periods prior to those contained in the Agreement reached between the nations' railroads and that

organization. There appears no reason or justification to distinguish the employees represented by BLE from those represented by BRAC. Finally, the Award of this Board fails to recognize that there are ten (10) additional organizations who have as yet not settled with the nations' railroads. Does this mean that these employees who settled at a later date than the employees represented by the BLE will nevertheless receive retroactivity to July 1, 1984? Obviously, it would not be fair to deny the employees represented by the ten (10) organizations of retroactivity. Conversely, it is totally unfair and inequitable to deny the employees represented by this organization of the same right. In sum, denying the members represented by the Brotherhood of Locomotive Engineers retroactivity and further denying those employees of the other organizations who have not yet reached a settlement of their dispute of retroactivity violates the very basic principle of pattern settlement urged by the carriers to this Board. Pattern settlements require that the employees of all organizations have at least the same basic treatment of basic matters.

While the employee member of Arbitration Board No. 458 could address each specific issue which the Brotherhood feels is unfair for its members, obviously nothing will be gained at this point in doing so. However, this dissent must make all parties aware of the fact that the Railway Labor Act is clearly not functioning in the manner in which it was intended and that if labor and management cannot peacefully reach negotiated agreements, the remaining provisions of the Act will not serve to preclude the use of self help. As previously stated, this is clearly the result following this erroneous Award in which only Carrier demands were addressed and labor's requests were completely ignored. This will fully indicate to the next generation of labor negotiators, as well as members of this organization, that the only way to have our case fully addressed is to force a strike in order to call national attention to the dispute and hope for fairness and equity to be derived through such means.

In summation, I would like to be able to indicate that Arbitration Board No. 458 has finally recognized the importance of the craft of employees the Brotherhood of Locomotive Engineers represents but this is not to be. Instead, it has been nothing but an exercise in futility and frustration on the part of this organization in our sincere effort to cooperate with the nation and the nations' railroads in trying to find a peaceful resolution to this dispute. Once again, we have determined that we have no forum in which our case can be justly and fairly heard. For these cogent reasons, I have no recourse but to dissent to the entire Award of Arbitration Board No. 458.

W. J. Wanke

W. J. Wanke
Organization Member of the
Arbitration Board

IT IS HEREBY AGREED:

ARTICLE I - GENERAL WAGE INCREASES

Section 1 - First General Wage Increase

(a) Effective July 1, 1986, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1986 shall be increased by one (1) percent.

(b) In computing the increase under paragraph (a) above, one (1) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily 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	- Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)

Section 2 - Second General Wage Increase

Effective July 1, 1986, following application of the wage increase provided for in Section 1(a) above, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect shall be further increased by two (2) percent, computed and applied in the manner prescribed in Section 1 above.

Section 3 - Third General Wage Increase

Effective October 1, 1986, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on September 30, 1986, shall be increased by one and one-half (1.5) percent, computed and applied in the manner prescribed in Section 1 above.

Section 4 - Fourth General Wage Increase

Effective January 1, 1987, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 1986, shall be increased by two and one-quarter (2.25) percent, computed and applied in the manner prescribed in Section 1 above.

Section 5 - Fifth General Wage Increase

Effective July 1, 1987, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1987, shall be increased by one and one-half (1.5) percent, computed and applied in the manner prescribed in Section 1 above.

Section 6 - Sixth General Wage Increase

Effective January 1, 1988, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 1987, shall be increased by two and one-quarter (2.25) percent, computed and applied in the manner prescribed in Section 1 above.

Section 7 - Standard Rates

The standard basic daily rates of pay (excluding cost-of-living allowance) produced by application of the increases provided for in this Article are set forth in Appendix 1, which is a part of this Agreement.

Section 8 - Application of Wage Increases

(a) Duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, and mileage rates of pay for miles run in excess of the number of miles comprising a basic day, will not be subject to the adjustments provided for in this Article.

(b) Miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted under this Agreement in the same manner as heretofore increased under previous wage agreements.

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

(d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.

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

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

(g) The differential of $4.00 per basic day in freight and yard service, and 4¢ per mile for miles in excess of the number of miles encompassed in the basic day 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.

(h) In computing the first increase in rates of pay effective July 1, 1986, under Section 1 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number comprising a basic day, 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, the one (1) percent increase shall be applied to daily rates in effect June 30, 1986, exclusive of local freight differentials and any other money differential above existing standard daily rates. For firemen, the rates applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be utilized in computing the amount of increase. The same procedure shall be followed in computing the second increase effective July 1, 1986, and the subsequent increases effective October 1, 1986, January 1, 1987, July 1, 1987 and January 1, 1988. The rates produced by application of the standard local freight differentials and the above-referred-to special increase of "an additional $.40" to standard basic through freight rates of pay are set forth in Appendix 1 which is a part of this Agreement.

(i) Other than standard rates:

(i) Existing basic daily rates of pay other than standard shall be changed, effective as of the dates specified in Sections 1 through 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) The differential of $4.00 per basic day in freight and yard service, and 4¢ per mile for miles in excess of the number encompassed in the basic day 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.

(iii) 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 miles equal to or less than the number encompassed in the basic day, which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1 through 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (i)(i) above.

(j) Wage rates resulting from the increases provided for in Sections 1 through 6 of this Article I, and in Section 1(d) of Article II, will not be reduced under Article II.

ARTICLE II - COST-OF-LIVING ADJUSTMENTS

Section 1 - Amount and Effective Dates of Cost-of-Living Adjustments

(a) The cost-of-living allowance which, on September 30, 1986 will be 13 cents per hour, will subsequently be adjusted, in the manner set forth in and subject to all the provisions of paragraphs (e) and (g) below, 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 BLS Consumer Price Index. The first such cost-of-living adjustment shall be made effective October 1, 1986, based (subject to paragraph (e)(i) below) on the BLS Consumer Price Index for March 1986 as compared with the index for September 1985. Such adjustment, and further cost-of-living adjustments which will be made effective as described below, will be based on the change in the BLS Consumer Price Index during the respective measurement periods shown in the following table subject to the exception in paragraph (e)(ii) below, according to the formula set forth in paragraph (f) below as limited by paragraph (g) below:

Measurement Periods		Effective Date
Base Month (1)	Measurement Month (2)	of Adjustment (3)
September 1985	March 1986	October 1, 1986
March 1986	September 1986	January 1, 1987
September 1986	March 1987	July 1, 1987
March 1987	September 1987	January 1, 1988

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight time, overtime, vacations, holidays and to special allowances in the same manner as basic wage adjustments have been applied in the past, except that any part of such allowance generated after September 30, 1986 shall not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money or to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(c) The amount of the cost-of-living allowance, if any, which will 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) On June 30, 1988 all of the cost-of-living allowance then in effect shall be rolled into basic rates of pay and the cost-of-living allowance in effect will be reduced to zero. Accordingly, the amount rolled in will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, and mileage rates of pay for miles run in excess of the number of miles comprising a basic day, except to the extent that it includes part or all of the 13 cents per hour allowance in effect on September 30, 1986.

(e) Cap. (i) In calculations under paragraph (f) below, the maximum increase in the BLS Consumer Price Index (C.P.I.) which will be taken into account will be as follows:

Effective Date of Adjustment (1)	Maximum C.P.I. Increase Which May Be Taken into Account (2)
October 1, 1986	4% of September 1985 CPI
January 1, 1987	8% of September 1985 CPI, less the increase from September 1985 to March 1986
July 1, 1987	4% of September 1986 CPI
January 1, 1988	8% of September 1986 CPI, less the increase from September 1986 to March 1987

(ii) If the increase in the BLS Consumer Price Index from the base month of September 1985 to the measurement month of March 1986, exceeds 4% of the September base index, the measurement period which will be used for determining the cost-of-living adjustment to be effective the following January will be the twelve-month period from such base month of September; the increase in the index which will be taken into account will be limited to that portion of increase which is in excess of 4% of such September base index, and the maximum increase in that portion of the index which may be taken into account will be 8% of such September base index less the 4% mentioned in the preceding clause, to which will be added any residual tenths of points which had been dropped under paragraph (f) below in calculation of the cost-of-living adjustment which will have become effective October 1 during such measurement period.

(iii) Any increase in the BLS Consumer Price Index from the base month of September of one year to the measurement month of September of the following year in excess of 8% of the September base month index, will not be taken into account in the determination of subsequent cost-of-living adjustments.

(f) Formula. The number of points change in the BLS Consumer Price Index during a measurement period, as limited by paragraph (e) above, will 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 will not be counted).

The cost-of-living allowance in effect on September 30, 1986 will be adjusted (increased or decreased) effective October 1, 1986 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 (e) above, in the BLS Consumer Price Index during the measurement period from the base month of September 1985 to the measurement month of March 1986. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount of the cost-of-living allowance in effect on September 30, 1986 if the Consumer Price Index will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index will 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 will be followed in applying subsequent adjustments.

(g) Offsets. The amounts calculated in accordance with the formula set forth in paragraph (f) will be offset by the third through the sixth increases provided for in Article I of this Agreement as applied on an annual basis against a starting rate of $12.92 per hour. This will result in the cost-of-living increases, if any, being subject to the limitations hereinabove described.

(i) Any increase to be paid effective October 1, 1986 is limited to that in excess of 19 cents per hour.

(ii) The combined increases, if any, to be paid as a result of the adjustments effective October 1, 1986 and January 1, 1987 are limited to those in excess of 48 cents per hour.

(iii) Any increase to be paid effective July 1, 1987 is limited to that in excess of 20 cents per hour.

(iv) The combined increases, if any, to be paid as a result of the adjustments effective July 1, 1987 and January 1, 1988 are limited to those in excess of 51 cents per hour.

(h) Continuance of the cost-of-living adjustments is dependent 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 Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W Index 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 Index during such measurement period.

Section 2 - Application of Cost-of-Living Adjustments

In application of the cost-of-living adjustments provided for by Section 1 of this Article II, the cost-of-living allowance will not become part of basic rates of pay except as provided in Section 1(d). In application of such allowance, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Article I and by Section 1(d) of this Article II. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 8 of Article I.

ARTICLE III - LUMP SUM PAYMENT

A lump sum payment, calculated as described below, will be paid to each employee subject to this Agreement who established an employment relationship prior to the date of this Agreement and has retained that relationship or has retired or died.

Employees with 2,150 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce

Commission as constructive allowances except vacations and holidays) during the period July 1, 1984 through July 31, 1985 will be paid $565.00. Those employees with fewer straight time hours paid for will be paid an amount derived by multiplying $565.00 by the number of straight time hours (including vacations and holidays, as described above) paid for during that period divided by 2,150.

There shall be no duplication of lump-sum payments by virtue of employment under an agreement with another organization.

ARTICLE IV - PAY RULES

Section 1 - Mileage Rates

(a) Mileage rates of pay for miles run in excess of the number of miles comprising a basic day will not be subject to general, cost-of-living, or other forms of wage increases.

(b) Mileage rates of pay, as defined above, applicable to interdivisional, interseniority district, intradivisional and/or intraseniority district service runs now existing or to be established in the future shall not exceed the applicable rates as of June 30, 1986. Such rates shall be exempted from wage increases as provided in Section 1(a) of this Article. Weight-on-drivers additives will apply to mileage rates calculated in accordance with this provision.

Section 2 - Miles in Basic Day and Overtime Divisor

(a) The miles encompassed in the basic day in through freight and through passenger service and the divisor used to determine when overtime begins will be changed as provided below:

Effective Date of Change	Through Freight Service		Through Passenger Service	
	Miles in Basic Day	Overtime Divisor	Miles in Basic Day	Overtime Divisor
July 1, 1986	104	13.0	104	20.8
July 1, 1987	106	13.25	106	21.2
June 30, 1988	108	13.5	108	21.6

(b) Mileage rates will be paid only for miles run in excess of the minimum number specified in (a) above.

