

# AGREEMENTS



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ARTICLE I – WAGES

Section 1 – First General Wage Increase

(For other than Dining Car Stewards)

- a) Effective July 1, 2010, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2010 shall be increased by two (2) percent.
- b) In computing the increase for enginemen under paragraph (a) above, two (2) 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

(For other than Dining Car Stewards)

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees represented by the United Transportation Union shall be increased by two-and-one-half (2½) percent, computed and applied in the same manner prescribed in section 1 (b) above

Section 3 – Third General Wage Increase

(For other than Dining Car Stewards)

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in section 1 (b) above

Section 4 – Fourth General Wage Increase

(For other than Dining Car Stewards)

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in section 1 (b) above

Section 5 – Fifth General Wage Increase

(For other than Dining Car Stewards)

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees represented by the United Transportation Union shall be increased by three-and-one-half (3½) percent, computed and applied in the same manner prescribed in section 1 (b) above



## Section 6 – Fifth General Wage Increase

(For other than Dining Car Stewards)

Effective January 1, 2015, all standard basic daily rates of pay in effect on December 31, 2014 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in section 1 (b) above

## Section 7 – Standard Rates

The standard basic daily rates of pay produced by application of the increase 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) The adjustments provided for in this Article will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, but will apply to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.
- b) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted 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) Standard monthly rates and money monthly guarantees applicable in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that money differentials existing as of June 30, 2010 shall be preserved.
- f) Existing monthly rates and money monthly guarantees applicable in train service other than passenger will be changed in the same proportion as the daily rate for the class of service involved is adjusted.
- g) Existing money differentials above existing standard daily rates shall be maintained.
- h) In local freight service, the same differential in excess of through freight rates shall be maintained.
- i) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.
- j) In computing the first increase in rates of pay effective under Section 1 for engineers, firemen, conductors, brakemen and flagmen 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 two (2) percent increase shall be applied to daily rates in effect on the day preceding the effective date of the general wage increase provided for in Section 1, exclusive of car scale additives, 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 increases effective July 1, 2011, July 1, 2012, July 1, 2013, July 1, 2014, and January 1, 2015. 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.

- k) 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, 2, 3, 4, 5, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the local freight differential.
  - ii. The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6cents per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.
  - iii. Daily rates of pay, other than standard, of engineers, firemen, conductors, brakemen and flagmen 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, 2, 3, 4, 5, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (k)(i) above.
- l) Trip rates established pursuant to **Article V of the 2002** UTU Agreement shall be adjusted by application of the general wage increases provided for in this Article I, in the manner set forth in Article V, Part B, Section 4(c)(1) of that Agreement.

#### Section 9 – General Wage Increases for Dining Car Stewards

- a) Effective July 1, 2010, all basic monthly rates of pay in effect on June 30, 2010 for dining car stewards represented by the United Transportation Union shall be increased by two (2) percent.
- b) Effective July 1, 2011, all basic monthly rates of pay in effect on June 30, 2011 for dining car stewards represented by the United Transportation Union shall be increased by two-and-one-half (2½) percent.
- c) Effective July 1, 2012, all basic monthly rates of pay in effect on June 30, 2012 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.
- d) Effective July 1, 2013, all basic monthly rates of pay in effect on June 30, 2013 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.
- e) Effective July 1, 2014, all basic monthly rates of pay in effect on June 30, 2014 for dining car stewards represented by the United Transportation Union shall be increased by three-and-one-half (3½) percent.

- f) Effective January 1, 2015, all basic monthly rates of pay in effect on December 31, 2014 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.

## ARTICLE II – COST-OF-LIVING PAYMENTS

### Cost-of-Living Payments Under July 1, 2008 Agreement

#### Section 1

Article III, Part B, of the July 1, 2008 National UTU Agreement, shall be eliminated effective June 30, 2011.

#### Section 2

Any local counterpart to the above-referenced Article III, Part B that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

## ARTICLE III – HEALTH AND WELFARE

### Part A – Plan Changes

#### Section 1 – Continuation of Plans

The National Railway Carriers and United Transportation Union Health and Welfare Plan (“NRC/UTU H&W Plan”) and the Railroad Employees National Health and Welfare Plan (individually and collectively referred to in this Agreement, depending on the context, as “the Plan”) the Railroad Employees National Dental Plan (“the Dental Plan”), the Railroad Employees National Early Retirement Major Medical Benefit Plan (“ERMA”), and the Railroad Employees National Vision Plan (“the Vision Plan”), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

#### Section 2 – Plan Design Changes – NRC/UTU H&W Plan

- a) The Plan’s Managed Medical Care Program (“MMCP”) shall be revised as follows:
1. There shall be a separate, stand-alone, Annual Deductible of \$200 per individual and \$400 per family for In-Network Services for which a fixed-dollar copayment does not apply.
  2. The percentage of Eligible Expenses paid by the Plan for any In-Network Services for which a fixed-dollar copayment does not apply (as defined by procedure code) shall be 95% of the Eligibly Expenses that exceed the applicable Annual Deductible provided for in clause (1) above; the amount payable by the employee as a result of this “coinsurance” shall be capped at \$1,000 per individual per year and \$2,000 per family per year.
  3. The Emergency Room Co-Payment for In-Network Services shall be increased to \$75.00 for each visit, but shall not apply if the visit results in admission to the hospital.

4. The Urgent Care Center Co-Payment for In-Network Services shall be decreased to \$20.00 for each visit.
  5. In cases where a fixed-dollar copayment of \$20 currently applies to an office visit, the copayment shall be reduced to \$10 if the office visit is in a “convenient care clinic.” A “convenient care clinic” means, for purposes of this Section, a health care facility typically located in a high-traffic retail store, supermarket or pharmacy that provides affordable treatment for uncomplicated minor illness and/or preventative care to consumers.
  6. The Plan shall not cover radiological services performed at a convenient care clinic.
- b) The Plan’s Managed Medical Care Program (“MMCP”) and its Comprehensive Health Care Benefit (“CHCB”) shall both be revised to include:
1. Participation in a “Radiology Notification Program” (as described in [Exhibit B](#) hereto);
  2. Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the following additional “Centers of Excellence Resource Services” (as described in [Exhibit B](#) hereto): Bariatric Resource Services, Cancer Resource Services, and Kidney Resource Services.
  3. Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the resource services made available under a “Treatment Decision Support Program” (as described in [Exhibit B](#) hereto).
- c) The Plan’s Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:
1. Prior authorization by the Plan’s current pharmacy benefit manager (or any successor pharmacy benefit manager) (“PBM”) shall be required, in accordance with such PBM’s Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on [Exhibit C](#) hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM’s Temporary Override Program without Prior Authorization.
  2. Employees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of the Plan’s PBM with respect to the prescription drugs in the therapeutic drug categories shown on [Exhibit C](#) hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

3. Employees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program in effect.
- d) The Plan's Prescription Drug Card Program Co-Payments to In-Network Retail Pharmacies per prescription are revised as follows:
1. Generic Drug – decrease to \$5.00
  2. Brand Name (Non-Generic) Drug On Program  
Administrator's Formulary – increase to \$25.00
  3. Brand Name (Non-Generic) Drug Not On Program  
Administrator's Formulary – increase to \$45.00
- e) The Plan's Mail Order Prescription Drug Program Co-Payments per prescription are revised as follows:
1. Generic Drug – decrease to \$5.00
  2. Brand Name (Non-Generic) Drug On Program  
Administrator's Formulary – increase to \$50.00
  3. Brand Name (Non-Generic) Drug Not On Program  
Administrator's Formulary – increase to \$90.00
- f) The design changes contained in this section shall become effective on January 1, 2012 or as soon thereafter as practicable.

### Section 3 – Plan Design Changes – ERMA

- a) ERMA's Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:
1. Prior authorization by ERMA's current pharmacy benefit manager (or any successor pharmacy benefit manager) ("PBM") shall be required, in accordance with such PBM's Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on [Exhibit C](#) hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM's Temporary Override Program without Prior Authorization.
  2. Retirees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of ERMA's PBM with respect to the prescription drugs in the therapeutic drug categories shown on [Exhibit C](#) hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.
  3. Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program in effect.

- b) The design changes contained in this section shall become effective on January 1, 2012 or as soon thereafter as practicable, and shall apply only to individuals who become eligible for ERMA coverage on or after January 1, 2012.

## Part B – Employee Sharing of Cost of H&W Plans

### Section 1 – Monthly Employee Cost-Sharing Contributions

- a) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be \$200.00.
- b) Effective January 1, 2011, the employee monthly cost-sharing contribution amount shall be \$202.90.
- c) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.
- d) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carriers' Monthly Payment Rate for 2016 of \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article VIII.
- e) For purposes of subsections (c) and (d) above, the "Carriers Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to –
  - 1. the plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
  - 2. the Dental Plan for employee and dependent dental benefits and
  - 3. the Vision Plan for employee and dependent vision benefits,

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

### Section 2 – Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

### Section 3 – Method of Making Employee Cost-Sharing Contributions

Employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

## Part C – Rescission of Side Letter

### Section 1

**Side Letter #7** to the parties' July 1, 2008 Mediation Agreement (Case No. A-13369, Document "A") is rescinded.

## ARTICLE IV – SERVICE SCALE

### Section 1 – Rate Progression Bonus for Current Employees

Any employee of a carrier covered by this Article who, on the date of this Agreement, have completed training for entry into train service and were subject on or after May 1, 2011 to compensation at a reduced rate pursuant to then-applicable service scale/rate progression rules as described below, shall receive one-time bonus payments as provided herein:

- a) An employee covered by this Section subject to five (5) year service scale/rate progression pursuant to Article VI, Section 3 of the August 20, 2002 UTU National Agreement or counterpart local rules shall be paid a bonus of \$3,000.
- b) An employee covered by this Section subject to (i) service scale/rate progression rules of a lesser duration than five (5) years, or (ii) service scale/rate progression rules, but compensated as the full (100%) rate of the position when working in promoted status, shall be paid a bonus of \$1,200.
- c) The one-time bonuses provided in Sections 1 (a) and (b) above shall be paid within 90 days after the date of this Agreement.
- d) There shall be no duplication or pyramiding of rate progression bonuses paid under this Section with rate progression bonuses paid under any other Agreement.

### Section 2 – Rate Progression Applicable To New Employees

Each carrier covered by this Article who, on the date of this Agreement, has five (5) year service scale/rate progression rules in effect, shall amend such rules in accordance with this Section. Such revised rules shall be applicable to all employees who enter train or engine service in any class of service or job classification after the date of this Agreement.

- a) Rates of pay, additives, and other applicable elements of compensation for employees covered by this Section will be 75% of the applicable full rate and will increase in increments as provided below for each year of active service, which shall consist of a period of 365 calendar days in which the employee performs a total of 80 or more tours of duty:
  - i. 75% during the first year of active service;
  - ii. 80% during the second year of active service;
  - iii. 85% during the third year of active service;
  - iv. 90% during the fourth year of active service;
  - v. 100% on and after completion of the fourth year of active service.
- b) Rules in effect on the date of the Agreement regarding rate progression adjustment upon promotion to conductor/foreman or engineer (on a carrier where UTU represents engineers) shall be preserved and applied without change to employees covered by this Section.