(c) The number of hours that must lapse before overtime begins on a trip in through freight or through passenger service is calculated by dividing the miles of the trip or the number of miles encompassed in a basic day in that class of service, whichever is greater, by the appropriate overtime divisor. Thus after June 30, 1988, overtime will begin on a trip of 125 miles in through freight service after 125/13.5 = 9.26 hours or 9 hours and 16 minutes. In through freight service, overtime will not be paid prior to the completion of 8 hours of service.

Section 3 - Conversion to Local Rate

When employees in through freight service become entitled to the local rate of pay under applicable conversion rules, the daily local freight differential (56¢ for engineers and 43¢ for firemen under national agreements) will be added to their basic daily rate and the combined rate will be used as the basis for calculating hourly rates, including overtime. The local freight mileage differential (.56¢ per mile for engineers and .43¢ for firemen under national agreements) will be added to the through freight mileage rates, and miles in excess of the number encompassed in the basic day in through freight service will be paid at the combined rate.

Section 4 - Engine Exchange (Including Adding and Subtracting of Units) And Other Related Arbitraries

(a) Effective July 1, 1986 all arbitrary allowances provided to employees for exchanging engines, including adding and subtracting units, preparing one or more units for tow, handling locomotive units not connected in multiple, and coupling and/or uncoupling appurtenances such as signal hose and control cables are reduced by an amount equal to two-thirds of the allowance in effect as of June 30, 1986.

(b) Effective July 1, 1987, all arbitrary allowances provided to employees for performing work described in paragraph (a) above are eliminated.

Section 5 - Duplicate Time Payments

(a) Duplicate time payments, including arbitraries and special allowances that are expressed in time or miles or fixed amounts of money, shall not apply to employees whose seniority in engine or train service is established on or after November 1, 1985.

(b) Duplicate time payments, including arbitraries and special allowances that are expressed in time or miles or fixed amounts of money, not eliminated by this Agreement shall not be subject to general, cost-of-living or other forms of wage increases.

Section 6 - Rate Progression - New Hires

In any class of service or job classification, rates of pay, additives, and other applicable elements of compensation for an employee whose seniority in engine or train service is established on or after November 1, 1985, will be 75% of the rate for present employees and will increase in increments of 5 percentage points for each year of active service in engine and/or train service until the new employee's rate is equal to that of present employees. A year of active service shall consist of a period of 365 calendar days in which the employee performs a total of 80 or more tours of duty.

ARTICLE V - FINAL TERMINAL DELAY, FREIGHT SERVICE

Section 1 - Computation of Time

In freight service all time, in excess of 60 minutes, computed from the time engine reaches switch, or signal governing same, used in entering final terminal yard where train is to be left or yarded, until finally relieved from duty, shall be paid for as final terminal delay; provided, that if a train is deliberately delayed between the last siding or station and such switch or signal, the time held at such point will be added to any time calculated as final terminal delay.

Section 2 - Extension of Time

Where mileage is allowed between the point where final terminal delay time begins and the point where finally relieved, each mile so allowed will extend the 60 minute period after which final terminal delay payment begins by the number of minutes equal to 60 divided by the applicable overtime divisor (60/12.5 = 4.8; 60/13 = 4.6; 60/13.25 = 4.5; 60/13.5 = 4.4, etc.).

Section 3 - Payment Computation

All final terminal delay, computed as provided for in this Article, shall be paid for, on the minute basis, at one-eighth (1/8th) of the basic daily rate in effect as of June 30, 1986, according to class of service and engine used, in addition to full mileage of the trip, with the understanding that the actual time consumed in the performance of service in the final terminal for which an arbitrary allowance of any kind is paid shall be deducted from the final terminal time under this Article. The rate of pay for final terminal delay allowance shall not be subject to increases of any kind.

After road overtime commences, final terminal delay shall not apply and road overtime shall be paid until finally relieved from duty

NOTE: The phrase "relieved from duty" as used in this Article includes time required to make inspection, complete all necessary reports and/or register off duty.

Section 4 - Multiple Trips

When a tour of duty is composed of a series of trips, final terminal delay will be computed on only the last trip of the tour of duty.

Section 5 - Exceptions

This Article shall not apply to pusher, helper, mine run, shifter, roustabout, transfer, belt line, work, wreck, construction, road switcher or district run service. This Article shall not apply to circus train service where special rates or allowances are paid for such service.

NOTE: The question as to what particular service is covered by the designations used in Section 5 shall be determined on each individual railroad in accordance with the rules and practices in effect thereon.

Section 6 - Local Freight Service

In local freight service, time consumed in switching at final terminal shall not be included in the computation of final terminal delay time.

- - - - - - - - - - -

This Article shall become effective July 1, 1986 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date.

ARTICLE VI - DEADHEADING

Existing rules covering deadheading are revised as follows:

Section 1 - Payment When Deadheading and Service Are Combined

(a) Deadheading and service may be combined in any manner that traffic conditions require, and when so combined employees shall be paid actual miles or hours on a continuous time basis, with not less than a minimum day, for the combined service and deadheading. However, when deadheading from the away-from-home terminal to the home terminal is combined with a service trip from such home terminal to such away-

from-home terminal and the distance between the two terminal ceeds the applicable mileage for a basic day, the rate paid for th sic day mileage portions of the service trip and deadhead shall be a e full basic daily rate.

Section 2 - Payment For Deadheading Separate From Service

When deadheading is paid for separate and apart fro service:

(a) For Present Employees*

A minimum day, at the basic rate applicable to the class of service in connection with which deadheading is performed, shall be allowed for the deadheading, unless actual time consumed is greater, in which event the latter amount shall be allowed.

(b) For New Employees**

Compensation on a minute basis, at the basic rate applicable to the class of service in connection with which deadheading is performed, shall be allowed. However, if service after deadheading to other than the employee's home terminal does not begin within 16 hours after completion of deadhead, a minimum of a basic day at such rate will be paid. If deadheading from service at other than the employee's home terminal does not commence within 16 hours of completion of service, a minimum of a basic day at such rate will be paid.

A minimum of a basic day also will be allowed where two separate deadhead trips, the second of which is out of other than the home terminal, are made with no intervening service performed. Non-service payments such as held-away-from-home terminal allowance will count toward the minimum of a basic day provided in this Section 2(b).

* Employees whose seniority in engine or train service precedes November 1, 1985.

** Employees whose earliest seniority date in engine or train service is established on or after November 1, 1985.

Section 3 - Applications

Deadheading will not be paid where not paid under existing rules.

- - - - - - - - - -

This Article shall become effective July 1, 1986 except on such carriers as may elect to preserve existing rules or practices and

so notify the authorized employee representatives on or before such date.

ARTICLE VII - ROAD SWITCHERS, ETC.

Section 1 - Reduction in Work Week

(a) Carriers with road switcher (or similar operations), mine run or roustabout agreements in effect prior to the date of this Agreement that do not have the right to reduce six or seven-day assignments to not less than five, or to establish new assignments to work five days per week, shall have that right.

(b) The work days of five-day assignments reduced or established pursuant to Section 1(a) of this Article shall be consecutive. The five-day yard rate shall apply to new assignments established pursuant to Section 1(a) of this Article. Assignments reduced pursuant to Section 1(a) shall be compensated in accordance with the provisions of Section 1(c).

(c) If the working days of an existing assignment as described in Section 1(a) are reduced under this Article, an allowance of 48 minutes at the existing straight time rate of that assignment in addition to the rate of pay for that assignment will be provided. Such allowance will continue for a period of three years from the date such assignment was first reduced. However, such allowance will not be made to employees who establish seniority in train or engine service on or after November 1, 1985. Upon expiration of the three year period described above, the five day yard rate will apply to any assignment reduced to working less than six or seven days a week pursuant to this Article.

(d) The annulment or abolishment and subsequent reestablishment of an assignment to which the allowance provided for above applies shall not serve to make the allowance inapplicable to the assignment upon its restoration.

Section 2 - New Road Switcher Agreements

(a) Carriers that do not have rules or agreements that allow them to establish road switcher assignments throughout their system may serve a proposal for such a rule upon the interested general chairman or chairmen. If agreement is not reached on the proposal within 20 days, the question shall be submitted to arbitration.

(b) The arbitrator shall be selected by the parties or, if they fail to agree, the National Mediation Board will be requested to name an arbitrator.

(c) The arbitrator shall render a decision within 30 days from the date he accepts appointment. The decision shall not deal with the right of the carrier to establish road switcher assignments (such right is recognized), but shall be restricted to enumerating the terms and conditions under which such assignments shall be compensated and operated.

(d) In determining the terms and conditions under which road switcher assignments shall be compensated and operated, the arbitrator will be guided by and confined to what are the prevailing features other road switcher agreements found on Class I railroads, except the five day yard rate shall apply to any assignment established under this Section.

ARTICLE VIII - ROAD, YARD AND INCIDENTAL WORK

Section 1 - Road Crews

Road crews may perform the following work in connection with their own trains without additional compensation:

(a) Get or leave their train at any location within the initial and final terminals and handle their own switches. When a crew is required to report for duty or is relieved from duty at a point other than the on and off duty point fixed for that assignment and such point is not wihtin reasonable walking distance of the on and off duty point, transporation will be provided.

(b) Make up to two straight pick-ups at other location(s) in the initial terminal in addition to picking up the train and up to two straight set-outs at other location(s) in the final terminal in addition to yarding the train; and, in connection therewith, spot, pull, couple, or uncouple cars set out or picked up by them and reset any cars disturbed.

(c) In connection with straight pick-ups and/or set-outs within switching limits at intermediate points where yard crews are on duty, spot, pull, couple or uncouple cars set out or picked up by them and reset any cars disturbed in connection therewith.

(d) Perform switching within switching limits at times no yard crew is on duty. On carriers on which the provisions of Section 1 of Article V of the June 25, 1964 Agreement are applicable, time consumed in switching under this provision shall continue to be counted as switching time. Switching allowances, where applicable, under Article V, Section 7 of the June 25, 1964 Agreement or under individual railroad agreements, payable to road crews, shall continue with respect to employees whose seniority in engine or train service precedes the date of this Agreement and such allowances are not subject to general or other wage increases.

(e) At locations outside of switching limits there shall be no restrictions on holding onto cars in making set-outs or pick-ups, including coupling or shoving cars distrubed in making set-outs or pick-ups.

Section 2 - Yard Crews

(a) Yard crews may perform the following work outside of switching limits without additional compensation except as provided below:

(i) Bring in disabled train or trains whose crews have tied up under the Hours of Service Law from locations up to 25 miles outside of switching limits.

(ii) Complete the work that would normally be handled by the crews of trains that have been disabled or tied up under the Hours of Service Law and are being brought into the terminal by those yard crews. This paragraph does not apply to work train or wrecking service.

Note: For performing the service provided in (a)(i) and (ii) above, yard crews shall be paid miles or hours, whichever is the greater, with a minimum of one (1) hour for the class of service performed (except where existing agreements require payment at yard rates) for all time consumed outside of switching limits. This allowance shall be in addition to the regular yard pay and without any deduction therefrom for the time consumed outside of switching limits. Such payments are limited to employees whose seniority date in engine or train service precedes November 1, 1985 and is not subject to general or other wage increases.

(iii) Perform service to customers up to 20 miles outside switching limits provided such service does not result in the elimination of a road crew or crews in the territory. The use of a yard crew in accordance with this paragraph will not be construed as giving yard crews exclusive rights to such work. This paragraph does not contemplate the use of yard crews to perform work train or wrecking service outside switching limits.

(iv) Nothing in this Article will serve to prevent or affect in any way a carrier's right to extend switching limits in accordance with applicable agreements. However, the distances prescribed in this Article shall continue to be measured from switching limits as they existed as of July 26, 1978, except by mutual agreement.

(b) Yard crews may perform hostling work without additional payment or penalty.

Side letter #

Section 3 - Incidental Work

Road and yard employees in engine service and qualified ground service employees may perform the following items of work in connection with their own assignments without additional compensati

(a) Handle switches

(b) Move, t spot and fuel locomotives

(c) Supply locomotives except for heavy equipment and supplies generally placed on locomotives by employees of other crafts

(d) Inspect locomotives

(e) Start or shutdown locomotives

(f) Make head-end air tests

(g) Prepare reports while under pay

(h) Use communication devices; copy and handle train orders, clearances and/or other messages.

(i) Any duties formerly performed by firemen.

Section 4 - Construction of Article

Nothing in this Article is intended to restrict any of the existing rights of a carrier.

- - - - - - - - - -

This Article shall become effective June 1, 1986 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date.

ARTICLE IX - INTERDIVISIONAL SERVICE

Note: As used in this Agreement, the term interdivisional service includes interdivisional, interseniority district, intradivisional and/or intraseniority district service.

An individual carrier may establish interdivisional service, in freight or passenger service, subject to the following procedure.

Section 1 - Notice

An individual carrier seeking to establish interdivisional service shall give at least twenty days' written notice to the organization of its desire to establish service, specify the service it proposes to establish and the conditions, if any, which it proposes shall govern the establishiment of such service.

Section 2 - Conditions

Reasonable and practical conditions shall govern the establishment of the runs described, including but not limited to the following:

(a) Runs shall be adequate for efficient operations and reasonable in regard to the miles run, hours on duty and in regard to other conditions of work.

(b) All miles run in excess of the miles encompassed in the basic day shall be paid for at a rate calculated by dividing the basic daily rate of pay in effect on May 31, 1986 by the number of miles encompassed in the basic day as of that date. Weight-on-drivers additives will apply to mileage rates calculated in accordance with this provision.

(c) When a crew is required to report for duty or is relieved from duty at a point other than the on and off duty points fixed for the service established hereunder, the carrier shall authorize and provide suitable transportation for the crew.

Note: Suitable transportation includes carrier owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.

(d) On runs established hereunder crews will be allowed a $4.15 meal allowance after 4 hours at the away from home terminal and another $4.15 allowance after being held an additional 8 hours.

(e) In order to expedite the movement of interdivisional runs, crews on runs of miles equal to or less than the number encompassed in the basic day will not stop to eat except in cases of emergency or unusual delays. For crews on longer runs, the carrier shall determine the conditions under which such crews may stop to eat. When crews on such runs are not permitted to stop to eat, crew members shall be paid an allowance of $1.50 for the trip.

(f) The foregoing provisions (a) through (e) do not preclude the parties from negotiating on other terms and conditions of work.

Section 3 - Procedure

Upon the serving of a notice under Section 1, the parties will discuss the details of operation and working conditions of the proposed runs during a period of 20 days following the date of the notice. If they are unable to agree, at the end of the 20-day period, with respect to runs which do not operate through a home terminal or home terminals of previously existing runs which are to be extended, such run or runs will be operated on a trial basis until completion of the procedures referred to in Section 4. This trial basis operation will not be applicable to runs which operate through home terminals.

Section 4 - Arbitration

(a) In the event the carrier and the organization cannot agree on the matters provided for in Section 1 and the other terms and conditions referred to in Section 2 above, the parties agree that such dispute shall be submitted to arbitration under the Railway Labor Act, as amended, within 30 days after arbitration is requested by either party. The arbitration board shall be governed by the general and specific guidelines set forth in Section 2 above.

(b) The decision of the arbitration board shall be final and binding upon both parties, except that the award shall not require the carrier to establish interdivisional service in the particular territory involved in each such dispute but shall be accepted by the parties as the conditions which shall be met by the carrier if and when such interdivisional service is established in that territory. Provided further, however, if carrier elects not to put the award into effect, carrier shall be deemed to have waived any right to renew the same request for a period of one year following the date of said award, except by consent of the organization party to said arbitration.

Section 5 - Existing Interdivisional Service

Interdivisional service in effect on the date of this Agreement is not affected by this Article.

Section 6 - Construction of Article

The foregoing provisions are not intended to impose restrictions with respect to establishing interdivisional service where restrictions did not exist prior to the date of this Agreement.

Section 7 - Protection

Every employee adversely affected either directly or indirectly as a result of the application of this rule shall receive

the protection afforded by Sections 6, 7, 8 and 9 of the Washington Job Protection Agreement of May 1936, except that for the purposes of this Agreement Section 7(a) is amended to read 100% (less earnings in outside employment) instead of 60% and extended to provide period of payment equivalent to length of service not to exceed 6 years and to provide further that allowances in Sections 6 and 7 be increased by subsequent general wage increases.

Any employee required to change his residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement and in addition to such benefits shall receive a transfer allowance of four hundred dollars ($400.00) and five working days instead of the "two working days" provided by Section 10(a) of said agreement. Under this Section, change of residence shall not be considered "required" if the reporting point to which the employee is changed is not more than 30 miles from his former reporting point.

If any protective benefits greater than those provided in this Article are available under existing agreements, such greater benefits shall apply subject to the terms and obligations of both the carrier and employee under such agreements, in lieu of the benefits provided in this Article.

- - - - - - - - - -

This Article shall become effective June 1, 1986 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date. Article VIII of the May 13, 1971 Agreement shall not apply on any carrier on which this Article becomes effective.

ARTICLE X - LOCOMOTIVE STANDARDS

In run-through service, a locomotive which meets the basic minimum standards of the home railroad or section of the home railroad may be operated on any part of the home railroad or any other railroad.

A locomotive which meets the basic minimum standards of a component of a merged or affiliated rail system may be operated on any part of such system.

ARTICLE XI - TERMINATION OF SENIORITY

The seniority of any employee whose seniority in engine or train service is established on or after November 1, 1985 and who is furloughed for 365 consecutive days will be terminated if such employee has less than three (3) years of seniority.

ARTICLE XII - FIREMEN

A. On carriers where the Brotherhood of Locomotive Engineers represents firemen and the provisions of the July 19, 1972 Manning and Training Agreements, as amended, are in effect, the following will apply:

The craft or class of firemen (helpers) shall be eliminated through attrition except to the extent necessary to provide the source of supply for engineers and for designated passenger firemen, hostler and hostler helper positions.

Section 1 - Amendments to July 19, 1972 Manning and Training Agreements

(1) Change Article I, Section 1(a) to read as follows:

"(a) For fulfilling needs arising as the result of assignments and vacancies, temporary or otherwise, in designated passenger service and in hostler, hostler-helper service, pursuant to mileage or other regulating factors on individual carriers and in accordance with Article IV of this Agreement."

(2) Change Article I, Section 3(a) to read as follows:

"(a) Determinations of the number of employees required on each seniority district will be based on the maximum applicable regulating factor for each class of service contained in the rules on each carrier relating to increasing or decreasing the force of locomotive engineers."

(3) Change Article I, Section 3(e) to read as follows:

"(e) The number of employees required as of each determination period will be based on engineer service during the twelve months' period as follows:

Passenger service

Total hours paid for multiplied by the number of miles encompassed in a minimum day divided by the number of hours encompassed in a minimum day.

Freight service

Total hours paid for plus one-half overtime hours, multiplied by the number of miles encompassed in a minimum day divided by the number of hours encompassed in a minimum day.

Yard service

Total hours paid for plus one-half overtime hours, divided by 8.

The results thus obtained shall be divided by the maximum applicable regulating factor as provided in paragraph (a) of this Section 3. The sum of employees thus determined will be increased by 10% to cover vacations and layoffs.

NOTE: As used in this paragraph, the term 'total hours paid for' includes all straight time hours paid for including hours paid for while working during scheduled vacation periods and the basic day's pay for holidays as such, all overtime hours paid for including overtime paid for working on holidays, and the hourly equivalent of arbitraries and special allowances provided for in the schedule agreements. The term does not include the hourly equivalent of vacation allowances or allowances in lieu of vacations, or payments arising out of violations of the schedule agreement."

(4) Change Article I, Section 3(f) by inserting "and on furlough" in the first and second sentences after "the number of firemen in active service" and by eliminating (1) to the NOTE and renumbering the remaining three enumerated items.

(5) Eliminate Section 3(h) of Article I and reletter the subsequent subsection.

(6) Change Article III, Section 1 to read as follows:

"Section 1 - Firemen (helpers) whose seniority as such was established prior to November 1, 1985 shall have the right to exercise their seniority on assignments on which, under the National Diesel Agreement of 1950 (as in effect on January 24, 1964), the use of firemen (helpers) would have been required, and on available hostler and hostler helper assignments subject to the following exceptions:

(a) When required to fulfill experience requirements for promotion, or engaged in a scheduled training program.

(b) When their services are required to qualify for or fill passenger or hostler or hostler helper

vacancies in accordance with Article IV of this Agreement.

(c) When restricted to specific assignments as referred to in Article VI of this Agreement.

(d) When required to fill engineer vacancies or assignments.

The exercise of seniority under this Article will be subject to the advertisement, bidding, assignment, displacement and mileage rules on the individual carriers.

NOTE: As to any carrier not subject to the National Diesel Agreement of 1950 on January 24, 1964, the term 'the rules in effect on January 24, 1964 respecting assignments (other than hostling assignments) to be manned by firemen (helpers)' shall be substituted in this Article for the term 'the National Diesel Agreement of 1950.'"

"Section 1.5 - Firemen (helpers) whose seniority as such is established on or after November 1, 1985 will have the right to exercise seniority limited to designated positions of passenger fireman, hostler or hostler helper. The seniority rights of such firemen are subject to the following exceptions:

(a) When required to fulfill experience requirements for promotion, or engaged in a scheduled training program.

(b) When required to fill engineer vacancies or assignments.

This will not preclude the carrier from requiring firemen to maintain proficiency as engineer and familiarity with operations and territories by working specified assignments."

(7) Change Article III, Section 4 to read as follows:

"Section 4(a) - All firemen (helpers) whose seniority as such was established prior to November 1, 1985 will be provided employment in accordance with the provisions of this Article until they retire, resign, are discharged

for good cause, or are otherwise severed by natural attrition; provided, however, that such firemen (helpers) may be furloughed if no assignment working without a fireman (helper) exists on their seniority district which would have been available to firemen (helpers) under the National Diesel Agreement of 1950 (as in effect on January 24, 1964), and if no position on an extra list as required in Section 3 above exists on their seniority district, subject to Section 5 of this Article."

"Section 4(b) - Firemen whose seniority as such is established on or after November 1, 1985 may be furloughed when not utilized pursuant to Section 1.5 of this Article."

(8) Change Article III, Section 5(a) to read as follows:

"Section 5(a) - With respect to firemen (helpers) employed after July 19, 1972 and prior to November 1, 1985 the provisions of Section 4(a) above will be temporarily suspended on any seniority district to the extent provided in this Section 5 if there is a decline in business within the meaning of this Section."

(9) Change Article IV, Section 1 to read as follows:

"Section 1 - Firemen (helpers) who established a seniority date as fireman prior to November 1, 1985 shall be used on assignments in passenger service on which under agreements in effect immediately prior to August 1, 1972, the use of firemen (helpers) would have been required. The use in passenger service of firemen (helpers) who establish seniority as firemen on or after November 1, 1985 will be confined to assignments designated by the carrier."

(10) Change Article IV, Section 2 to read as follows:

"(a) Except as modified hereinafter, assignments in hostling service will continue to be filled when required by agreements in effect on individual carriers.

(b) The carriers may discontinue using employees represented by the Brotherhood of Locomotive Engineers as hostlers or hostler helpers provided that it does not result in furlough of a fireman who established

seniority prior to November 1, 1985 nor the establishment of a hostler position represented by another organization, and provided, further, that this provision will not act to displace any employee who established seniority prior to November 1, 1985 and who has no rights to service except as hostler or hostler helper.

(c) Employees in engine service who established seniority prior to November 1, 1985 will continue to fill hostler and hostler helper positions and vacancies thereon in accordance with agreements in effect as of that date. If such position cannot be filled by such employees, and it is not discontinued pursuant to Paragraph (b) above, other qualified employees may be used.

(d) Yard crews may perform hostling work without additional payment or penalty to the carrier."