- c) Service scale/rate progression rules as described in Section 1(b) of this Article that are in effect on the date of this Agreement on a carrier covered by this Section shall be preserved without change and applied to new employees unless the authorized employee representative gives written notice to the carrier of the organization's election to apply this Section to new employees in lieu of such existing rules. Such election must be made no later than fifteen (15) calendar days after the date of this Agreement.

## ARTICLE V – FRA CERTIFICATION ALLOWANCE

### Section 1

Effective July 1, 2012, or the effective date of the Federal Railroad Administration (FRA) regulations establishing conductor certification requirements, whichever is later, employees on carriers covered by this Article shall be paid \$5.00 certification allowance for each start on a position covered by a UTU agreement that requires the employee assigned to have a current FRA certification.

### Section 2

Payment of the FRA certification allowance will be applied in the manner set forth in Addendum 1 to this Agreement.

### Section 3

There shall be no duplications or pyramiding of certification allowances paid to employees under this Article with certification allowances paid under any other agreement.

## ARTICLE VI – LOCAL DISCUSSIONS

### Section 1

The parties believe that conclusion of national bargaining should not preclude or discourage opportunities for voluntary on-property discussions on matters of mutual interest on carriers covered by this Article. The national discussions have identified and highlighted specific areas that appear especially suited for constructive and creative attention at the individual carrier level in a manner that could provide substantial value to both sides. Those topics are listed in Section 2 and a process for commencing local discussions is set forth in Section 3.

### Section 2

- a) Alternative compensation
- b) Compensated leave
- c) Compensation enhancement
- d) Electronic bidding and bumping

### Section 3

The parties shall meet within thirty (30) days after written notice from either party of a desire to commence discussions pursuant to this Article. Such discussions shall be conducted and continued in such a manner as may be mutually agreed by the parties.



## ARTICLE VII – PROBATIONARY PERIOD

### Section 1

“Upon completing training and protecting the first tour of compensated service, an additional sixty (60) days shall commence extending the time during which the carrier may reject the application for employment. Applications rejected by the carrier must be declined in writing to the applicant during his/her probationary period or application shall be considered accepted.”

### Section 2

The changes set forth in Section 1, above, shall become effective thirty (30) days after the date of this Agreement and shall apply to applicants who complete training on or after that date.

## ARTICLE VIII – GENERAL PROVISIONS

### Section 1 – Court Approval

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

### Section 2 – Effect of this Agreement

- a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in [Exhibit A](#) on or subsequent to November 1, 2009 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2009 (including any notices outstanding as of that date).
- b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2014 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- c) No party to this Agreement shall serve or progress, prior to November 1, 2014 (not to become effective before January 1, 2015), any notice or proposal.
- d) This Article will not bar management and the organization on individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT MEMPHIS, TN., THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2011

September 16, 2011

Side Letter #1 (Retroactive Wages Time Limits)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

24950 Country Club Blvd.

Suite 340

North Olmsted, OH 44070

Dear Mr. Futhey:

This confirms our understanding with respect to the general wage increases provided for in [Article I](#) of document "A" of the agreement of this date.

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

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

Very truly yours,

A Kenneth Gradia

September 16, 2011

Side Letter #2 (Retroactive Wages)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

24950 Country Club Blvd.

Suite 340

North Olmsted, OH 44070

Dear Mr. Futhey:

This refers to the increase in wages provided for in [Sections 1 and 2 of Article I](#) of Document "A" of the Agreement of this date.

It is understood that the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with a carrier on the date of this Agreement or who retired or died subsequent to June 30, 2010.

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

Very truly yours,

A Kenneth Gradia

September 16, 2011

Side Letter #3 (New Prescription Drug Rules)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

24950 Country Club Blvd.

Suite 340

North Olmsted, OH 44070

Dear Mr. Futhey:

This confirms our understanding with respect to [Article III, Part A, Sections 2\(c\)\(1\) & \(2\)](#) of Document "A" of the Agreement of this date. The prescription drug management rules identified in the aforementioned provisions of the Agreement are those that have been recommended by the Plan's current pharmacy benefit manager, Medco Health Solutions. The same is true of therapeutic drug categories listed on [Exhibit C](#) to the Agreement; they are the therapeutic drug categories that Medco Health Solutions has recommended be subject to one or more of those rules.

The parties intend that new prescription drug management rules for which there are no existing therapeutic drug categories listed in [Exhibit C](#) shall not apply to the Plan unless such application has been (a) recommended by an independent committee of experts generally relied upon by the Plan's pharmacy benefit manager, (b) such recommendation is also made by the pharmacy benefit manager itself, and (c) the recommendation is accepted and approved by the Plan's Governing Committee.

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

Very truly yours,

A Kenneth Gradia

September 16, 2011

Side Letter #4 (Signing Bonus)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

24950 Country Club Blvd.

Suite 340

North Olmsted, OH 44070

Dear Mr. Futhey:

This will confirm our understanding with respect to [Section 1 of Article IV – Service Scale](#) of Document “A” of the Agreement of this date.

It is understood that the one-time bonus shall be payable only to employees meeting the criteria set forth therein who have an employment relationship with a carrier covered by [Section 1](#) (“Covered Carrier”) on the date of this Agreement or who retired or died subsequent to May 1, 2011.

It is further understood that [Section 1](#) does not apply to an employee of a covered carrier who is subject to compensation as the full (100%) rate upon the earlier of promotion to conductor or foreman or completion of a two-year or less rate progression, and hence no bonus is payable to such employee.

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

Very truly yours,

A Kenneth Gradia

September 16, 2011

Side Letter #5 (Suspended Provisions)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

24950 Country Club Blvd.

Suite 340

North Olmsted, OH 44070

Dear Mr. Futhey:

This will confirm our understanding with respect to application of certain provisions of Document "A" of our [July 1, 2008 Agreement \("2008 Agreement"\)](#) pending ratification of our tentative agreement that would resolve our respective bargaining notices served on or subsequent to November 1, 2009 ("Tentative Agreement or TA").

[Article III, Part B, Section 1](#) of the 2008 Agreement provides for payment of a cost-of-living allowance effective July 1, 2011. [Article IV, Part C, Section 1\(b\)](#) provides for an increase, effective July 1, 2011, to the per month employee cost-sharing contribution amount in effect on June 30, 2011. This confirms our understanding that, pending completion of the ratification process concerning the Tentative Agreement, application of the above-referenced provisions shall be suspended.

If the Tentative Agreement is ratified, the final disposition of those provisions is addressed in [Article II, Section 1](#) and [Article III, Part B, Section 1](#) of Document "A" of the TA.

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

Very truly yours,

A Kenneth Gradia

September 16, 2011

Side Letter #6 (Letter of Understanding)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

24950 Country Club Blvd.

Suite 340

North Olmsted, OH 44070

Dear Mr. Futhey:

This confirms our understanding with respect to [Article I, Section 6](#) of Document “A” of our Agreement of this date.

[Article I, Section 6](#) of the Agreement provides for a three (3) percent general wage increase effective January 1, 2015. Article VII, Section 2(c) of the Agreement provides that parties to the Agreement may serve and progress notices or proposals to amend the Agreement and other existing agreements on or after November 1, 2014 (not effective before January 1, 2015) (“2015 Bargaining Notices”).

This will confirm our understanding that if disposition of the 2015 Bargaining Notices is referred to any third party (including but not limited to a Presidential Emergency Board or arbitration board), this Letter may be provided to such body to confirm the parties’ mutual understanding that [Article I, Section 6](#) was intended to constitute a complete resolution of the compensation adjustment issue for calendar year 2015.

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

Very truly yours,

A Kenneth Gradia

## EXHIBIT A

### UTU

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY THE GENERAL CHAIRMAN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE UNITED TRANSPORTATION UNION UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the United Transportation Union:

Alameda Belt Line

Alton & Southern Railway Company

The Belt Railway Company of Chicago – 1

BNSF Railway Company

Central California Traction Company

Columbia & Cowlitz Railway

Consolidate Rail Corporation

CSX Transportation, Inc.

The Baltimore and Ohio Railroad Company (former)

The Baltimore and Ohio Chicago Terminal Railroad Company

Indiana Harbor Belt Railroad Company

The Kansas City Southern Railway Company

Kansas City Southern Railway Company

Louisiana and Arkansas Railway

MidSouth Rail Corporation

Gateway Western Railway

Mid Louisiana Rail Corporation

SouthRail Corporation

TennRail Corporation

Joint Agency

Longview Switching Company



Los Angeles Junction Railway Company  
New Orleans Public Belt Railroad  
Norfolk & Portsmouth Belt Line Railroad Company  
Norfolk Southern Railway Company  
    The Alabama Great Southern Railroad Company  
    Central of Georgia Railroad Company  
    The Cincinnati, New Orleans & Texas Pacific Railway Co.  
    Georgia Southern and Florida Railway Company  
    Tennessee, Alabama and Georgia Railway Company  
    Tennessee Railway Company  
Northeast Illinois Regional Commuter Railroad Corporation – 1  
Oakland Terminal Railway  
Port Terminal Railroad Association  
Portland Terminal Railroad Company  
Soo Line Railroad Company d.b.a. Canadian Pacific  
South Carolina Public Railways  
Terminal Railroad Association of St. Louis  
Texas City Terminal Railway Company  
Wichita Terminal Association  
Winston-Salem Southbound Railway Company



Notes:

1 – Health & Welfare only

## EXHIBIT B

### UTU

#### Clinical Support Services<sup>1</sup>

*Radiology Notification Program (RNS)* – Under this program, a radiology notification process is required for participating (network) physicians, health care professionals, facilities and ancillary providers for certain advanced outpatient imaging procedures, prior to performance, with administrative claim denial for failure to provide notification. The program is a prior notification requirement only, not a precertification, preauthorization or medical necessity determination program, and currently applies to the following outpatient advanced imaging procedures: CT, MRI, PET, and Nuclear Medicine, including Nuclear Cardiology. These services that take place in an emergency room, observation unit, urgent care center, or during an inpatient stay do not require notification.

The process may require a physician-to-physician discussion, the purpose of which is to engage the ordering physician in a discussion about the use of evidence-based clinical guidelines. However, the final decision authority rests with the ordering physician. This program is invisible to the covered member – non-compliance (i.e., non-notification) will result in an administrative denial of the claim with no balance billing to the patient.

*Centers of Excellence (COE) Resource Services* – this service are based on the foundation that certain facilities treat patients who consistently achieve favorable clinical outcomes, as demonstrated by reduced hospital lengths of stay and readmission rates, lower infection rates, etc. Programs are typically designed around specific disease states or conditions in which COEs can be clearly identified. The following programs develop national COE networks and specialty nurse resources that provide specific case management interventions:

<sup>1</sup>The actual program names, specific/processes, and administration will vary by medical vendor.

- Bariatric Resource Services (BRS) – BRS provides a national Center of Excellence network of bariatric surgery centers and hospitals with an upfront case management component.
- Cancer Resource Services (CRS)/Cancer Support Program (CSP) – This clinical consulting with cancer specialists, combined with an extensive nationwide COE network will deliver clinical and financial value.
- Kidney Resource Services (KRS) – KRS provides a large network of dialysis facilities meeting strict quality outcomes with kidney nurse specialists assisting patients.