(11) Change Article VIII to read as follows:

ARTICLE VIII - RESERVE FIREMEN

The carrier shall have the right to offer 'Reserve Fireman' status to any number of active firemen, working as such, with seniority as firemen prior to November 1, 1985 (who are subject to work as locomotive engineers). Where applied, Reserve Fireman status shall be granted in seniority order on a seniority district or home zone basis under the terms listed below:

(1) An employee who chooses Reserve Fireman status must remain in that status until he either (i) is recalled and returns to hostler or engine service pursuant to Paragraph (2), (ii) is discharged from employment by the carrier pursuant to Paragraph (2), (iii) is discharged from employment by the carrier for other good cause, (iv) resigns from employment by the carrier, (v) retires on an annuity (including a disability annuity) under the Railroad Retirement Act, or (vi) otherwise would not be entitled to free exercise of seniority under this Fireman Manning Agreement; whichever occurs first. If not

sooner terminated, Reserve Fireman status and all other employment rights of a Reserve Fireman shall terminate when he attains age 70.

(2) Reserve Firemen must maintain their engine service and hostler proficiencies while in such status, including successfully completing any retraining or refresher programs that the carrier may require and passing any tests or examinations (including physical examinations) administered for purposes of determining whether such proficiencies and abilities have been maintained. Reserve Firemen also must hold themselves available for return to hostler and engine service upon seven days' notice, and must return to hostler or engine service in compliance with such notice. Reserve Firemen shall be recalled in reverse seniority order unless recalled for service as engineer. Failure to comply with any of these requirements will result in forfeiture of all seniority rights.

(3) Reserve Firemen shall be paid at 70% of the basic yard fireman's rate for five days per week. No other payments shall be made to or on behalf of a Reserve Fireman except (i) payment of premiums under applicable health and welfare plans and, (ii) as may otherwise be provided for in this Article. No deductions from pay shall be made on behalf of a Reserve Fireman except (i) deductions of income, employment or payroll taxes (including railroad retirement taxes) pursuant to federal, state or local law; (ii) deductions of dues pursuant to an applicable union shop agreement and any other deductions authorized by agreement, (iii) as may otherwise be authorized by this Article and (iv) any other legally required deduction.

(4) Reserve Firemen shall be considered in active service for the purpose of this Fireman Manning Agreement, including application of the decline in business formula.

(5) Other non-railroad employment while in Reserve Fireman status is permissible so long as there is no conflict of interest. There shall be no offset for outside earnings.

(6) Vacation pay received while in Reserve Fireman status will offset pay received under paragraph (3). Time spent in reserve status will not count toward determining whether the employee is eligible for vacation in succeeding years. It will count as time in determining the length of the vacation to which an employee, otherwise eligible, is entitled.

(7) Reserve Firemen are not eligible for:

Holiday Pay
Personal Leave
Bereavement Leave
Jury Pay
Other similar special allowances

(8) Reserve Firemen are covered by:

Health and Welfare Plans
Union Shop
Dues Check-off
Discipline Rule
Grievance Procedure

that are applicable to firemen (helpers) in active service.

(9) When junior employees are in 'Reserve Fireman' status, a senior active fireman may request such status. The carrier shall grant such a request and, at its discretion, recall the junior 'Reserve Fireman.'"

Section 2 - Application

Any conflict between the changes set forth herein and the provisions of the July 19, 1972 Manning Agreement, as revised, shall be resolved in accordance with the provisions of this Agreement.

B. On carriers where the Brotherhood of Locomotive Engineers represents firemen and the provisions of the July 19, 1972 Manning and Training Agreements, as amended, are not in effect, the following will apply:

(1) The craft or class of firemen* shall be eliminated through attrition except to the extent necessary to provide the source of supply for engineers and for designated passenger firemen, hostlers and hostler helper positions.

*The term "firemen" as used in this Article, includes any position, including apprentice, assistant or reserve engineer, the occupant of which is in training for position of engineer or who is a qualified engineer unable, because of seniority, to hold a position as engineer.

(2) Firemen whose seniority as such was established prior to November 1, 1985 shall have the right to exercise their seniority on assignments, on which immediately preceding the date of this agreement, they were permitted to exercise seniority as firemen, and on available hostler and hostler helper assignments subject to the following exceptions:

(a) when required to fulfill experience requirements for promotion, or engaged in a scheduled training program

(b) when their services are required to qualify or fill passenger or hostler or hostler helper vacancies under existing agreements

(c) when restricted to a particular position, assignment or type of service for reasons including but not limited to physical disability, discipline, failure to pass promotional examination or other cause

(d) when required to fill engineer vacancies or assignments.

The exercise of seniority under this Article will be subject to the advertisement, bidding, assignment, displacement and mileage rules on the individual carriers.

(3) Firemen whose seniority as such is established on or after November 1, 1985 will have the right to exercise seniority limited to designated positions of passenger fireman, hostler or hostler helper. The seniority rights of such firemen are subject to the following exceptions:

(a) when required to fulfill experience requirements for promotion, or engaged in a scheduled training program

(b) when required to fill engineer vacancies or assignments.

This will not preclude the carrier from requiring firemen to maintain proficiency as engineer and familiarity with operations and territories by working specified assignments.

(4) All firemen whose seniority as such was established prior to November 1, 1985 will be provided employment in accordance with the provisions of this Article until they retire, resign, are discharged for good cause, or are otherwise severed by natural attrition provided, however, that such firemen may be furloughed if no assignment working without a fireman exists on their seniority district which would have been available to firemen under agreements in effect immediately preceding the date of this agreement and if no position on a fireman's extra list exists on their seniority district.

(5) Firemen whose seniority as such is established on or after November 1, 1985 may be furloughed when not utilized under paragraph (3) of this Article.

(6) Firemen who established a seniority date as fireman prior to November 1, 1985 shall be used on assignments in passenger service on which, under agreements in effect immediately prior to the date of this agreement, the use of firemen would have been required. The use in passenger service of firemen who establish seniority as firemen on or after November 1, 1985 will be confined to assignments designated by the carrier.

(7) (a) Except as modified hereinafter, assignments in hostling service will continue to be filled when required by assignments in effect on individual carriers.

(b) The carriers may discontinue using employees represented by the Brotherhood of Locomotive Engineers as hostlers or hostler helpers provided it does not result in furlough of a fireman who established seniority prior to November 1, 1985 nor the establishment of a hostler position represented by another organization, and provided further that this provision will not act to displace any employee who established seniority prior to November 1, 1985 and who has no rights to service except as hostler or hostler helper.

(c) Employees in engine service who established seniority prior to November 1, 1985 will continue to fill hostler and hostler

helper positions and vacancies thereon in accordance with agreements in effect as of that date.

(d) Yard crews may perform hostling work without additional payment or penalty to the carrier.

(8) The carrier shall have the right to offer "Reserve Fireman" status to any number of active firemen, working as such, with seniority as firemen prior to November 1, 1985 (who are subject to work as locomotive engineers). Where applied, Reserve Fireman status shall be granted in seniority order on a seniority district or home zone basis under the terms listed below:

(a) An employee who chooses Reserve Fireman status must remain in that status until he either (i) is recalled and returns to hostler or engine service pursuant to Paragraph (b), (ii) is discharged from employment by the carrier, pursuant to Paragraph (b), (iii) is discharged from employment by the carrier for other good cause, (iv) resigns from employment by the carrier, (v) retires on an annuity (including a disability annuity) under the Railroad Retirement Act, or (vi) otherwise would not be entitled to free exercise of seniority; whichever occurs first. If not sooner terminated, Reserve Fireman status and all other employment rights of a Reserve Fireman shall terminate when he attains age 70.

(b) Reserve Firemen must maintain their engine service and hostler proficiencies while in such status, including successfully completing any retraining or refresher programs that the carrier may require and passing any test or examinations (including physical examinations) administered for purposes of determining whether such proficiencies and abilities have been maintained. Reserve Firemen also must hold themselves available for return to hostler and engine service upon seven days' notice, and must return to hostler or engine service in compliance with such notice. Reserve Firemen shall be recalled in reverse seniority order unless recalled for service as engineer. Failure to comply with any of these requirements will result in forfeiture of all seniority rights.

(c) Reserve Firemen shall be paid at 70% of the basic yard fireman's rate for five days per week. No other payments shall be made to or on behalf of a Reserve Fireman except (i) payment of premiums under applicable health and welfare plans and, (ii) as may otherwise be provided for in this Article. No deductions from pay shall be made on behalf of a Reserve Fireman except (i) deductions of income, employment or payroll taxes (including railroad retirement taxes) pursuant to federal, state or local law; (ii) deductions of dues pursuant to an applicable union shop agreement and any other deductions authorized by agreement, (iii) as may otherwise be authorized by this Article and (iv) any other legally required deduction.

(d) Reserve Firemen shall be considered in active service for the purpose of any agreement respecting firemen's rights to work or in any decline in business formula.

(e) Other non-railroad employment while in Reserve Fireman status is permissible so long as there is no conflict of interest. There shall be no offset for outside earnings.

(f) Vacation pay received while in Reserve Fireman status will offset pay received under paragraph (c). Time spent in reserve status will not count toward determining whether the employee is eligible for vacation in succeeding years. It will count as time in determining the length of the vacation to which an employee, otherwise eligible, is entitled.

(g) Reserve Firemen are not eligible for:

Holiday Pay
Personal Leave
Bereavement Leave
Jury Pay
Other similar special allowances

(h) Reserve Firemen are covered by:
Health and Welfare Plans
Union Shop
Dues Check-off
Discipline Rule
Grievance Procedure

that are applicable to firemen in active service.

(i) When junior employees are in "Reserve Fireman" status, a senior active fireman may request such status. The carrier shall grant such a request and, at its discretion, recall the junior "Reserve Fireman."

(9) Existing agreements providing for the furloughing of firemen in event of decline in business or under emergency conditions shall continue to apply.

(10) Any conflict between the changes set forth herein and the provisions of existing agreements shall be resolved in accordance with the provisions of this Agreement.

ARTICLE XIII - RETENTION OF SENIORITY

Any existing condition which requires a locomotive engineer (1) to forfeit ground service seniority, or (2) to forfeit locomotive engineer seniority when working in ground service, is eliminated.

ARTICLE XIV - EXPENSES AWAY FROM HOME

Effective July 1, 1986, the meal allowance provided for in Article II, Section 2 of the June 25, 1964 National Agreement, as amended, is increased from $3.85 to $4.15.

ARTICLE XV - BENEFITS PROVIDED UNDER THE RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLAN

Section 1 - Continuation of Plan

Except as provided in this Article, the benefits and other provisions under the Railroad Employees National Health and Welfare Plan will be continued. Contributions to the Plan will be offset by

the expeditious use of such amounts as may at any time be in Specia Account A or in one or more special accounts or funds maintained by insurer in connection with Group Policy Contract GA-23000, and by t use of funds held in trust that are not otherwise needed to pay cla , premiums or administrative expenses which are payable from trust.

Section 2 - Benefit Changes

The following changes in benefits provided under the Plan and in matters related to such benefits will be made:

(a) Hospital Pre-Admission & Utilization Review Program - This program shall include a comprehensive guidance and support structure for employees and other beneficiaries covered by the Plan and their physicians beginning prior to planned hospitalization and continuing through recovery period. The program shall include, among other things, review of the propriety of hospital admission (including the feasibility of ambulatory center or out-patient treatment), the plan of treatment including the length of confinement, the appropriateness of a second surgical opinion, discharge planning and the use of effective alternative facilities during convalescense. Reduced benefits will be provided if the program is not fully complied with. This program shall become effective as soon as practicable in order to provide adequate time to set up and communicate the program.

(b) Extension of Benefits - Vacation pay received by a furloughed employee shall not qualify such employee for any benefits under the Plan and will not generate premium payments on his behalf. This change shall become effective January 1, 1988.

(c) Reinsurance - Reinsurance will be discontinued as soon as practicable.