*Treatment Decision Support (TDS)* – These services include enhanced one-to-one coaching for individuals facing potential procedures that have been carefully targeted as having varied treatment practices and inconsistent patient outcomes. TDS normally targets back pain, knee/hip replacement, benign prostate disease, prostate cancer, benign uterine conditions, hysterectomy, breast cancer, coronary artery disease and bariatric surgery.

EXHIBIT C Drugs for Coverage Authorization and Step Therapy Rules 1/

UTU

Therapeutic Drug Category	Drugs
Specialty Drugs	
Gout Therapy	Uloric, Krystexxa
Rheumatological (RA Agents)	Actemra, Arava, Cimzia, Enbrel, Humira, Kineret, Orencia, Remicade, Rituxan, Simponi
Misc Agents	Benlysta, Savella
Erythroid Stimulants	Aranesp, Epogen, Procrit
Growth Hormones	Egrifta, Genotropin, Geref, Humatrope, Increlex, IPlex, Norditropin, Nutropin, Omnitrope, Saizen, Serostim, Tev-Tropin, Zorbtive
Interferons	Actimmune, Alferon-N, Infergen, Intron-A, Pegasys, Peg-Intron, Roferon
Interleukins	Arcalyst, Ilaris
Multiple Sclerosis Therapy	Amypra, Avonex, Betaseron, Copaxone, Extavia, Gilenya, Novantrone, Rebif, Tysabri
Myeloid Stimulants and Hemostatics	Leukine, Neulasta, Neumega, Neupogen, Nplate, Promacta
Vaccines & Misc Immunologicals (Immune Globulins)	CarimuneNF, FlebbogammaDIF, GammagardS-D, Gammaplex, Gamimune-N, Gamunex, Gamunex-C, Hizentra, Privigen, Vivaglobin
Dermatologicals – Psoriasis	Amevive, Stelara
Cancer Therapy	Afinitor, Avastin, Dacogen, Erbitux, Gleevec, Halaven, Herceptin, Istodax, Jevtana, Nexavar, Sprycel, Sutent, Tarceva, Tasigna, Temodar, Torisel, Tykerb, Vectibix, Vidaza, Votrient, Zolinza, Zytiga

Cancer Therapy (Misc.)	Mozobil
Cancer Therapy (Misc.)	Xgeva
Misc Antineoplastic Agents	Arimidex, Aromasin, Femara
Misc Antineoplastic Agents	Revlimid, Thalomid
Antivirals (Ribavirin Therapy)	Copegus, Rebetol, Ribatab
HIV/AIDS Therapy	Selzentry
RSV Agents	Synagis
Parkinson's	Apokyn
Hormone Therapy (Misc.)	Acthar, Gel Sensipar
Misc Agents	Soliris
Misc Neurological Therapy	Neudexta, Xenazine
Hormone Therapy (Misc.)	Zavesca
Hormone Therapy (Misc.)	Vpriv, Cerezyme
Hormone Therapy (Misc.)	Samsca
Hormone Therapy (Misc.)	Kuvan, Somavert
Non-Narcotic Pain Relief (Hyaluronic Acid Derivatives)	Euflexxa, Hyalgan, Orthovisc, Supartz, Synvisc
Lupus	Benlysta
Hepatitis C	Boceprevir, Telaprevir
Misc. Pulmonary Agents	Berinert, Cinryze, Kalbitor, Xolair
Misc. Pulmonary Agents	Cayston, TOBI
Misc. Pulmonary Agents	Pulmozyme
Pulmonary Arterial Hypertension	Flolan, Letairis, Remodulin, Revatio, Tracleer, Ventavis, Adcirca, Tyvaso, Veletri

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Non Specialty/Traditional  
Drugs

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Hypnotics	Ambien, Ambien CR, Butisol, Chloral Hydrate, Dalmane, Doral, Edluar, Halcion, Lunesta,
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	Nembutal, Prosom, Restoril, Rozerem, Silenor, Sonata, Zolpimist
Migraine	Alsuma, Amerge, Axert, Frova, Imitrex, Imitrex Inj, ImitrexNS, Maxalt, MaxaltMLT, Migranal NS, Replax, Sumavei, Treximet, Zomig, Zomig ZMT
Narcolepsy	Nuvigil, Provigil, Xyrem
Narcotic Pain Relief	Abstral, Actiq, Fentora, Onsolis
Non-Narcotic Pain Relief (Misc.)	Cambia, Lidoderm, Stadol NS, Vimovo
Dermatologicals – Acne	Solodyn
Anorexiants/Weight Loss	Adipex-P, Bontril, Didrex, Fastin, Tenuate, Xenical
Hormone Therapy (Select Androgens & Anabolic Steroids)	Androderm, AndroGel, Axiron, Fortesta, Striant, Testim Gel, Various Anabolic Steroids
Nausea	Anzemet, Cesamet, Emend, Emend Trifold Pack, Kytril, Sancuso, Zofran, Zofran ODT, Zuplenz

1/ The coverage Authorization Program consists of traditional prior authorization, smart prior authorization, step therapy and quantity/dose rules which are based on FDA-approved prescribing and safety information, clinical guidelines, and uses that are considered reasonable, safe, and effective. These rules are recommended by an outside, independent organization based on information and data specific to the Railroad membership. Each Therapeutic Drug Category has a rule(s) specific to that category.

Preferred Drug Step  
Therapy 2/

Therapeutic Drug Category	Preferred Drugs	Targeted Drugs
Proton Pump Inhibitors		
Sleep Agents/Hypnotics		
Depression		

Osteoporosis

Intranasal Steroids

Angiotensin II Receptor  
Blockers

Migraine

Glaucoma

Growth Hormones  
(specialty drug)

Tumor Necrosis Factor  
(specialty drug)

2/ Preferred Drug Step Therapy identifies users of non-preferred/non-covered medications and communicates less expensive generic and preferred brand alternatives (when appropriate).

## ADDENDUM 1

UTU FRA CERTIFICATION PAY  
APPLICATION AND INTERPRETATION  
AGREED TO QUESTIONS AND ANSWERS  
NATIONAL CARRIERS' CONFERENCE COMMITTEE  
AND  
UNITED TRANSPORTATION UNION

### **Effective Date**

- Q1. What is the effective date for the commencement of payment of the \$5.00 certification allowance?
- A1. Payment of the \$5.00 certification allowance is to commence effective July 1, 2012 or the effective date of the Federal Railroad Administration (FRA) Rule implementing conductor certification, whichever comes later.

### **Eligibility**

- Q2. When is a UTU-agreement covered employee entitled to receive a certification allowance?
- A2. When such employee has a start on a position for which FRA certification is required.

### **Application**

- Q3. On what basis is the certification allowance payable?



A3. The certification allowance is payable for each start made as a certified conductor in yard and/or road service for a covered carrier. See also Q & A 2.

Q4. What is the amount of the certification allowance?

A3. The certification allowance is \$5.00 per start. There is no overmile or overtime component.

Q5. Is the certification allowance payable on any calendar day during which an eligible employee does not have a start?

A5. No. The certification allowance is not payable on any calendar day during which an eligible employee does not have a start\*, irrespective of whether the employee is paid for that day. Thus, the certification allowance is not payable in the following examples (which assumes in each case that the employee did not have a start during that calendar day):

- Deadheading
- Personal Leave Days
- Holidays
- Bereavement Leave
- Jury Duty
- Paid days for attending court, inquests, investigations, safety/training sessions, etc.
- Guarantee payments pursuant to guaranteed extra board agreements.
- Day for which penalty payments are made such as-
  - Payments made when a conductor is called and released without actually performing service, runarounds, etc.
  - Payments made under the Held Away From Home Terminal rules
  - Make whole payments

\*The utilization and application of the term “start” is restricted to the matters addressed in this Addendum and is not intended to address or define that term in any other context.

## Applicable Examples

### Tours of Duty/Service Running Over Two Consecutive Calendar Days

- Q6. A certified conductor's run starts at 4:00 p.m. on Day One and is completed at 1:00 a.m. the next day (Day Two). What certification allowance is payable to that employee?
- A6. The employee is paid one \$5.00 allowance for the start on Day One.
- Q7. A certified conductor's run starts on Day One and is completed before midnight. Employee is deadheaded in combination service back to his home terminal and the deadhead is completed on Day Two. What certification allowance is payable to that employee?
- A7. The employee is paid one \$5.00 allowance for the start on Day One.
- Q8. A certified conductor starts and completes his run on Day One but is held on duty past midnight for testing under FRA alcohol and drug rules. What certification allowance is payable to that employee?
- A8. The employee is paid one \$5.00 allowance for the start on Day One.
- Q9. A certified conductor is called for a 12:01 a.m. assignment on Day One, but reports 15 minutes early to do preparatory work. What certification allowance is payable to that employee?
- A9. The employee is paid one \$5.00 allowance for the start on Day One.
- Q10. A certified conductor starts his run on Day One and ties up at 11:55 p.m. on that same day, but completes reports until 12:05 a.m. on Day Two. What certification allowance is payable to that employee?
- A10. The employee is paid one \$5.00 allowance for the start on Day One.

Multiple Starts, Same Calendar Day

- Q11. A certified conductor has two starts during the same calendar day. The employee is paid one \$5.00 allowance for the start on Day One.
- A11. The employee is paid one \$5.00 allowance for each start, or a total of \$10.00.

Separate Starts During Two Successive Calendar Days

- Q12. A certified conductor starts his run at 4:00 p.m. on Day One and ties up at 1:00 a.m. on Day Two at the completion of that tour of duty. That employee is then called for an assignment on Day Two at 1:00 p.m. which ties up at 10:00 p.m. The employee is paid one \$5.00 allowance for the start on Day One.
- A12. The employee is paid one \$5.00 allowance for the start on Day One, and a second \$5.00 allowance for the start on Day Two.

Multiple Days' Pay for Single Start

- Q13. What certification allowance is payable to a certified conductor for a start for which he is compensated for two or more basic days under agreement rules?
- A13. The employee is paid one \$5.00 allowance for that start.

Fringe Benefits, Protective Pay

- Q14. Are certification allowance payments received by a certification conductor included in his compensation for purposes of computing vacation pay entitlement?
- A14. Yes, when such vacation pay entitlement (for each week) is calculated on the basis of 1/52 of the previous calendar year's compensation. If the vacation pay entitlement (for each week) is paid at the rate of the last service rendered, however, certification allowance payments

received would not be taken into account because such allowance payments do not constitute an element of the pay rate.

Q15. Are certification allowance payments credited toward guarantees in protective agreements or arrangements?

A15. Yes, so long as the certification allowance is included for the purposes of calculating Test Period Earnings for employee's protection purposes under existing agreements or arrangements.

Q16. Are certification allowance payments included for purposes of calculating Test Period Earnings for employee protection purposes under existing protective agreements of arrangements?

A16. Yes

#### Offsets

Q17. Does the certification allowance apply in addition to the Remote Control Operator special allowance established pursuant to the August 20, 2002 Remote Control Agreement?

A17. Yes

Q18. Is the certification allowance payable in addition to payments under existing rules for special allowances, differentials, arbitraries, and penalties?

A18. Yes

ARTICLE I – WAGES

Section 1 – First General Wage Increase

(For other than Dining Car Stewards)

- c) Effective July 1, 2005, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2005 shall be increased by two-and-one-half (2½) percent.
- d) In computing the increase for enginemen under paragraph (a) above, two-and-one-half (2½) 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

(For other than Dining Car Stewards)

Effective July 1, 2006, all standard basic daily rates of pay in effect on June 30, 2006 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in section 1 (b) above

Section 3 – Third General Wage Increase

(For other than Dining Car Stewards)

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in section 1 (b) above

Section 4 – Fourth General Wage Increase

(For other than Dining Car Stewards)

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008 for employees represented by the United Transportation Union shall be increased by four (4) percent, computed and applied in the same manner prescribed in section 1 (b) above

## Section 5 – Fifth General Wage Increase

(For other than Dining Car Stewards)

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009 for employees represented by the United Transportation Union shall be increased by four-and-one-half (4½) percent, computed and applied in the same manner prescribed in section 1 (b) above

## Section 6 – Standard Rates

The standard basic daily rates of pay produced by application of the increase provided for in this Article are set forth in **Appendix 1**, which is a part of this Agreement.

## Section 7 – Application of Wage Increases

- a) The adjustments provided for in this Article will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, but will apply to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.
- b) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted 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) Standard monthly rates and money monthly guarantees applicable in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that money differentials existing as of June 30, 2005 shall be preserved.
- f) Existing monthly rates and money monthly guarantees applicable in train service other than passenger will be changed in the same proportion as the daily rate for the class of service involved is adjusted.
- g) Existing money differentials above existing standard daily rates shall be maintained.
- h) In local freight service, the same differential in excess of through freight rates shall be maintained.
- i) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.
- j) In computing the first increase in rates of pay effective under Section 1 for engineers, firemen, conductors, brakemen and flagmen 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 two-and-one-half (2½) percent increase shall be applied to daily rates in effect on the day preceding the effective date of the general wage increase provided for in **Section 1**, exclusive of car scale additives, 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 increases effective July 1, 2006, July 1, 2007, July 1, 2008, and July 1, 2009. 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.

- k) 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, 2, 3, 4, 5, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the local freight differential.
  - ii. The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6cents per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.
  - iii. Daily rates of pay, other than standard, of engineers, firemen, conductors, brakemen and flagmen 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, 2, 3, 4, 5, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (k)(i) above.
- l) Any cost-of-living allowance amounts rolled in to basic rates of pay on or after July 1, 2005 pursuant to **Article III, Part B of the August 20, 2002 National UTU Agreement (Document “A”) (“2002 UTU Agreement”)**, as amended, (or any local counterpart agreement provision) shall be excluded before application of the general wage increases provided for in this Article I and eliminated from the basic rates of pay after application of such increases.
- m) Trip rates established pursuant to Article V of the 2002 UTU Agreement shall be adjusted by application of the general wage increases provided for in this Article I, in the manner set forth in Article V, Part B, Section 4(c)(1) of that Agreement.

#### Section 8 – General Wage Increases for Dining Car Stewards

- g) Effective July 1, 2005, all basic monthly rates of pay in effect on June 30, 2005 for dining car stewards represented by the United Transportation Union shall be increased by two-and-one-half (2½) percent.
- h) Effective July 1, 2006, all basic monthly rates of pay in effect on June 30, 2006 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.

- i) Effective July 1, 2007, all basic monthly rates of pay in effect on June 30, 2007 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.
- j) Effective July 1, 2008, all basic monthly rates of pay in effect on June 30, 2008 for dining car stewards represented by the United Transportation Union shall be increased by four (4) percent.
- k) Effective July 1, 2009, all basic monthly rates of pay in effect on June 30, 2009 for dining car stewards represented by the United Transportation Union shall be increased by four-and-one-half (4½) percent.

## ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

### Section 1

A Carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

### Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

## ARTICLE III – COST-OF-LIVING PAYMENTS

### Part A – Cost-of-Living Payments Under August 20, 2002 Agreement

#### Section 1

**Article III, Part B, of the August 20, 2002** National UTU Agreement, as amended by the November 6, 2003 National UTU Supplemental Agreement, shall be eliminated effective on the date of this Agreement. All cost-of-living allowance payments made under that 2002 Agreement to employees



for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under **Article I** of this Agreement.

Section 2

Any local counterpart to the above-referenced **Article III, Part B** that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in **Section 1**.

Part B – Cost-of-Living Allowance and Adjustments Thereto on and after January 1, 2011

Section 1 – Cost-of-Living Allowance and Effective Dates of Adjustments

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

	<u>Measurement Periods</u>	
Base Month	Measurement Month	Effective Date of Adjustment
March 2010	September 2010	January 1, 2011
September 2010	March 2011	July 1, 2011

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

- b)
  - i. Cap. In calculations under paragraph ©, the maximum increase in the CPI that shall be taken into account shall be as follows:

Effective Date of Adjustment	Maximum CPI Increase That May Be Taken Into Account
January 1, 2011	3% of March 2010 CPI
July 1, 2011	6% of March 2010 CPI, less the increase from March 2010 to September 2010

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

- ii. Limitation. In calculations under paragraph ©, only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.
  - iii. If the increase in the CPI from the base month of March 2010 to the measurement month of September 2010 exceeds 3% of the March 2010 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following July shall be the 12-month period from such base month of March; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such March base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such March base index less the 3% mentioned in the preceding clause, to which shall be added any residual fractional points which had been dropped under paragraph (c) below in calculation of the cost-of-living adjustment which shall have become effective January 1, 2011 during such measurement period.
  - iv. Any increase in the CPI from the base month of March 2010 to the measurement month of March 2011 in excess of 6% of the March 2010 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.
  - v. The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.
- c) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (b), shall be converted into cents on the basis of one cent equals 0.3 full points. (By “0.3 full points” it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion shall not be counted.)

The cost-of-living allowance effective July 1, 2011 shall be the whole number of cents produced by dividing by 0.3 the number of points change, as limited by paragraph (b), in the CPI during the applicable measurement period. Any residual fractional points resulting from such division shall be dropped. The result of such division shall be rolled in to basic rates of pay in effect on June 30, 2011 if the CPI shall have been higher at the end than at the beginning of the measurement period, but in no event shall basic rates of pay be reduced below the levels in effect on December 31, 2010. If the result of such division requires a subtraction from basic rates of pay in effect on June 30, 2011, the employee cost-sharing contribution amount in effect on that date pursuant to Article IV, Part C, Section 1(a) of this Agreement shall be adjusted effective July 1, 2011 as appropriate to reflect such subtraction. The same procedure shall be followed in applying subsequent adjustments.

- d) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS consumer price index, except that, if the Bureau of Labor Statistics, US Department of Labor should, during the effective period of this article, revise or change the methods or basic data used in calculating such index in such a way as to affect the direct comparability of such revised or changed index with the CPI – W during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI – W during such measurement period.

#### Section 2 – Payment of Cost-of-Living Allowances

- a) The cost-of-living allowance payable to each employee effective January 1, 2011 pursuant to section 1 of this part shall be rolled into basic rates of pay on that date.
- b) The cost-of-living allowance payable to each employee effective July 1, 2011 pursuant to section 1 of this part shall be rolled into basic rates of pay on that date.
- c) The procedure specified in paragraphs (a) and (b) shall be followed with respect to computation the cost-of-living allowances payable in subsequent years during which this article is in effect

#### Section 3 – Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by section 1 of this Part B will be payable as provided in section 2 and will be applied as follows:

- a) For other than dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of eight cents in the basic daily rates of pay produced by application of article I of this agreement. The cost-of-living allowance will otherwise be applied in keeping with the provisions of section 7 of article I.
- b) For dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of \$1.80 in the monthly rates of pay produced by application of section 7 and eight of article I.

## Section 4 – Continuation of Part B

the arrangement set forth in this Part B shall remain in effect according to the terms thereof and to revised by the parties pursuant to the Railway Labor Act

## ARTICLE IV – HEALTH AND WELFARE

### Part A – Plan Changes

#### Section 1 – Continuation of Plans

The National Railway Carriers and United Transportation Union Health and Welfare Plan and the Railroad Employees National Health and Welfare Plan (individually and collectively referred to in this agreement, depending on the context, as “the plan”), the Railroad Employees National Dental Plan (“the Dental Plan”), and the Railroad Employees National Vision Plan (“the Vision Plan”), modified as provided in this article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

#### Section 2 – Plan Benefit Changes – MMCP

- a) The plans managed medical care program (“MMCP”) will be offered to all employees in any geographic area where the MMCP is not currently offered any United Healthcare, Aetna, or Highmark BlueCross BlueShield has a medical care network (“white space”). For purposes of this subsection, such “network” shall mean a “point-of-service” network in the case of United Healthcare and Aetna, and a preferred provider network in the case of Highmark BlueCross BlueShield. Employees who live in a white space may choose between coverage under MMCP or the Comprehensive Healthcare Benefit, subject to subsection B below
- b) the parties may, by mutual agreement and subject to such evaluation and condition as they may deem appropriate, the designate specific geographic areas within the white as mandatory MMCP locations. Employees who live in mandatory MMCP location shall not have a choice between CHCB and MMCP coverage, but shall be enrolled in the MMCP.
- c) United healthcare and Aetna, respectively, shall apply “nationwide market reciprocity” to employees and their dependents who are enrolled in MMCP. The term “nationwide market reciprocity” is intended to mean, by way of example, that a person enrolled in MMCP with UHC and market a is permitted to get in network MMCP benefits from a UHC point-of-service network provider in market B.
- d) The Basic Healthcare Benefit shall be eliminated as an option for employees covered by this Agreement and or defendants.
- e) In addition to the plans existing coverage for cochlear implants, such implants for diagnosis or treatment or hearing loss will be Covered Health service under the CHCB and MMCP.
- f) Plan coverage for an eligible employee and his/her “eligible dependents” will commence on the first day of the full calendar month that immediately follows the month in which such employee first renders the “Requisite Amount of Compensated Service.” For purposes of this subsection, the terms set forth in the quotation shall be defined as

provided in the current Plan booklet. This subsection shall become effective January 1, 2010.

- g) This section shall become effective with respect to employees covered by this Agreement as soon as practicable, except as otherwise provided.