Section 3 - Special Committee

(a) A Special Committee selected by the parties will be established for the purpose of reviewing and making recommendations concerning ways to contain health care costs consistent with maintaining the quality of medical care; and reviewing the existing Plan structure and financing and making recommendations in connection therewith. In addition, the Committee may review and make recommendations with respect to any other matter included in the parties' notices with respect to the health care plan.

(b) The Committee shall retain the services of a recognized expert on health care systems to serve as a neutral chairman. The fees and expenses of the chairman shall be paid by the parties.

(c) The Committee shall be convened as promptly as possible and meet periodically until all of the matters that it considers are resolved. However, if the Committee has not resolved all issues by August 1, 1986, the neutral chairman will make recommendations on such unresolved issues no later than September 1, 1986. Upon voluntary resolution of all issues or upon issuance of recommendations by the neutral chairman, whichever is later, the Committee shall be dissolved.

(d) The proposals of the parties concerning health benefits (specifically, the organization's proposals dated January 17, 1984, entitled "Revise Contract Policy GA-23000" and the carriers' proposals dated on or about January 23, 1984, entitled "C. Insured Benefits") shall not be subject to the moratorium provisions of this Agreement, but, rather, shall be held in abeyance pending efforts to resolve these issues through the procedure established above. If, after 60 days from the date the neutral Chairman makes his recommendations, the parties have not reached agreement on all unresolved issues, the notices may be progressed under the procedures of the Railway Labor Act, as amended.

(e) Agreement reached by the parties on these issues will provide for a contract duration consistent with the provisions of Article XVIII of the Agreement, regardless of whether such agreement occurs during the time that the proposals of the parties are held in abeyance or subsequent to the time that they may be progressed in accordance with the procedures of the Railway Labor Act as provided for above.

ARTICLE XVI - INFORMAL DISPUTES COMMITTEE

Disputes arising over the application or interpretation of this agreement will, in the absence of a contrary provision, be referred to an Informal Disputes Committee consisting of an equal number of representatives of both parties.

If the Committee is unable to resolve a dispute, it may consider submitting the dispute to arbitration on a national basis for the purpose of ensuring a uniform application of the provisions of this Agreement.

ARTICLE XVII - LOCOMOTIVE DESIGN, CONSTRUCTION AND MAINTENANCE

Section 1 - Maintenance Of Locomotives

The parties recognize the importance of maintaining safe, sanitary, and healthful cab conditions on locomotives.

This Agreement affirms the carriers' responsibility to provide and maintain the aforementioned conditions particularly, although not limited to, such locomotive cab conditions as: heating, watercoolers, toilet facilities, insulation, ventilation-fumes, level of cab noise, visibility, lighting and footing.

The parties recognize that one way to achieve and maintain safe, sanitary, and healthful cab conditions on locomotives is by establishing procedures on each railroad for monitoring cab conditions and expediting the reporting and correction of maintenance deficiencies.

A. Local Implementation

Each individual carrier will designate an appropriate official(s) who will contact the BLE General Chairman (Chairmen) and arrange a meeting within 30 days from the date of this Agreement for the following purpose:

(a) Review the policies on the individual railroad concerning the existing procedures for reporting and correcting locomotive deficiencies, assess the effectiveness of such procedures, and, where appropriate, establish methods for obtaining more satisfactory results.

(b) Institute a program whereby the Local BLE representative and the carrier's supervisors at each facility will participate in direct discussions regarding any maintenance problems at the locations under their jurisdiction for the purpose of carrying out the intent of this understanding, including evaluating the reports and suggestions of either party and implementing agreed-upon solutions thereto.

B. National Committee

A national committee will be established within 30 days from the date of this Agreement, consisting of two members of the National Carriers' Conference Committee and two representatives of the BLE. The Committee may review and make recommendations with respect to any maintenance problem on an individual property that is referred to it by either party after efforts to resolve such matter on the individual property have been exhausted.

The Committee may also consider any matter where the parties on an individual property have jointly concluded that the subject matter is one that may be addressed more appropriately on a national level.

Section 2 - Dispatchment Of Locomotives

A locomotive will not be dispatched in road service from engine maintenance facilities where maintenance personnel are readily available, and an engineer will not be required to operate the locomotive pending corrective action, if the engineer registers a timely complaint with supervision with respect to the controlling unit of the consist that is determined on investigation to be valid concerning -

(a) the existence of a federal defect, as defined by the Federal Railroad Administration, with respect to the following matters:

Exhaust gases (ventilation)
Cab lights
Locomotive cab noise
Cabs, floors and passageways (footing) (cab seats) (vision) (heat)

and

(b) other conditions as follows:

Lack of clean, sanitary toilet
Lack of adequate cooled, potable water
Lack of adequate toilet paper or hand towels

Should the complaint be found valid, and if there is another unit in that consist or otherwise readily available which will eliminate the protest, the units will be rearranged provided such rearrangement will not result in unreasonable delay to the train. If the engineer performs the work to accomplish the rearrangement, no additional payment(s) will be allowed. If, however, the official makes a good faith determination that the locomotive is suitable for dispatch, the engineer will proceed with the assignment.

An engineer will invoke the foregoing right in good faith and where a reasonable person would conclude that the carrier is in substantial non-compliance, i.e. more than technical non-compliance.

In determining the reasonableness of an engineer's complaint, among the factors to be considered are the timeliness of the complaint, the accessibility of the means to take corrective action, the seriousness of the deficiency, the engineer's ability or inability to correct the deficiency with means at his disposal and whether or not an unreasonable train delay would be incurred.

Section 3 - Locomotive Design and Construction

In recognition of the desirability of consultation with the General Chairman (Chairmen) prior to the ordering of new locomotives, or while formulating plans to modify or retrofit existing locomotives, the parties agree that, before any design and construction changes in

locomotives are made which change safety or comfort features of the locomotive, the designated officer of each individual railroad will contact the General Chairman (Chairmen) providing him with the opportunity to furnish the carrier with his recommendations for full and thoughtful consideration by the carrier.

This Section 3 does not disturb existing local agreements that set forth required specifications for particular locomotive appurtenances or components.

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 is in settlement of the dispute growing out of the notices served upon the carriers listed in Exhibit A by the organization signatory hereto dated on or about October 20, 1979, January 3, 1984 and January 17, 1984, and the notices served on or about January 23, 1984 by the carriers.

(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 June 30, 1988 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) Except as provided in Sections 2(d) and 2(e) of this Article, the parties to this Agreement shall not serve nor progress prior to April 1, 1988 (not to become effective before July 1, 1988) any notice or proposal for changing any matter contained in:

(1) this Agreement,

(2) the proposals of the parties identified in Section 2(a) of this Article, and

(3) Section 2(c)(3) of Article VIII of the Agreement of March 6, 1975,

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

(d) The notices of the parties referred to in Article XV of this Agreement may be progressed in accordance with the provisions of Section 3(d) of that Article.

(e) New notices or pending notices that are permitted under the terms of the Letter Agreement of this date concerning intercraft pay relationships shall be governed by the terms of that Letter Agreement.

(f) Pending notices and new proposals properly served under the Railway Labor Act covering subject matters not specifically dealt with in Sections 2(c), 2(d) and 2(e) of this Article and which do not request compensation may be progressed under the provisions of the Railway Labor Act, as amended.

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

DATED THIS 19th DAY OF MAY, 1986, AT WASHINGTON, D.C.

Rodney E. Dennis
Chairman of Arbitration Board

Charles I. Hopkins, Jr.
Carrier Member

W. J. Wanke
Organization Member

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#1

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

In accordance with our understanding, this is to confirm that the carriers will make their best efforts to provide the lump sum payment provided for in Article III of this Agreement in a single, separate check within sixty (60) days.

If a carrier finds it impossible to make such payments within sixty (60) days, it is understood that such carrier will notify the General Chairmen, in writing, as to why such payments have not been made and indicate when it will be possible to make such payments.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#2

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

It is understood that the lump sum payment provided in Article III of the Agreement of this date will not be used to offset, construct or increase guarantees in protective agreements or arrangements.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES L. HOPKINS, Jr.
Chairman

G. F. DANIELS
Vice Chairman

D. P. LEE
Vice Chairman and
General Counsel

R. T. Kelly
Director of Labor Relations

#3

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding that the provisions of Article IX - Entry Rates of the July 26, 1978 National Agreement shall no longer apply on railroads parties to this Agreement except, however, that such Article or local rules or practices pertaining to this subject shall continue to apply to employees previously covered by such rules.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#3A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44144

Dear Mr. Sytsma:

This refers to Article V of the Agreement of this date concerning the final terminal delay rule, particularly our understanding with respect to the use of the term "deliberately delayed" in Section 1 of that Article.

During the discussions that led to our Agreement, you expressed concern with situations where a crew was instructed to stop and was held outside the terminal between the last siding or station and the point where final terminal delay begins and there was no operational impediment to the crew bringing its train into the terminal; i.e., the train was deliberately delayed by yard supervision. Accordingly, we agreed that Section 1 would comprehend such situations.

On the other hand, the carriers were concerned that the term "deliberately delayed" not be construed in such a manner as to include time when crews were held between the last siding or station and the point where final terminal delay begins because of typical railroad operations, emergency conditions, or appropriate managerial decisions. A number of examples were cited including, among others, situations where a train is stopped: to allow another train to run around it; for a crew to check for hot boxes or defective equipment; for a crew to switch a plant; at a red signal (except if stopped because of a preceding train which has arrived at final terminal delay point and is on final terminal time, the time of such delay by the crew so stopped will be calculated as final terminal delay); because of track or signal maintenance or construction work; to allow an outbound train to come out of the yard; and because of a derailment inside the yard which prevents the train held from being yarded on the desired track, e.g., the receiving track. We agreed that Section 1 did not comprehend such conditions.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#3B

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article V of the Agreement of this date concerning the payment of mileage operated in the final terminal in the application of the final terminal delay rule.

In accordance with Article V, final terminal delay is to be computed from the time the engine reaches the switch used in entering the final yard within a terminal where the train is to be left or yarded until finally relieved from duty.

In the application of such provision, on railroads where road mileage ends at present FTD points, road mileage will be adjusted by the distance between the present FTD point(s) and new FTD point(s) established by this Article V.

On railroads which presently compute trip mileage (1) from center of the yard at the initial terminal to center of the yard at the final terminal, (2) from roundhouse at the initial terminal to the roundhouse at the final terminal, (3) on basis of established mileage as agreed upon regardless of the location in the final terminal where trains are actually yarded, or (4) under similar situations, such trip mileage will continue to apply and the 60-minute period referred to in Article V will be extended pursuant to Section 2 thereof for trip mileage allowed after passing new FTD point(s).

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

EXAMPLES OF APPLICATION OF DEADHEAD RULE, ARTICLE VI *

The following examples illustrate application of the rule to all employees regardless of when their seniority date in engine service was established, except where specifically stated otherwise:

1. What payment would be due an engineer who performed road service from A, the home terminal, to B, the away-from-home terminal, a distance of 170 miles, and deadheaded from B to A, with the service and deadhead combined between A-B-A?

   A. A minimum day and 70 over-miles for the service and a minimum day and 70 over-miles for the deadhead.

2. What would be the payment under Question 1 if the distance between A and B were 75 miles?

   A. A minimum day and 50 over-miles.

3. What payment would be due an engineer who performed road service from A to B, a distance of 170 miles, taking rest at B, and then being deadheaded separate and apart from service from B to A, with the deadhead consuming 8 hours?

   A. A minimum day and 70 over-miles for the service trip from A to B, and a minimum day at the basic rate applicable to the class of service in connection with which the deadheading is performed.

4. What payment would be due an engineer who performed road service from A to B, a distance of 170 miles, taking rest at B, and then deadheading separately from service B to A, with the deadhead being completed in 10 hours?

   A. He would be paid a minimum day and 70 over-miles for the service trip from A to B, and 10 hours straight time rate of pay at the basic rate applicable to the class of service in connection with which the deadheading is performed.