### Section 3 – Design Changes To Contain Costs

- a) The Plans Managed Medical Care Program (“MMCP”) shall be revised as follows:
  - 1) The Office Visit Co-Payment for In-Network Services shall be increased to \$20.00 for each office visit to a provider in general practice or who specializes in pediatrics, obstetrics – gynecology, family practice or internal medicine, and \$35.00 for each office visit to any other provider;
  - 2) The Urgent Care Center Co-Payment for In-Network Services shall be increased to \$25.00 for each visit;
  - 3) The Emergency Room Copayment for in Network Services shall be increased to at least \$50.00 for each visit, but at the care received meets the applicable Plan definition of emergency, the Plan will reimburse the employee for the full amount paid for such care, except for \$25.00 of the visit does not result in hospital admission. For purposes of this Paragraph, the phrase “at least” shall be interpreted and applied consistent with practice under the Plan preceding the date of this Agreement;
  - 4) The Annual Deductible for Out-of-Network Services shall be increased to \$300.00 per individual and \$900.00 per family;
  - 5) The Annual Out-of-Pocket Maximum for Out-of-Network Services shall be increased to \$2,000 per individual and \$4,000 per family
- b) The Plans Comprehensive Health Care Benefit shall be revised as follows:
  - 1) The Annual Deductible shall be increased to \$200.00 per individual and \$400.00 per family;
  - 2) The Annual Out-of-Pocket Maximum shall be increased to \$2000 per individual and \$4000 per family.
- c) The Plan’s Prescription Drug Card Program Co-payments to In-Network Pharmacies per prescription are revised as follows:
  - 1) Generic Drug-increase to \$10.00;
  - 2) Brand Name (Non-Generic) Drug On Program Administrator’s Formulary-increase to \$20.00;
  - 3) Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary-increase to \$30.00;
  - 4) Brand Name (Non-Generic) Drug On Program Administrator’s Formulary that is not ordered by the patient’s physician by writing “Dispense as Written” on the prescription and there is an equivalent Generic Drug—increase to \$20.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug;
  - 5) Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary that is not ordered by the patient’s physician by writing “dispense as Written” on the prescription and there is an equivalent Generic Drug – increase to \$30.00

plus the difference between the Generic Drug and the Brand Name (Non- Generic) Drug.

- d) The Plan's Mail Order Prescription Drug Program co-payments per prescription are revised as follows:
- 1) Generic Drug-increase to \$20.00;
  - 2) Brand Name (Non-Generic) Drug On Program Administrator's Formulary – increase to \$30.00;
  - 3) Brand Name (Non-Generic) Drug Not on Program Administrator's Formulary – increase to \$60.00
- e) For purposes of the Plan, the term "children" as used in connection with determining "Eligible Dependents" under the Plan, shall be defined as follows:
- "Children include
- Natural children,
  - Stepchildren,
  - Adopted children (including children placed with you for adoption), and
  - Your grandchildren, provided they have their legal residence with you and are dependent for care and support mainly upon you and wholly, in the aggregate, upon themselves, you, your spouse, scholarships and the like, and governmental disability benefits and the like."
- f) The definition of the term "children", as used in connection with determinations of "Eligible Dependents" under the terms of the Dental plan and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.
- g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.
- h) Plan Participants and their beneficiaries who live in an area where, as of the date of this Agreement, they may choose between MMCP and CHCB coverage shall no longer have a choice, but shall be enrolled in the MMCP. This subsection is not intended to have any application to employees covered by this Agreement who reside in any geographic area where MMCP is not offered as of the date of such Agreement. Mandatory enrollment in the MMCP for such employees shall be governed exclusively by **Part A, Section 2(b)** of this Article.
- i) The design changes contained in this Section, with the exception of subsection (h) above, shall become effective on the date of this Agreement or as soon thereafter as practicable. Subsection (h) shall become effective as soon as practicable.

## [Part B – Employee Sharing of Cost of H&W Plans Through 2010](#)

### [Section 1 – Monthly Employee Cost-Sharing Contributions](#)

- a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the

Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

- b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.
- c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:
  - 1) 15% of the Carriers' Monthly Payment Rate for 2010, or
  - 2) \$200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.
- d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the Carriers' monthly payments to:
  - 1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
  - 2) the Dental Plan for employee and dependent dental benefits, and
  - 3) the Vision Plan for employee and dependent vision benefits,

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

- e) The Carriers' Monthly Payment Rate for the calendar years 2007 and 2008, respectively, has been determined to be \$1,108.34. The employee Monthly Cost-Sharing Contribution Amount for 2007 and for 2008, respectively, has been determined to be \$166.25.

#### Section 2 – Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

#### Section 3 – Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under [Article I, Sections 1, 2, and 3](#) of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

#### Section 4 – Prospective Contributions

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

## Part C – Employee Cost Sharing of Plan Cost Increases Beginning January 1, 2011

### Section 1 – Employee Cost-Sharing Contributions

- a) Effective January 1, 2011, the per month employee cost-sharing contribution amount in effect pursuant to Article IV, Part B, Section 1(c) above shall be increased by the lesser of (x) one-half of the increase, if any, in the Carriers' 2011 monthly payment rate over such payment rate for 2010, and (y) one-half of the cost-of-living allowance effective January 1, 2011 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the average straight-time equivalent hours ("ASTE Hours") for calendar year 2009.
- b) Effective July 1, 2011, the per month employee cost-sharing contribution amount in effect on June 30, 2011 shall be increased by the lesser of (x) the amount (if any) by which the number described in part (x) of subsection (a) of this Section exceeds the product described in part (y) of each subsection (a), and (y) one-half of the cost-of-living allowance effective July 1, 2011 pursuant to Article III Part b section 1(a) multiplied by one-twelfth the ASTE Hours for calendar year 2009
- c) Effective January 1, 2012 the per month employee cost-sharing contribution amount in effect on December 31, 2011 shall be increased by the lesser of (X) the sum of (i) one-half of the increase, if any, in the carriers' 2012 monthly payment rate over such payment rate for 2011, plus (ii) the amount (if any) by which the number described in part (X) of subsection (b) of the section exceeds a product described in part (y) of such subsection (b), and (y) one-half of the cost-of-living allowance effective July 1, 2012 pursuant to article III Part b section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2010.
- d) The pattern specified in subsections (a) through (c) above shall be filed with respect to computation of adjustments to the amount of the employee cost-sharing contribution and subsequent periods during which this Part is in effect.
- e) For purposes of subsections (a) through (c) above and subsection (g) below, the carriers' payment rate for any year shall mean twelve times the sum of what the carriers' payments to the Plan would have been, in the absence of any employee contributions to the plan, for foreign-to-occupation health benefits under the Plan per month (in such year) per employee. The carriers' monthly payment rate for any year shall mean the carriers' payment rate for that year divided by 12. An "employee" for these purposes shall include any employee who is elected to opt out for foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which he participates (except for employees who opt-out pursuant to item no. 2 of Side Letter no. 7 to the August 20, 2002 UTU National Agreement (Document "A"), as amended).

Carrier payments to the Plan for these purposes shall be deemed to include amounts paid to employees who elect to opt out a foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which they participate, but shall not be deemed to include the amount per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or provide for current Plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating carriers



pursuant to Article III, Part A, Section 1 of the November 1, 1991 Implementing Document (Document "A") applicable to employees represent by the organization signatory hereto and the carriers are present by the National Carriers' Conference Committee.

- f) For the purpose of this section, the ASTE Hours to be used shall be based on all such hours for individuals and operating employee crafts and classes represented by the United Transportation Union, and who are employed by Class One carriers that are participating in national bargaining in the round of negotiations that commenced January 1, 2010.
- g) If the per month employee cost-sharing contribution amount ("cost-sharing amount") is increased for the period of January 2011 through June 2011 or any subsequent periods and if a lower payment rate is established for the calendar year that immediately follows, and the cost-sharing amount shall be adjusted as appropriate to reflect such decreased benefit costs. Such adjustment shall be made effective January 1 of the calendar year for which such payment rate decreases applicable and in no event shall take into account any portion of a payment rate below the payment rate level established for calendar year 2010. The cost-sharing amount shall also be subject to adjustment as provided in Article III, Part B, Section 1(c) of this Agreement.

#### Section 2 – Pre-Tax Contributions

employee cost-sharing contributions made pursuant to this Part shall be on a pre-tax basis, and in that connection to a Section 125 cafeteria plan to be established pursuant to this Agreement

#### Section 3 – Employer Election

at the employer's election, employee cost-sharing contributions may be made for the employee by the employee's employer. If that election is exercise, the employer shall then deduct the amount of such employee contributions from the employees' wages and retain the amount so deducted as reimbursement for the employee contributions that the employer had made for the employee.

#### ARTICLE V – EXPENSES AWAY FROM HOME

Effective January 1, 2010 the meal allowance provided for in Article II, Section 2 of the June 25, 1964 National Agreement, as amended, shall be increased by \$2.00.

#### ARTICLE VI – DUES CHECK-OFF AGREEMENTS

Existing dues check-off agreements between the UTU and each carrier covered by this Agreement shall be amended on the date of this Agreement to provide that all payments by the carrier thereunder shall be transmitted to the offices of the UTU International General Secretary-Treasurer.

#### ARTICLE VII – INFORMATION, DATA AND FINANCIAL INTERACTIONS

##### Section 1

Existing agreements between the parties are mended on the date of this Agreement to provide that the carrier may implement modernized (E.G., ELECTRONIC) processes and procedures for any

informational, data, and financial reporting and interaction between the parties pursuant to agreement or establish practice. This Section shall be limited to such reporting and interaction between the carrier, the UTU International, and UTU General Committees chaired by a full-time General Chairman.

## ARTICLE VIII – GENERAL PROVISIONS

### Section 1 – Court Approval

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

### Section 2 – Effect of this Agreement

- a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization of the carriers listed in Exhibit A on or subsequent to November 1, 2004 (including any notice is outstanding as of that date), and the notices served by organization signatory hereto upon such carriers on or subsequent to November 1, 2004 (including any notice is outstanding as of that date).
- b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect December 31, 2009 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- c) No party to this Agreement shall serve or progress, prior to November 1, 2009 (not to become effective before January 1, 2010), any notice or proposal.
- d) This Article will not bar management and the organization on individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT WASHINGTON, D.C. THIS 1<sup>ST</sup> DAY OF JULY, 2008.

July 1, 2008

Side Letter #1 (Retroactive Wages Time Limits)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

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

This confirms our understanding with respect to the general wage increases provided for in Article I, Sections 1, 2, and 3 of the Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increases as soon as possible and no later than SIXTY (60) days after the date of this Agreement.

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

Very truly yours,

Robert F. Allen

July 1, 2008

Side Letter #2 (Retroactive Wages)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

This refers to the increase in wages provided for in Sections 1, 2, and 3 of Article I of Document "A" of the Agreement of this date.

It is understood that the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with a carrier on the date of this Agreement or who retired or died subsequent to June 30, 2005.

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

Very truly yours,

Robert F. Allen

July 1, 2008

Side Letter #3 (Canadian Cost-Sharing)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

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

The provisions of Article IV, Parts B and C (Employee Sharing of Cost of H&W Plans) are not applicable to employees covered by the Agreement who reside in Canada.

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

Very truly yours,

Robert F. Allen

July 1, 2008

Side Letter #4 (Hospital Association Payments)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

This confirms our understanding of the respect to Document "A" of the Agreement of this date.

In any month in which an active employee receives his or her FO healthcare benefits from Hospital Association and not from the NRC/UTU Plan and makes a Plan contribution pursuant to Article IV, Parts B or C, the carrier shall pay Hospital Association for such month amount equal to Reduction Factor, provided that the Hospital Association that receive such payment has agreed to decrease the employee's dues by the same amount.