5. An engineer operates a train from his home terminal, point A, to the away-from-home terminal, point B, a distance of 170 miles. Upon arrival at the away-from-home terminal, he is ordered to deadhead, separate and apart from service, to the home terminal. The time deadheading is 5 hours. What payment is due?

   A. A minimum day plus 70 over-miles for service. A minimum day for deadhead if employees' seniority in engine or train service antedates November 1, 1985; otherwise, 5 hours.

6. Would at least a minimum day at the basic rate applicable to the class of service in connection with which the deadheading is performed be paid when a deadhead is separate and apart from service and the actual time consumed is the equivalent of a minimum day or less?

   A. Yes, for employees whose seniority in engine or train service antedates November 1, 1985. Actual time will be paid to others.

7. An engineer is called to deadhead from point A to point B, a distance of 50 miles, to operate a train back to point A. He is instructed to combine deadhead and service. Total elapsed time for the deadhead and service is 7 hours, 30 minutes. What payment is due?

   A. A minimum day.

8. An engineer is called to deadhead from point A to point B, a distance of 50 miles, to operate a train from point B to point C, a distance of 75 miles. He is instructed to combine deadhead and service. Total elapsed time is 10 hours. What payment is due?

   A. A minimum day plus 25 over-miles.

9. An engineer operates a train from point A to point B, a distance of 50 miles. He is ordered to deadhead back to point A, service and deadhead combined. Total elapsed time, 8 hours, 30 minutes. What payment is due?

   A. A minimum day plus 30 minutes overtime.

10. An engineer operates a train from his home terminal, point A, to the away-from-home terminal, point B, a distance of 275 miles. After rest, he is ordered to deadhead, separate and apart from service, to the home terminal. Time deadheading is 9 hours, 10 minutes. What payment is due?

    A. A minimum day plus 175 over-miles for service, 9 hours, 10 minutes straight time for the deadhead.

11. How is an engineer to know whether or not deadheading is combined with service?

    A. When deadheading for which called is combined with subsequent service, the engineer should be notified when called. When deadheading is to be combined with prior service, the engineer should be notified before being relieved from service. If not so notified, deadheading and service cannot be combined.

The following examples illustrate the application of the rule to employees whose earliest seniority date in engine or train service is established on or after November 1, 1985:

1. An engineer is called to deadhead from his home terminal to an away-from-home point. He last performed service 30 hours prior to commencing the deadhead trip. The deadhead trip consumed 5 hours and was not combined with the service trip. The service trip out of the away-from-home terminal began within 6 hours from the time the deadhead trip was completed. What payment is due?

   A. 5 hours at the straight time rate.

2. What payment would have been made to the engineer in example 1 if the service trip out of the away-from-home terminal had begun 17 hours after the time the deadhead trip ended, and the held-away rule was not applicable?

   A. A minimum day for the deadhead.

3. What payment would have been made to the engineer in example 1 if the service trip out of the away-from-home terminal had begun 18 hours after the time the deadhead trip ended, and the engineer received 2 hours pay under the held-away rule?

   A. 6 hours at the straight time rate.

4. An engineer is deadheaded to the home terminal after having performed service into the away-from-home terminal. The deadhead trip, which consumed 5 hours and was not combined with the service trip, commenced 8 hours after the service trip ended. What payment is due?

   A. 5 hours at the straight time rate.

5. What payment would have been made to the engineer in example 4 if the deadhead trip had begun 18 hours after the service trip ended and the held-away rule was not applicable.

   A. A minimum day for the deadhead.

6. What payment would have been made to the engineer in example 4 if the deadhead trip had begun 18 hours after the time the service trip ended and the engineer received 2 hours pay under the held-away rule?

   A. 6 hours at the straight time rate.

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

G. F. DANIELS
Vice Chairman

D. P. LEE
Vice Chairman and
General Counsel

R. T. Kelly
Director of Labor Relations

#5

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article VII, Road Switchers of the Agreement of this date.

In the application of Section 1(c) of the Article, it was understood that if a carrier without a pre-existing right to reduce a seven day assignment described in Section 1(a) to a lesser number of days reduces such an assignment to six days per week, the 48-minute allowance will be payable to employees on the assignment whose seniority date in engine or train service precedes November 1, 1985. If the carrier reduces the same assignment from seven days to five, an allowance of 96 minutes would be payable.

Conversely, if the carrier had the pre-existing right to reduce a seven day assignment described in Section 1(a) to six days per week, but not to five days, and reduced the seven day assignment to six days per week, no allowance would be payable. If it reduced the assignment from seven days to five days, an allowance of 48 minutes would be payable.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

7. An engineer is deadheaded from the home terminal to an away-from-home location. Ten (10) hours after completion of the trip, he is deadheaded to the home terminal without having performed service. The deadhead trips each consumed two hours. What payment is due?

   A. A minimum day for the combined deadhead trips.

* NOTE: The amount of over-miles shown in the examples are on the basis of a 100 mile day. The number of over-miles will be reduced in accordance with the application of Article IV, Section 2, of this Agreement.

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

G. F. DANIELS
Vice Chairman

D. P. LEE
Vice Chairman and
General Counsel

R. T. Kelly
Director of Labor Relations

#6

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article VIII, Section 1(b), of the Agreement of this date which provides that only two straight pickups or setouts will be made. This does not allow cars to be cut in behind other cars already in the tracks or cars to be picked up from behind other cars already in the tracks. It does permit the cutting of crossings, cross-walks, etc., the spotting of cars set-out, and the re-spotting of cars that may be moved off spot in the making of the two straight setouts or pickups.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE. 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#6A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Section 1(b) of Article VIII of the Agreement of this date which provides that two straight pickups or setouts may be made without additional compensation.

It is understood that Section 1(b) of Article VIII does not modify the provisions in Article V of the May 13, 1971 National Agreement pertaining to road crews handling solid trains in interchange to or from a foreign carrier.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

G. F. DANIELS
Vice Chairman

D. P. LEE
Vice Chairman and
General Counsel

R. T. Kelly
Director of Labor Relations

#7

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article VIII - Road, Yard and Incidental Work - of the Agreement of this date.

This confirms the understanding that the provisions in Section 3 thereof, concerning incidental work, are intended to remove any existing restrictions upon the use of employees represented by the BLE to perform the described categories of work and to remove any existing requirements that such employees, if used to perform the work, be paid an arbitrary or penalty amount over and above the normal compensation for their assignment. Such provisions are not intended to infringe upon the work rights of another craft as established on any railroad.

It is further understood that paragraphs (a) and (c) of Section 3 do not contemplate that the engineer will perform such incidental work when other members of the crew are present and available.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

G. F. DANIELS
Vice Chairman

D. P. LEE
Vice Chairman and
General Counsel

R. T. Kelly
Director of Labor Relations

#8

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Section 3, Incidental Work, of Article VIII.

It was understood that the reference to moving, turning, spotting and fueling locomotives contained in Section 3(b) includes the assembling of locomotive power, such as rearranging, increasing or decreasing the locomotive consist. It is not contemplated that an engineer will be required to place fuel oil or other supplies on a locomotive if another qualified employee is available for that purpose.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES L. HOPKINS, Jr.
Chairman

G. F. DANIELS
Vice Chairman

D. P. LEE
Vice Chairman and
General Counsel

R. T. Kelly
Director of Labor Relations

#9

January 31, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to Article IX Interdivisional Service of the Agreement of this date.

On railroads that elect to preserve existing rules or practices with respect to interdivisional runs, the rates paid for miles in excess of the number encompassed in a basic day will not exceed those paid for under Article IX, Section 2(b) of the Agreement of this date.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#9A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article IX, Interdivisional Service, of the Agreement of this date.

It was understood that except as provided herein, other articles contained in this Agreement, such as (but not limited to) the final terminal delay and deadhead articles, apply to employees working in interdivisional service regardless of when or how such service was or is established. However, overtime rules in interdivisional service that are more favorable to the employee than Article IV, Section 2, of this Agreement will continue to apply to employees who established seniority in engine service prior to November 1, 1985 while such employees are working interdivisional runs established prior to June 1, 1986.

Illustrations of maintaining present overtime rule for existing interdivisional runs without standard overtime rules are shown below: [Based on 104 mile basic day which becomes effective July 1, 1986]

Overtime calculated on basis of 25 m.p.h.,

250 mile run
On duty 11 hours (1 Hour overtime)
Basic day of 104 miles
Daily rate $111.43
Mileage rate $1.0819

Pay:	
Basic day	$111.43
Overmiles (250-104)x$1.0819	157.96
Overtime 11-(250/25) x (111.43/8)x1.5	20.89
Total	$290.28

Overtime calculated after 9.5 Hours on duty

200 mile run
On duty 10 hours
Basic day of 104 miles
Daily rate $111.43
Mileage rate $1.0819

Pay:	
Basic day	$111.43
Overmiles (200-104)x$1.0819	103.86
Overtime 10-9.5x($111.43/8)x1.5	10.45
Total	$225.74

The overtime provisions of Article IV, Section 2, of this Agreement will apply to employees who established seniority in engine service prior to November 1, 1985 while such employees are working interdivisional runs established subsequent to June 1, 1986. They will also apply to employees who established seniority in engine service on or after November 1, 1985 regardless of when the interdivisional runs on which they are working were established.

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

Very truly yours,

I agree:

_____
John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#10

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article X of the National Agreement of this date permitting certain locomotives which meet the basic minimum standards of the home railroad or section of the home railroad to operate on other railroads or sections of the home railroad.

In reviewing the current standards that exist on the major railroads with respect to such locomotives, we recognized that while the standards varied from one property to another with respect to various details, the standards on all such railroads complied with the minimum essential requirements necessary to permit their use in the manner provided in Article X. For example, such minimum standards for locomotives would include a requirement that there are a sufficient number of seats for all crew members riding in the locomotive consist.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#11

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding during the negotiations of the Agreement of this date that where hostler positions are filled by employees not having firemen's seniority, that before a carrier discontinues a hostler or hostler helper position pursuant to Article XII, Part A, Section 1(10) or Part B, Section 7(b) of this Agreement, it will be offered to furloughed hostlers who have seniority prior to November 1, 1985, to work as hostler or hostler helper at that location. If such hostlers only have point seniority and there are no furloughed hostlers at such point, but there are such hostlers on furlough with seniority prior to November 1, 1985 at another point in the same geographical area, a vacancy will be offered to such hostlers before a carrier discontinues a hostler or hostler helper position pursuant to Article XII, Part A, Section 1(10) or Part B, Section 7(b) of this Agreement.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#12

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding during the negotiations of the Agreement of this date that before a carrier discontinues a hostler or hostler helper position pursuant to Article XII, Part A, Section 1(10) or Part B, Section 7(b) of this Agreement, it will be offered to furloughed firemen who have seniority prior to November 1, 1985, to work as hostler or hostler helper at location where hostler or hostler helper job is to be discontinued. Such employees will retain recall rights to engine service in accordance with existing agreements.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____
John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#12A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding that the reference to "another organization" in Article XII, Part A, Section 1 (10)(b), and Part B, Section (7)(b) refers to a labor organization which does not hold representation rights for engine or train service employees on the particular railroad involved.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#13

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding during the negotiations of the Agreement of this date that the term "active firemen, working as such", appearing in Part A, Section 1, Paragraph (11) or Part B, Section 8 of Article XII, includes hostlers who have the right to work as locomotive engineers.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____
John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#14

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding that in implementation of Article XII, Part B, of the Agreement reached this date, each carrier on which Part B will become effective will meet with the appropriate BLE General Chairman within 10 days for the purpose of reaching an understanding with respect to existing rules covering locomotive firemen and hostlers which will remain in effect, it being the intention of the parties that railroads which are subject to Part B receive the same benefits therefrom as railroads which are subject to Part A. Existing pay rates will remain in effect provided such railroads continue to receive the benefits obtained when such pay rates were negotiated.