For purposes of this Side Letter, the term "Reduction Factor" means with respect to any given month, the smallest of:

- i. the monthly dues amount in effect on January 1, 2003 that was established by the Hospital Association for payment by active employee,
- ii. the "cost-sharing contribution amount" for the month referred to an Article IV, Part B, Section 1 or Part C, Section 1, or
- iii. the monthly dues amount established but Hospital Association for payment by an act employee in that month.

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

Very truly yours,

Robert F. Allen

July 1, 2008

Side Letter #5 (Alternating Union Dues and H&W Deductions)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

This confirms our understanding with respect to Article IV, Parts B and C of Document "A" of the Agreement of the state.

If the initial deduction from employee's wages for his monthly cost-sharing contribution pursuant to Article IV, Part B, Section 4, or Article IV, Part C, Section 1, the schedule he made the same time as a payroll deduction for employee's union dues, the union dues deduction may be made in a subsequent date mutually agreeable to the parties.

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

Very truly yours,

Robert F. Allen

July 1, 2008

Side Letter #6 (Computation to Determine Retroactive Pay and Contribution Amounts)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

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

The parties concur that the hypothetical example set forth in Attachment A to this letter describes the appropriate methodology concerning

- i. the computation of gross retroactive pain retroactive H&W cost-sharing that shall be utilized by the railroads in determining the net retroactive amount payable to the covered employee under the terms of this Agreement and
- ii. determination of the standard basic daily rates of pay produced by application of the general wage increases provided for Article I of this Agreement.

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

Very truly yours,

Robert F. Allen



## ATTACHMENT A

### UTU Retroactive Pay, H&W Cost-Sharing, Standard Basic Daily Rate

#### ASSUMPTIONS:

Effective date of new agreement is April 1, 2008.

Employee's standard basic daily rate as of June 30, 2005 is \$172.02.

Employee works on average 21.75 days per month 261/year, all-time paid a standard basic daily rate

Following GW I's are applicable:

7/1/05            2.5%

7/1/06            3.0%

7/1/07            3.0%

Employees obligated to make a cost-sharing contribution for each month during periods January 1, 2007 through March 31, 2008.

#### 1. Gross Retroactive Pay

Employee would be due the following in retroactive pay:

- a. For period 7/1/05 through 6/30/06:

$\$4.30^* \times 21.75 \text{ days} \times 12 \text{ months} = \$1,122.30$

\*  $\$172.02 \times 1.025 = \$176.32$  (daily increase of \$4.30)

- b. For period 7/1/06 through 6/30/07:

$\$9.59^* \times 21.75 \times 12 = \$2502.99$

\*  $\$176.32 \times 1.03 = \$181.61$  (cumulative daily increase of \$9.59)

- c. For period 7/1/07 through 3/31/08:

$\$15.04 \times 21.75 \times 9 = \$2944.08$

\*  $\$181.61 \times 1.03 = \$187.06$  (cumulative daily increase of \$15.04)

- d. Total gross retroactive pay of \$6,569.37

#### 2. COLA Credit (1/1/05 through 3/31/08)

- a. For period 7/1/05 through 12/31/05:

$\$1.20^* \times 21.75 \text{ days} \times 6 \text{ months} = \$156.60$

\*  $\$0.15/\text{hr. COLA} \times 8 \text{ hours} = \$1.20/\text{day}$

- b. For period 1/1/06 through 6/30/06:  
 $\$3.68^* \times 21.75 \times 6 = \$480.24$   
 $* \$0.46/\text{hr. COLA} \times 8 \text{ hours} = \$3.68/\text{day}$
- c. For period 7/1/06 through 12/31/06:  
 $\$3.76^* \times 21.75 \times 6 = \$490.68$   
 $* \$0.47/\text{hr. COLA} \times 8 \text{ hours} = \$3.76/\text{day}$
- d. For period 1/1/07 through 6/30/07:  
 $\$4.96^* \times 21.75 \times 6 = \$647.28$   
 $* \$0.62/\text{hr. COLA} \times 8 \text{ hours} = \$4.96/\text{day}$
- e. For period 7/1/07 through 12/31/07:  
 $\$5.76^* \times 21.75 \times 6 = \$751.68$   
 $* \$0.72/\text{hr. COLA} \times 8 \text{ hours} = \$5.76/\text{day}$
- f. For period 1/1/08 through 3/31/08:  
 $\$7.04^* \times 21.75 \times 3 = \$459.36$   
 $* \$0.88/\text{hr. COLA} \times 8 \text{ hours} = \$7.04/\text{day}$
- g. Total COLA credit of \$2,985.84

### 3. COLA Retroactive H & W Cost-Sharing (1/1/05 through 3/31/08)

Employee would owe the following in retroactive H&W cost-sharing (to recover employee share of H&W cost-sharing for this period in excess of amounts already paid):

- a. For period 1/1/07 through 6/30/07:  
 $\$17.27^* \times 6 = \$103.62$   
 $* \$166.25$  (monthly cost-sharing amount effective 1/1/07) –  
 $\$148.98$  (monthly cost-sharing amount actually paid by trainmen effective 1/1/07) =  
 $\$17.27/\text{month}$
- b. For period 7/1/07 through 12/31/07  
 $\$5.92^* \times 6 = \$35.52$   
 $* \$166.25$  (monthly cost-sharing amount effective 1/1/07) –  
 $\$160.33$  (monthly cost-sharing amount actually paid by trainmen effective 7/1/07) =  
 $\$5.92/\text{month}$
- c. For period 1/1/08 through 3/31/08:

$$(\$4.19)^* \times 3 = \$(12.57)$$

\* \$166.25 (monthly cost-sharing amount effective 1/1/08) –

\$170.44 (monthly cost-sharing amount actually paid by trainmen effective 1/1/08) =  
\$4.19/month credit

d. Total retroactive H&W cost-sharing of \$126.57

#### 4. Net Retroactive Payment

Gross Retroactive Pay:	\$6,569.37
Subtract COLA Credit	- <u>2,985.84</u>
	\$3,583.53
Subtract Retroactive	- <u>126.57</u>
H&W Cost-Sharing	
Net Retroactive Pay:	\$3,456.96

#### 5. Standard Basic Daily Rate Effective 4/1/08:

\$172.02\* 1.025 x 1.03 x 1.03 = \$187.06 (rounded)

\* (Standard Basic Daily Rate on 6/30/05)

July 1, 2008

Side Letter #7 (Agree to Compromise)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

This confirms our understanding of the respect to Article IV of Document “B” of the Agreement of this date.

1. The provisions of Article IV reflect compromises made by both parties, including without limitation compromises involving plan benefits, deductibles, co-payments and co-insurance, other aspects of plan design, employee contributions, cost containment, and tax consequences. The parties intend that these compromises not be materially altered by federal legislation that may be enacted or by federal regulations that may be adopted.
2. In the event that either party believes that federal legislation is enacted, or federal regulations are adopted, that materially officially affects it settled expectations and interest in the compromises reflect in Article IV, such party shall give written notice to the other describing details such material adverse effect.
3. If a notice is given pursuant to Paragraph 2, the party shall promptly commence discussions for the purpose of reaching a voluntary agreement that, notwithstanding required compliance with such federal legislation (or regulation), or preserve, to the fullest extent practicable, the same relative economics that resulted from the compromise reflected in Article IV. It is mutually understood that the procedures of section 6 of the Railway labor act shall not apply to these discussions.
4. If the parties are unable to reach a voluntary agreement pursuant to Paragraph 3 to achieve the objective described therein, the controversy shall be resolved through interest arbitration either pursuant to the procedures set forth in Section 7 of the RLA or through such other procedures as may be agreed upon by the parties.

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

Very truly yours,

Robert F. Allen

July 1, 2008

Side Letter #8 (SBA Agreement)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

This confirms our understanding of the respect to Document "A" of the Agreement of this date.

The parties agree to refer their dispute over the interpretation and application of Side Letter #2 to the August 20, 2002 National UTU Agreement Document "A", to final and binding arbitration as set forth below.

1. The dispute shall be resolved by Special Board of Adjustment that will be established within thirty (30) days after the date of this Agreement. Such SBA shall consist of three members, one partisan members elected by you to you, one partisan member selected by the NCCC, and a neutral member generally selected by the parties to a server the chairman. Each party shall bear the fees and expenses of his rep respective partisan member. All other costs associated with the SBA, Including the fees and expenses of the neutral member, shall be borne equally by the parties.
2. The SBA agreement shall provide for written submissions and an oral hearing at which each side may present evidence and argument in support of its position.
3. The SBA shall issue its decision in writing within 30 days after the close of the oral hearing. Majority vote on any issue presented to the SBA for decision shall be a final and binding disposition of that matter.
4. Either party may refer any matter or issue that it deems unresolved or inadequately addressed by the SBA's decision for further handling by the National Wage and Rules Panel established by and functioning pursuant to Article XIII of the Award of Arbitration Board No. 559, Appendix D, Document "A", as amended by Article VIII of the August 20, 2002 National you to you Agreement, Document "A".

\*The pertinent language in dispute provides as follows:

"the parties agree that at the earliest opportunity in the next national bargaining round, the matter of relating the existing service scales in the fact on each participating road to training and experience will be addressed."

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

Very truly yours,

Robert F. Allen

July 1, 2008

Side Letter #9 (Implementation)

Mr. Malcolm B. Futhey, Jr.

President

United Transportation Union

14600 Detroit Avenue

Cleveland, OH 44107

Dear Mr. Futhey:

This confirms our understanding of the respect to the implementation of Article VI of Document "A" of the Agreement of this date.

Such article shall be implemented on each covered carrier upon written notice by the organization that it's data and financial systems are ready for such implementation.

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

Very truly yours,

Robert F. Allen

## EXHIBIT A

### UTU

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2004 BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2004 BY THE GENERAL CHAIRMAN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE UNITED TRANSPORTATION UNION UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the United Transportation Union:

Alameda Belt Line

Alton & Southern Railway Company

The Belt Railway Company of Chicago – 1

BNSF Railway Company

Central California Traction Company

Columbia & Cowlitz Railway

Consolidate Rail Corporation

CSX Transportation, Inc.

The Baltimore and Ohio Railroad Company (former)

The Baltimore and Ohio Chicago Terminal Railroad Company

Indiana Harbor Belt Railroad Company

The Kansas City Southern Railway Company

Kansas City Southern Railway Company

Louisiana and Arkansas Railway

MidSouth Rail Corporation

Gateway Western Railway

Mid Louisiana Rail Corporation

SouthRail Corporation

TennRail Corporation

Joint Agency

Longview Switching Company



Los Angeles Junction Railway Company  
New Orleans Public Belt Railroad  
Norfolk & Portsmouth Belt Line Railroad Company  
Norfolk Southern Railway Company  
    The Alabama Great Southern Railroad Company  
    Central of Georgia Railroad Company  
    The Cincinnati, New Orleans & Texas Pacific Railway Co.  
    Georgia Southern and Florida Railway Company  
    Tennessee, Alabama and Georgia Railway Company  
    Tennessee Railway Company  
Northeast Illinois Regional Commuter Railroad Corporation – 1  
Oakland Terminal Railway  
Port Terminal Railroad Association  
Portland Terminal Railroad Company  
Soo Line Railroad Company d.b.a. Canadian Pacific  
South Carolina Public Railways  
Terminal Railroad Association of St. Louis  
Texas City Terminal Railway Company  
Wichita Terminal Association  
Winston-Salem Southbound Railway Company



Notes:

1 – Health & Welfare only

ARTICLE I – Yardman Availability (Addendum)

Effective December 1, 2007 the following sections shall become addendums to Article VII – Yardman Availability as contained in the August 1, 2005 agreement between the Indiana Harbor Belt Railroad Company and its employees represented by the United Transportation union (y).