In the event a carrier and the appropriate General Chairman do not reach a satisfactory resolution within thirty days from the date of this Agreement, the matter will be referred to the Informal Disputes Committee established pursuant to Article XVI for expedited handling and final and binding arbitration if required.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#15

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to our discussions leading to the Agreement of this date, particularly those provisions that relate to firemen. The carriers explained that subject to legal requirements the source of supply for firemen positions would be train service personnel as provided in the recent UTU Agreement. We also explained that companion thereto in order to expand the employment potential for present engineers and firemen, whether represented by the BLE or UTU, all of these engine service personnel will be placed in seniority order at the bottom of the appropriate train and/or ground service seniority roster.

The BLE stated that in its capacity as the authorized representative of employees who have seniority as engineers or who have seniority as firemen, apprentice engineers or other comparable positions it had a legitimate bargaining interest in negotiating the issue of providing ground service seniority to such employees not now having such seniority even where the ground service crafts are represented by another organization, and insofar as engineers and firemen who now hold or at one time did hold seniority in ground service is concerned, BLE proposed that such employees should be granted seniority as of their original date of hire as brakemen or groundmen.

The BLE also stated that in its capacity as the authorized representative of employees who have seniority as engineers and/or firemen, apprentice engineers or other comparable positions, it has a legitimate bargaining interest in negotiating the issue of providing engine service seniority to train and ground service employees not now having engine service seniority where the ground service crafts are represented by another organization.

The carriers responded that in their view the matter of providing brakemen seniority to such BLE represented employees is a matter between the carriers and the organization representing brakemen and groundmen, not between the carriers and the BLE that does not represent those classifications. However, the BLE, UTU and carriers, agree on the desirability of engineers and firemen who do not have seniority in train or ground service being given such seniority if they so desire. Therefore this will be done without prejudice to the position of the BLE or the carriers to the extent those positions differ as stated above. However, where this occurs the carriers were not agreeable that such seniority should be retroactive to date of hire as brakemen or groundmen.

Insofar as providing engine service seniority to ground service employees, the carriers position was that this was a matter between the carriers and the organization representing firemen, which in many cases is not the BLE; however, it was unnecessary to address any differences among the parties because here, also, all parties agree that the source of supply for engine service should be ground service employees, and will provide preferential promotional opportunities on that basis.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#16

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to incorporating a Hospital Pre-Admission and Utilization Review Program as part of the benefits provided under the Railroad Employees National Health and Welfare Plan in accordance with Article XV, Section 2(a) of the Agreement of this date.

By agreeing to this benefit program, our principal objectives are to reduce in-patient hospital utilization thereby minimizing exposure to risks of hospitalization or unduly prolonged hospitalization and the risks of unnecessary surgery by encouraging both employee and physician to make the most patient-sensitive and at the same time cost-effective decisions about treatment alternatives.

The program accomplishes these objectives by providing to employees and other beneficiaries ready access to knowledgeable professional personnel when making decisions about their health care. A number of patient-centered services are provided and designed in a manner so as not to impose significant added burdens on individual employees. The comprehensive guidance and support structure begins prior to planned hospitalization and continues through any recovery period.

Specifically, the program shall include review of the propriety of hospital admission (including consideration of health care alternatives such as the use of ambulatory centers or out-patient treatment) benefit counseling, the plan of treatment including the length of confinement, the appropriateness of a second surgical opinion, discharge planning and the use of effective alternative facilities during convalescence.

We have attached to this letter descriptions of programs currently offered by three leaders in this field that describe in greater detail the operations of these programs and what specifically is involved. These attachments are intended as informational only, describing the kind of program we will establish, and do not suggest that the program we ultimately adopt is limited to what is described or is to be administered by these particular parties.

In order that the program achieves its intended objectives, we have agreed to institute appropriate incentives. For those employees who use the program, plan benefits will be paid as provided and the employee and family will receive the full protection and security of professionals managing their hospital confinement and recovery. For employees who do not use the program, plan benefits will be paid only under the Major Medical Expense Benefit portion of the Plan with the Plan paying 65%, rather than 80%, of covered expenses. However, a maximum total employee expense limitation - "stop-loss" - will be maintained.

We recognize that the program described cannot be implemented overnight but will require careful review and examination on the part of us all and will include, as well, time to inform the employees and other beneficiaries covered under the Plan. Furthermore, it is anticipated that the program will include use of alternative facilities, such as home health care options, hospices, office surgery, ambulatory surgi-centers and birthing centers, some of which are either not covered under the Plan now or are not available in the manner envisioned under this new program. Thus, for these reasons we have agreed that implementation of the program will not occur until practicable and that the intervening time will be used to assure that its adoption shall be a constructive and useful addition to the benefits currently provided under the Plan.

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

Very truly yours,

C. I. Hopkins, Jr.

Attachments (Descriptive material furnished BLE)

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#17

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to the appointment of a neutral person to serve as chairman of the Special Committee established pursuant to Article XV, Section 3, of the Agreement of this date.

In the event we are unable to agree on such a person, the parties will seek the assistance of an appropriate third party for the purpose of providing assistance in identifying individuals qualified to serve in this capacity.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#18

May 19, 1986

Mr. Charles I. Hopkins, Jr.
Chairman
National Railway Labor Conference
1901 L Street, N.W., Suite 500
Washington, DC 20036

Dear Mr. Hopkins:

This is to advise you that I am agreeable to the provisions of Article XV Health and Welfare Plan except that in Section 2 (a), "Hospital Pre-Admission and Utilization Review Program", I will agree to the concept of the "Pre-Admission and Utilization Review Program" and will agree to its implementation after the Policyholders have met jointly with representatives of Travelers and have agreed on the changes and understandings that will be necessary to implement the program. There must be ample lead time to insure that all covered employees can be notified of the implementation date and will have adequate information about the plan so that they can comply with their responsibilities in the event they qualify for benefits under the plan.

I take no exceptions to the use of surplus funds, the Reinsurance proposal, the Special Committee and/or the moratorium proposals.

Very truly yours,

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE. 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#19

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to incorporating a Hospital Pre-Admission and Utilization Review Program as part of the benefits provided under the Railroad Employees National Health and Welfare Plan in accordance with Article XV, Section 2(a) of the Agreement of this date.

We recognize that a similar program would be equally appropriate to include as part of the Early Retirement Major Medical Benefit Plan.

Therefore, this confirms our understanding that the program developed for the Health and Welfare Plan shall also be incorporated, with appropriate revisions, if necessary, as part of the Early Retirement Major Medical Benefit Plan as well.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

G. F. DANIELS
Vice Chairman

D. P. LEE
Vice Chairman and
General Counsel

R. T. Kelly
Director of Labor Relations

#20

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding with respect to the pay differential for an engineer working without a fireman and other related matters:

(1) Pay Differential

(a) Notwithstanding the provisions of Article I, Section 8(g) and (i) (ii) and Article IV, Section 1(a) of the Agreement of this date, the differential of $4.00 per basic day in freight and yard service and 4 cents per mile for miles in excess of the number of miles encompassed in the basic day in freight service, currently payable to an engineer working without a fireman on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required, shall be increased to $6.00 in three installments, $1.00 effective July 1, 1986, $.50 effective January 1, 1987; and $.50 effective January 1, 1988, and to 6 cents per mile in three installments of 1 cent, one-half cent, and one-half cent, respectively, on the same effective dates.

(b) An engineer working with a reduced train crew (established pursuant to a crew consist agreement made subsequent to January 1, 1978) and without a fireman will be allowed the standard reduced train crew allowance for that trip unless the engineer allowance for working without a fireman is greater. In no event will there be any duplication or pyramiding of payments. The term "standard reduced crew allowance" referred to herein, is the $4.00 paid originally to the members of reduced train crews as that amount has been modified by subsequent general and cost-of-living wage increases.

(c) Existing notices with respect to adjusting the pay differential for an engineer working without a fireman are disposed of by this Agreement and notices concerning this subject are governed by the moratorium provisions of Article XVIII, Section 2 of this Agreement. Existing notices designed to change the compensation relationships between the engineer and other members of the crew where such relationships have been changed because of a crew consist agreement are disposed of by this Agreement and notices concerning this subject shall not be served. However, if the special allowance currently payable to a conductor working with one brakeman is subsequently increased for a conductor working without any brakemen, the organization may serve and pursue to a conclusion as hereafter provided proposals pursuant to the provisions of the Railway Labor Act seeking to adjust compensation relationships for engineers on conductor only assignments.

(d) Any additional allowance shall be limited in amount so that when combined with the differential payable to an engineer working without a fireman, the total amount for that trip or tour of duty shall be no greater than the allowance paid to the conductor of that crew unless the present engineer allowance for working without a fireman is greater. Where the present engineer allowance is greater it shall be converted to the allowance payable to the conductor when the latter allowance exceeds the former.

(e) Where the organization serves such a proposal as above provided, the carrier may serve proposals pursuant to the provisions of the Railway Labor Act for concurrent handling therewith that would achieve offsetting productivity improvements and/or cost savings.

(f) In the event the parties on any carrier are unable to resolve the respective proposals by agreement, the entire dispute will be submitted to final and binding arbitration at the request of either party.

(2) Guaranteed Extra Boards

(a) Carriers that do not have the right to establish additional extra boards or discontinue an extra board shall have that right.

(b) Upon thirty days' advance notice to the appropriate general chairman, a carrier may establish additional extra boards. Upon request of the general chairman, a meeting will be held to discuss the proposed action. However, this shall not serve to delay the establishment of any extra board.

(c) When an extra board is established under this rule it will, unless the general chairman is notified otherwise, protect all jobs on that seniority district whose laying off and reporting points are closer to the location of the extra board than to the locations of other extra boards on that seniority district.

(d) The carrier will regulate the number of employees, if any, assigned to such extra boards and will have the right to discontinue such boards.

(e) While on an extra board established under this rule, each employee will be guaranteed the equivalent of 3000 miles at the basic through freight rate for each calendar month unless the employee is assigned to an exclusive yard service extra board in which event the guarantee will be the equivalent of 22 days' pay at the minimum 5-day yard rate for each calendar month. All earnings during the month will apply against the guarantee. The guarantees of employees who are on the extra board for part of a calendar month will be pro rated.

(f) Except as hereinafter provided, if an employee is suspended as a result of disciplinary action, lays off at his own request with permission, is not available for personal reasons, or misses a call, earnings lost as a result thereof will be deducted from the monthly guarantee. Unless the needs of the service dictate otherwise, employees assigned to an extra board which protects yard service exclusively may lay off for a maximum of two days per month without the earnings lost as a result thereof being deducted from the monthly guarantee.

(g) The maximum number of guaranteed extra boards that can be in operation on a carrier at any one time under this provision is three in the territory of each regular source of supply point on that carrier.

(h) No existing guaranteed extra board will be supplanted by a guaranteed extra board under this rule if the sole reason for the change is to reduce the guarantee applicable to employees on the extra board.

(i) This rule will not be construed as restricting any existing rights of a carrier to establish or discontinue extra boards. The rights conferred by this rule are in addition to preexisting rights.

This letter of understanding shall not apply on carriers that have agreements with the organization adjusting the compensation of engineers in response to the change in compensation relationships between engineers and other members of the crew brought about by crew consist agreements unless the appropriate BLE General Chairman elects to adopt this letter agreement in lieu of the compensation adjustments provided in such agreement. Such election must be exercised on or before 45 days following the date of this Agreement. If such election is made, the provisions of such local agreements concerning matters other than compensation shall be retained.

Where the General Chairman does not elect to substitute this letter of understanding as provided for in the paragraph above and, therefore, the local agreement remains in effect in its entirety and such local agreement contains a moratorium provision, it is agreed that any special allowance provided for therein that is subject to being increased by general wage increases shall be excluded from the provisions of Article I, Section 8(a), Article II, Section 1(b) and (d), and Article IV, Section 5(a) and (b).

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#20A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Letter of Understanding No. 20 and the application of paragraph (b) of (1) Pay Differential with respect to railroads where the BLE has outstanding Section 6 notices to change the compensation relationships between the engineer and other members of the crew where such relationships have been changed because of a crew consist agreement subsequent to January 1, 1978.