Section 1 – Extra Board Starts

Yardman/Yardmen on a guaranteed extra board who is/are available on the guaranteed extra board from midnight to midnight on any calendar day shall have such day(s) count as a start(s) in connection with Yardman availability.

Section 2 – Holiday Starts

Yardman/Yardmen who is/are on the Holiday Available Board by virtue of the Agreement dated November 30, 2001 by and between IHB and UTU (y) shall be credited with one start for each holiday listed below, if applicable, in connection with Yardman availability:

- New Year’s Day
- President’s Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Friday after Thanksgiving
- Christmas Eve
- Christmas Day
- New Year’s Eve

Section 3 – Holiday Cancellation Start

Yardman/Yardmen who is/are cancelled on an assignment on the day of a Holiday may remain on such cancelled assignment and shall be credited with one (1) start in connection with Yardman Availability.

Section 4 – Yard Cancellation Start

Yardman/Yardmen who is/are cancelled on a yard assignment that work within a regularly scheduled starting bracket i.e., (630a – 800a, 230p – 400p, 1030p – 1200 midnight) and cannot hold any other assignment during the aforementioned starting time bracket(s) for any reason, may remain on the cancelled yard assignment and such yardman/yardmen shall be credited with one start per cancelled yard assignment in connection with Yardman availability.

Section 5 – Outer Belt Cancellation Start

Yardman/Yardmen who is/are cancelled on an outer belt assignment or an out-of-bracket yard assignment and cannot hold any other assignment for any reason, within 60 minutes prior to or

subsequent to the starting time of the cancelled assignment may remain on the cancelled assignment in connection with Yardman availability.

#### Section 6 – Five-Day Work Week Start

Yardman/Yardmen who is/are working under the five-day work week agreement at the Gibson Terminal who works his/her(s) rest day(s) shall have such rest day(s) count as start(s) in connection with Yardmen availability.

#### ARTICLE 2 – Personal Notification

Effective December 1, 2007 the following sections shall become addendums to Article X – Bump Board Agreement as contained in the **August 1, 2005 agreement** between the Indiana Harbor Belt Railroad Company and its employees represented by the United Transportation Union (y).

#### Section 1 – Carrier Computer Bump Notification

In the event Carrier requires a yardman to tie-up utilizing the Carrier's on property computer system, and such yardman is notified that he/she is bumped (displaced) by virtue of the computer system, that method of notification shall serve as personal notification.

Note: A Yardman's stay on the bump board shall commence no earlier than his/her tie-up time of such assignment.

#### Section 2 – Non-Carrier Computer Bump Notification

In the event that a yardman logs onto the Carrier's computer system using an off-property computer and such Yardman receives notification that he/she is bumped (displaced), that method of notification shall serve as personal notification.

Note 1: A yardman's stay on the bump board shall commence at the time such Yardman is notified of his/her bump utilizing an off property computer.

Note 2: A Yardman shall not be required to use any off property computer(s).

Note 3: A Yardman shall not be required to own a personal computer.

#### ARTICLE 3 – Yardman Guaranteed Extra Board Starts

In that the Carrier (IHB) and the Organization (UTU) have mutually agreed to what is known as the "14 day period" it is hereby mutually agreed that effective November 28, 2007 the following shall apply.

#### Section 1 – Called for Other than Train Service (Non-Protect)

Non-Protected Yardmen shall be entitled to and guaranteed a minimum of eleven (11) tours of duty (starts) per pay period. "i.e. eleven (11) tours of duty (starts) per fourteen (14) day pay period" subject to the provisions of **Article VIII as contained in the August 1, 2005 Agreement** between the Indiana Harbor Belt Railroad Company and its employees represented by the United Transportation Union (y) (Yardmen).

Note 1: Non-Protected Yardmen may be called off the guaranteed extra board in order to engage in Yard Helper Training, Yard Foreman Training, and Foreman Training; whichever is applicable in order to fulfill the terms and conditions as set forth in **Appendix III, Article XI – Yardman Training Program as contained in Part One of the May 1, 1997 Agreement** between the Indiana Harbor Belt Railroad Company and its employees represented by the united Transportation Union (y) (Yardmen).

Note 2: Non-Protected Yardmen may be called off the Guaranteed Extra Board in order to engage in Safety Training; however, such Safety Training shall not occur more than three (3) times in one calendar year unless further training is mandated by Federal Law.

Note 3: Non-Protected Yardmen may be called off the Guaranteed Extra Board in order to engage in Familiarization Training; however, such Familiarization Training shall only be utilized on Outer-Belt Transfer Assignments. The terms and conditions as set forth in **Article XI, Section 4, Note 1 as contained in the May 1, 1997 Agreement, Appendix III**, shall apply.

Note 4: Book-of-Rules classes shall not be considered as training in the application of this agreement.

#### Section 2 – Called for Other than Train Service (Protected)

Protected/Limited Rights Protected Yardmen shall be entitled to and guaranteed a minimum of eleven (11) tours of duty (starts) per pay period. “i.e. eleven (11) tours of duty (starts) per fourteen (14) day pay period” subject to the provisions of **Article VII as contained in the May 1, 1997 Agreement, Crew Consist Agreement, Part 2**, between the Indiana Harbor Belt Railroad Company and its employees represented by the United Transportation Union (y) (Yardmen).

Note 1: Protected/Limited Rights Protected Yardmen may be called off the Guaranteed Extra Board in order to engage in Safety Training; however, such Safety Training shall not occur more than three (3) times in one calendar year unless further training is mandated by Federal Law.

Note 2: Protected/Limited Rights Protected Yardmen may be called off the Guaranteed Extra Board in order to engage in Familiarization Training; however, such Familiarization Training shall only be utilized on Outer-Belt Transfer Assignments. The terms and conditions as set forth in **Article XI, Section 4, Note 1 as contained in the May 1, 1997 Agreement, Appendix III**, shall apply.

Note 3: Book-of-Rules classes shall not be considered as training in the application of this agreement.

Note 4: This Section shall not be construed and/or interpreted as changing any of the specific provisions as contained in **Part 2 – Crew Consist, as contained in the May 1, 1997 Agreement**.

#### ARTICLE 4 – Effect of This Agreement

Except as provided for in Article 3, this Agreement shall become effective December 1, 2007 and shall remain in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

Signed,

L. E. Minas, General Chairman

M. K. Conley, Director Labor Relations

P. D. Drennan, Vice President

D. H. Nelson, General Superintendent

J. E. Roots, General Manager

## 2005 Agreement

Signed July 8<sup>th</sup>, 2005

### ARTICLE I – Wages

#### Section 1 – First General Wage Increase

Effective July 1, 2002, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2002 shall be increased by four (4) percent.

#### Section 2 – Second General Wage Increase

Effective July 1, 2003, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2003 shall be increased by two-and-one-half (2.5) percent.

#### Section 3 – Third General Wage Increase

Effective December 1, 2004, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on November 30, 2004 shall be increased by three (3) percent.

#### Section 4 – Standard Rates

The standard basic daily rates of pay produced by application of the increases provided for in this Article are set forth in **Appendix 1**, which is attached hereto.

#### Section 5 – Application of Wage increases

- a) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.
- b) Existing money differentials above existing standard daily rates shall be maintained.

### ARTICLE II – Provisions for Retroactive Back Pay

Yardmen shall receive retroactive back pay commencing on July 1, 2002 through and including July 31, 2005 two in accordance with the provisions as set forth in **Article I** and **Article III** as contained herein. Retroactive back pay shall be paid by separate check no later than forty-five (45) days subsequent to the effective date of this Agreement.

### ARTICLE III – Cost-of-Living Payments

#### Section 1 – Payments

**Article III – Cost-of-Living Payments as contained in the Agreement of August 20, 2002** between Railroads represented by the National Carriers' Conference Committee and Employees of such Railroads Represented by United Transportation Union shall be incorporated into and made a part of this Agreement to the same extent as if included herein and shall apply to this Agreement accordingly.

#### Section 2 – Allowances

**Section 3 – Cost-of-Living Allowance Amendments as contained in the Agreement of November 6, 2003** between Railroads represented by the National Carriers' Conference Committee and Employees of such

Railroads represented by the United Transportation Union shall be incorporated into and made a part of this Agreement to the same extent as if included herein and shall apply to this Agreement accordingly

## ARTICLE IV – Health and Welfare

**Agreement of November 6, 2003** document a between Railroads represented by National Carriers' Conference Committee and employees of such Railroads represented by United Transportation Union shall be incorporated into and made a part of this Agreement to the same extent as if included herein and shall apply to this Agreement accordingly except as provided for in Section 3 below.

### Section 1 – Cost-Sharing

Effective August 1, 2005, the per month employee cost-sharing contribution amount to the Plan shall be \$106.11 and subsequently shall be adjusted in accordance with the terms and conditions as set forth in a **November 6, 2003 National Agreement**.

### Section 2 – Deductions

On August 25, 2005 and on or about the 25<sup>th</sup> calendar day of each subsequent calendar month and thereafter, the Carrier shall deduct from payroll the per month employee cost-sharing amount to the Plan.

### Section 3 – Cost-Sharing

Employee cost-sharing contribution amounts as set forth in **Part B Section 1 as contained in the November 6, 2003 Agreement** due prior to August 1, 2005 are hereby waived and therefore shall not be paid by the IHB Yardmen.

## ARTICLE V – Union Pacific Interchange

**Section 5 – Union Pacific Interchange – CP Hill (Auto Trains) as contained in Part 3 of the June 1, 1997 agreement between Indiana Harbor Belt Railroad Company and its employees represented by United Transportation Union (y) is hereby abrogated in the following shall apply in substitution thereof.**

### Section 1 – CP Hill

UP (westbound) outbound road crew(s) may pick up Road train(s) between Superior located at La Grange, Illinois and CP Hill located at Bellwood, Illinois, on Indiana Harbor Belt Railroad Company. These road train(s) must depart from the aforementioned location(s) to points beyond UP Proviso Yard and such traffic shall be handled in accordance with the provisions as set forth herein.

- A. UP Road crew(s) shall only handle cars that are a part of their outbound road train(s).
- B. Except as provided herein, UP road crew(s) shall not pick up cars while on IHB property.
- C. UP road crew(s) shall not set out or switch cars while on IHB property. However, UP road crews may set out bad order car(s), high-wide car(s) without clearance, and/or improperly placed hazardous material car(s).
- D. UP road crew(s) may attach their locomotives, and in train devices, and/or cabooses to UP road trains between Superior and CP Hill.
- E. IHB crews may interchange road trains to UP Proviso Yard at the Carrier's prerogative.