This confirms our understanding that on such properties the provisions of paragraph (b) apply automatically without further need to confer.

Futhermore, when, in the future, any carrier makes a crew consist agreement as described in the first paragraph, the provision of paragraph (b) under Pay Differential will automatically apply.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

_____

John F. Sytsma

APPLICATION OF LETTER AGREEMENT WITH RESPECT TO INTERCRAFT PAY RELATIONSHIPS

The following examples illustrate the maximum allowances that can be obtained under the letter agreement of this date with respect to intercraft pay relationships:

Example 1 - An engineer is on a reduced crew operating a distance of 127 miles in a class of service which has a basic day encompassing 104 miles (July 1, 1986). There is no fireman on the crew. The time consumed on the trip is 9 hours. No duplicate time payments expressed in hours or miles are paid. The conductor is receiving a reduced crew allowance of $7.31. What would the engineer be paid?

A. The differential provided in letter agreement #20 for operating without a fireman would pay him:

104 miles	$5.00
23 miles	1.15
TOTAL	$6.15

Since this is less than the amount the conductor is receiving, the engineer would be paid the $7.31 reduced crew allowance.

Example 2 - What would the engineer in example 1 be paid if the allowance paid to the conductor was subsequently increased to $8.00?

A. The engineer would be paid $8.00

Example 3 - What would the allowance be if the engineer in example 1 were on an assignment operating a distance of 204 miles?

A. The differential provided in letter agreement #20 for operating without a fireman would pay the engineer $10.00. Since this is more than the amount the conductor is receiving, the engineer would receive nothing additional.

Example 4 - What would the allowance be if the engineer in example 1 had earned two hours overtime on the trip?

A. The standard rule for operating without a fireman would pay the engineer as follows:

Basic Day	$5.00
Over-miles (23)	1.15
Overtime (2 hours)	1.88
TOTAL	$8.03

This is more than what the conductor received, so the engineer would receive nothing additional.

Example 5 - An engineer is on a reduced crew operating a distance of 127 miles in a class of service which has a basic day encompassing 106 miles (January 1, 1988). There is no fireman on the crew. The time consumed on the trip is 9 hours. No duplicate time payments expressed in hours or miles are paid. The conductor on that railroad is receiving a reduced crew allowance of $7.87. What would the engineer be paid?

A. The differential provided in letter agreement #20 for operating without a fireman would pay him:

106 miles	$6.00
21 miles	1.26
TOTAL	$7.26

Since this is less than the amount the conductor is receiving, the engineer would be paid the reduced crew allowance of $7.87.

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE. 202-862-7200

CHARLES I. HOPKINS, Jr.
Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

#22

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

During the negotiations that led to the Agreement of this date, the representatives of the Brotherhood of Locomotive Engineers expressed concern as to the possible erosion of the traditional authority and responsibility vested in the engineer while operating a locomotive in those situations where the conductor and any other train crew members are located on the locomotive because of the elimination of the caboose.

The carriers responded that the responsibility and authority of the engineer is not a collective bargaining subject; rather it is a matter of operational policy subject to operating rules and/or other management instructions. The BLE did not agree on this point but the matter was resolved on the basis of the carriers' statement that the removal of cabooses and the consequent relocation of train crew personnel to the locomotive cab did not diminish nor otherwise alter the authority and responsibility of the engineer.

Because of the significance the BLE attaches to this matter, I am sending a copy of this letter to the Member Lines to advise them that while nothing has been said or done in our negotiations to change any railroad's rules, policies or management practices, we have assured the BLE that the elimination of cabooses and relocation of train service personnel does not alter those rules, policies or management practices.

Very truly yours,

C. I. Hopkins, Jr.

JOINT STATEMENT CONCERNING EFFORTS TO IMPROVE THE COMPETITIVE ABILITIES OF THE INDUSTRY

This refers to our discussions during the recent negotiations with respect to improving our industry's ability to compete effectively with other modes of transportation and to attract new business to the railroads.

We recognize that opportunities will present themselves on railroads to promote new business and preserve existing business by providing more efficient and more expedient service. It is our mutual objective to provide this improved service by making changes, as may be necessary, in operations and with agreement rule exceptions and accommodations in specific situations and circumstances.

It is difficult to list specific rules or operations that might need modifications or exceptions in order to provide the services that may be necessary to obtain and operate new business that can be obtained from other modes of transportation. We are in agreement, however, that necessary operational changes and rules modifications or exceptions should be encouraged to obtain new business, preserve specifically endangered business currently being hauled, or to significantly improve the transit time of existing freight movements.

We recognize that attracting new business and retaining present business depends not only on reducing service costs, but also on improving service to customers.

During our discussions, the Lake Erie Plan was advanced by BLE, in part, as a collective bargaining proposal and as a representation of the BLE's search for a possible approach to enhanced competitive strength for the industry. Although the significance of the plan may not necessarily be in the specifics, the underlying goal of realizing the industry's full potential in the transportation marketplace is such that further consideration of such concepts may be warranted as a means of achieving this goal by cooperative, aggressive undertakings by the BLE, the UTU and the railroads.

The Informal Disputes Committee will encourage expedited resolutions on individual railroads consistent with these goals and will provide counsel, guidelines and other assistance in making necessary operational and or agreement rule changes to provide the type service necessary to meet these goals.

We sincerely believe that cooperation between the management and the employees will result in more business and job opportunities and better service which will insure our industry's future strength and growth.

John F. Sytsma
President
Brotherhood of Locomotive
Engineers

C. I. Hopkins, Jr.
Chairman
National Carriers' Conference
Committee

BURLINGTON NORTHERN RAILROAD

EMPLOYEE RELATIONS
3000 Continental Plaza
777 Main Street
Fort Worth, Texas 76102

June 6, 1986

File: EF-1(b) 5/19/86

Mr. C. B. Clark
General Chairman, BLE
Suite 217, Union Station Bldg.
Denver, Colorado 80202

Mr. J. A. Finley
General Chairman, BLE
P. O. Box 666
Teague, Texas 75860

Mr. R. E. Pelava
General Chairman, BLE
333-On-Sibley Street, Suite 410
St. Paul, Minnesota 55101

Mr. M. L. Royal
General Chairman, BLE
Cervini Bldg., Room 112
1002 Texas Boulevard
Texarkana, Texas 75501

Mr. W. C. Walpert
General Chairman, BLE
3433 South Campbell, Suite 0
Springfield, Missouri 65807

Gentlemen:

In reference to the National Arbitration Award of May 19, 1986.

Just so there is no misunderstanding, you are hereby advised that this Carrier does not make an election under Articles V, VI, VII and IX, to preserve existing rules and practices.

Sincerely,

J. J. Ratcliff
Asst. Vice President
Labor Relations

ALL LOCAL CHAIRMEN
ALL ASSISTANT LOCAL CHAIRMEN
GCA-BLE/BNRC
(Except C&S, FW&D, and Frisco)

June 10, 1986
File: Arb.Award 472, NA 1986/GC

CL No. 0,86-63

Dear Sirs and Brothers:

This attached letter received from the Burlington Northern indicates they have accepted Articles V, VI, VII, and IX in Arbitration Award 402, dated May 1986.

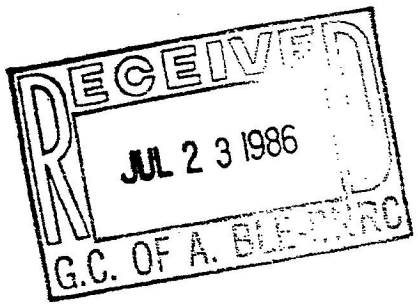
R.E. Pelava

cc: M.E. Hansen, S-T/BLE

BURLINGTON NORTHERN RAILROAD

JAMES B. DAGNON
Vice President
Labor Relations

3000 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102
Telephone (817) 878-3055



July 17, 1986

EF1(b) 5/19/86

Mr. R. E. Pelava
General Chairman, BLE
333-On-Sibley St., Suite 410
St. Paul, Minnesota 55101

Dear Mr. Pelava:

This will acknowledge receipt of your letter dated July 11, 1986, File BLE Arb. Award 458 Side Letter 20, 20A,21, wherein you opted to reject the provisions of Side Letters No. 20, 20A and 21 of Arbitration Award No. 458 and retain BN Labor Agreement 4/24/81 OPS-33-81.

We will be governed accordingly.

Sincerely,

J. B. Dagnon

ALL LOCAL CHAIRMEN
ALL ASST. LOCAL CHAIRMEN
GCA-BLE/BNRC
(Except C&S, Frisco & FW&D)

July 25, 1986
File: BLE Arb. Award 458

CL No. 0,86-77

Mr. Dagnon's letter acknowledges our rejection of Side Letters 20, 20A, and 21 of Arbitration Award 458.

R.E.P.

3053j11786000005b13

VICE CHAIRMEN
MACK L. GLOVER
JIM D. SHELL
WILLIAM C. KEPPEN

ROBERT E. PELAVA
GENERAL CHAIRMAN

SECRETARY-TREASURER
MAELYN E. HANSEN
P.O. BOX 21291
COLUMBIA HTS., MN 55421

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

GENERAL COMMITTEE OF ADJUSTMENT

BURLINGTON NORTHERN RAILROAD COMPANY
333-ON-SIBLEY STREET, SUITE 410
ST. PAUL, MINNESOTA 55101
Phone (612) 224-5441

July 11, 1986
File: BLE Arb.Award 458
Side Letter 20, 20A, 21

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. J.B. Dagnon, VP/LR
Burlington Northern Railroad Co.
3000 Continental Plaza
777 Main Street
Fort Worth, Texas 76102

Dear Mr. Dagnon:

Reference to the National Arbitration Award 458, dated May 19, 1986.

Please be advised that the Brotherhood of Locomotive Engineers, General Committee of Adjustment for the Burlington Northern Railroad Company does not elect to adopt side letters 20, 20A, and application letter 21.

We will, therefore, retain the provisions of Section 5 of Article I of Agreed upon Implementation of Public Law 97-262, Memorandum of Agreement BN 4/24/81, OPS 33-81, effective January 5, 1981, and our numerous Engineers Extra Board Guarantee Agreements.

Very truly yours,

R.E. Pelava

R.E. Pelava
General Chairman

G/pp

cc: ALL LOCAL CHAIRMEN
ALL ASSISTANT LOCAL CHAIRMEN

Brotherhood of
Locomotive Engineers

B. OF L. E. BUILDING
CLEVELAND, OHIO 44114

JOHN F. SYTSMA
President

July 10, 1986

Mr. R. E. Pelava
General Chairman
Burlington Northern Railroad Co.
333 Sibley Street, Suite 410
St. Paul, MN 55101

Dear Sir and Brother:

This has further reference to your telephone conversation, with a member of my staff, during which you requested clarification of Side Letter 20 of Arbitration Award No. 458.

In answer to your specific question concerning the last sentence of the first paragraph on page 4 "If such election is made, the provision of such local agreements concerning matters other than compensation shall be retained.", this provision was included for the protection of both the carrier and the organization insofar as any existing agreements which were entered into as part of the present crew consist agreement would be retained.

In other words, during the negotiations on the individual property agreements were made regarding various subjects to enable an agreement to be reached. Therefore, what this sentence does is allow both parties to retain any existing agreements they entered into or benefited from even though Side Letter 20 is elected. Thus, the only portion of an existing crew consist agreement that would be changed, in my opinion, would be the flat monetary payment and the minute allowance, if applicable, on a specific carrier.

After your ballot is counted and if election is made to accept Side Letter 20 it is suggested that you meet with the carrier to develop an acceptable implementation of same. If questions arise that can not be settled between the parties it is then suggested that the question(s) along with a joint statement of facts, if possible, be sent to the undersigned for further handling with the Informal Disputes Committee, if appropriate.

Trusting that the aforementioned information will help clarify this Side Letter for you, I am

Fraternally yours,

President

cc: W. J. Wanke, FVP-BLE