- F. Except as specifically modified herein, all Agreements between IHB and UTU(y), as well as applicable National Agreements, shall remain in full force and effect.

#### Section 2 – 12 Hour Guarantee / Lunch Violation

- A. In the event an IHB Outer Belt Transfer Assignment destined to Union Pacific is relieved from any train, road train or otherwise, between Superior and CP Hill, such Yardmen/Yard man on such Outer Belt Transfer Assignments shall be paid not less than eight hours of straight time pay, and four hours of overtime pay (a total of 12 hours pay), at the applicable rates of pay for that assignment.
- B. **Article VIII – Lunch Period as contained in the June 1, 1997** Agreement between Indiana Harbor Belt Railroad Company and its employees represented by the United Transportation Union (y) shall apply and thirty (30) minutes shall be paid at the overtime rate, if applicable, in addition to the not less than twelve (12) hours as provided for in Article V, Section 2A. as contained herein.

#### ARTICLE VI – Service Scale

##### Section 1 – Bump to 100%

Effective August 1, 2005 and thereafter, a Yardman who has established seniority on or prior to June 30, 2004 shall be compensated at 100% of the applicable rate of pay when working in a position of Foreman and/or Helper.

##### Section 2 –

A Yardman hired on or subsequent to July 1, 2004 shall be paid in accordance with **Article V as contained in the May 1, 1988 Agreement** between the Indiana Harbor Belt Railroad and the United Transportation Union and **Article VII as contained in the June 1, 1997 Agreement** between the IHB and UTU.

##### Section 3 –

The Carrier may compensate all Yardmen at 100% of the applicable rate(s) of pay. However, in the event the Carrier elects to implement this Section 3, Section 2 above shall be abrogated in its entirety.

#### ARTICLE VII – Yardman Availability

##### Section 1 – Twenty Start Minimum

Except as otherwise provided for herein, a Yardman employed at Norpaul, Argo, or Blue Island shall be expected to perform service for the Carrier for a minimum of twenty (20) starts during the course of his/her respective twenty-two (22) start bracket.

##### Section 2 – Twenty Start Minimum (Gibson)

Except as otherwise provided for herein, a Yardman employed a Gibson shall be expected to perform service for a Carrier for a minimum of twenty (20) starts per calendar month.



### Section 3 – Nineteen Start Minimum

Except as otherwise provided for herein, a Yardman employed at Norpaul, Argo, or Blue Island shall be expected to perform service for the Carrier for a minimum of nineteen (19) starts during the course of his or her twenty-two (22) start bracket. However, such Yardman must work at least eight hours of overtime during the course of his/her twenty-two (22) start bracket in order for the nineteen (19) starts to be sufficient.

### Section 4 – Nineteen Start Minimum (Gibson)

Except as otherwise provided for herein, a Yardman employed a Gibson shall be expected to perform service for the Carrier for a minimum of nineteen (19) starts per calendar month. However, such Yardman must work at least eight hours of overtime during the course of the calendar month in order for the nineteen (19) starts to be sufficient.

### Section 5 – Eighteen Start Minimum

Except as otherwise provided for herein, a Yardman employed it Norpaul, Argo, or Blue Island shall be expected to perform service for a Carrier for a minimum of eighteen (18) starts during the course of his/her twenty-two (22) start bracket. However, such Yardman must work at least sixteen (16) hours of overtime during the course of his/her twenty-two (22) start bracket in order for the eighteen (18) starts to be sufficient.

### Section 6 – Eighteen Start Minimum (Gibson)

Except as otherwise provided for herein, a Yardman employed a Gibson shall be expected to perform service for the Carrier for a minimum of 18 starts per calendar month. However, such Yardman must work at least sixteen (16) hours of overtime during the course the counter month in order for the eighteen (18) starts to be sufficient.

### Section 7 – Vacation Days as Starts

Vacation day(s) shall count as start(s) in connection with Yardman availability.

### Section 8 – Training Days as Starts

Book of Rules/examinations/re-examinations and/or safety classes shall count as start(s) in connection with Yardman availability.

### Section 9 – Investigation Days as Starts

Attending an investigation/hearing shall count as start(s) in connection with Yardman availability.

### Section 10 – Court Days as Starts

Attending court or inquests under instruction of the Carrier shall count as start(s) in connection with Yardman availability.

### Section 11 – Bereavement Days as Starts

Bereavement Leave as provided for in the 1978 Agreement between UTU and NCCC shall count as start(s) in connection with Yardman availability.

### Section 12 – Jury Duty Days as Starts

Jury Duty as provided for in the 1978 Agreement between the UTU and NCCC shall count as start(s) in connection with Yardman availability.

### Section 13 – Union Business Days as Starts

Union Officers and Committeemen who lay-off for Union Business shall have that lay-off time count as start(s) in connection with Yardman availability.

### Section 14 – Guarantee Days as Starts

Yardmen on a guaranteed extra board who collect a guarantee day(s) shall have such guarantee day(s) count as start(s) in connection with Yardman availability.

### Section 15 – Attendance Record Expunged

The attendance records of all Yardmen who have an employment date prior to August 1, 2005 with Indiana Harbor Belt Railroad Company shall be expunged and shall not be taken into consideration in connection with Yardman availability.

## ARTICLE VIII – Guaranteed Extra Board Starts – Non-Protected Yardmen

### Section 1 – Eleven day Guarantee

An IHB Yardman with an employment date with Indiana Harbor Belt Railroad Company subsequent to October 1, 1992, who is working off the extra board at one of the various terminals, i.e. Norpaul, Argo, Blue Island, Gibson, shall be entitled to and guaranteed a minimum of eleven (11) tours of duty (starts) per pay period, subject to the provisions of Article VIII as set forth herein.

### Section 2 – Guarantee Rate

In the event a Yardman places himself/herself on the extra board and does not make a minimum of eleven (11) tours of duty (starts) in that pay period, such Yardman shall be compensated one (1) day's pay at his/her applicable rate of pay at the Foreman's eight (8) hour basic daily rate of pay for each full calendar day (midnight to midnight) that such Yardman was available on the extra board but did not perform service for the Carrier.

Note 1: A day of compensation due a Yardman at his/her applicable rate of pay at the Foreman eight (8) hour basic daily rate of pay shall be referred to as an "Extra Board Start".

Note 2: The applicable Foreman eight (8) hour basic daily rate of pay in connection herewith shall be subject to future general wage and/or cost-of-living increases.

### Section 3 – Guarantee Reduction

Each tour of duty credited to a Yardman during a pay period shall reduce that Yardman's eleven (11) Extra Board Starts by one (1) for that pay period.

### Section 4 – Guarantee Reduction Exceptions

In the event a Yardman is removed from the Extra Board or is not available on the Extra Board during a full calendar day (midnight to midnight), that Yardman's eleven (11) Extra Board Starts shall be reduced by one (1) for that pay period except as provided for in Article VIII, Section 4, A, B, C, D, E, and F below.

- A. In the event a Gibson Yardman completes his/her five (5) day work week in less than seven (7) calendar days, such Yardman's off days shall not reduce his/her Extra Board Starts.
- B. Each time a Yardman is removed from the Extra Board as any time during a calendar day and he/she placed himself/herself back on the Extra Board within 24 hours thereof, he/she shall have his/her Extra Board Starts reduced by only one (1) for that pay period.
- C. In the event a Yardman is removed from the Extra Board for the purpose of marking up on a regular assignment(s) on that same calendar day and subsequently bumped and such Yardman immediately places himself/herself back on the Extra Board upon notification of a bump(s), such Yardman shall not have his/her Extra Board starts reduced by one (1) for that pay period.
- D. In the event a Yardman is removed from the extra board for the purpose of marking up on a regular assignment(s) for the following calendar day and would not have been called off the extra board to perform service for the carrier between the time of such Yardman called to assign himself/herself regular and midnight, such Yardman shall not have his/her extra board starts reduced by one (1) for that pay period.
- E. In the event a Yardman is fully available next board and does not remove himself/herself from the extra board for twelve (12) days in a fourteen (14) day pay period, thirteen (13) days in a fifteen (15) day pay period, or fourteen (14) days in a sixteen (16) day pay period, such Yardman shall have his/her extra board starts reduced by only one (1) for the entire pay period.

Note: In the event a Gibson Yardman completes his/her five (5) day work week and less than seven (7) calendar days, such Yardman's off days shall not reduce his/her extra board starts.

- F. In the event a Yardman is fully available next board and does not remove himself/herself from the extra board for thirteen (13) days in a fourteen (14) day pay period, fourteen (14) days in a fifteen (15) day pay period, or fifteen (15) days in a sixteen (16) day pay period, such Yardman shall not have his/her extra board starts reduced by one (1) for that pay period unless such Yardman removes himself/herself from the extra board on the last calendar day of the pay period.

### Section 5 – Guarantee for Bumped Out

In the event a Yardman is set up in a regular status and cannot hold a regular assignment on any full calendar day, such Yardman may revert to the extra board at his/her seniority district for the remainder of that pay period. Such Yardman shall be entitled to the appropriate proration of his/her guaranteed extra board starts.

### Section 6 – Compensated Service

Each extra board start a Yardman is compensated for shall count is eight (8) qualifying hours in determining eligibility for vacation and shall be considered compensated service in determining compensation due for vacation pay, in accordance with the provisions as set forth in the National Vacation Agreement.

### Section 7 – Extra Board Starts to Qualify for Holiday Pay

Each extra board start a Yardman is compensated for shall count as an actual tour of duty (start) when determining a Yardman's eligibility to qualify for holiday pay, in accordance with the provisions as set forth in the National Holiday Agreement

### Section 8 – Extra Board Laid Off to Qualify for Holiday Pay

An IHB Yardman who lays off with permission may remove himself/herself from the extra board on the day preceding a paid holiday, the actual day of a paid holiday, and/or the day following a paid holiday, and shall still be qualified for the purpose of receiving such holiday pay. Except as provided for herein all of the other provisions as container National Holiday Agreement shall apply.

### Section 9 – Extra Board Starts to Qualify for Health & Welfare

Each extra board start a Yardman is compensated for shall count as one (1) calendar day in determining a Yardman's eligibility to qualify for Health and Welfare, Dental, and Vision Care.

### Section 10 – Extra Board Time Slip

A Yardman shall be required to submit a timeslip to receive his/her compensation for extra board start(s) and such compensation shall be made no later than the payday following the pay period in which the extra board start(s) is credited.

### Section 11 – Compensated Service

a Yardman to misses two (2) or more calls in any one given pay period Shall forfeit his/her guarantee for that given pay period.

### Section 12 – Extra Board Adjustments

The carrier shall have the sole authority to adjust (furlough and/or recall Yardman) the guaranteed extra board(s) as provided for in **Article VIII** as contained herein. The carrier shall only be permitted to adjust the guaranteed extra board(s) on the last calendar day of any given pay period, to become effective on the first calendar day of the following pay period.

Note: The carrier shall maintain a sufficient number of extra board Yardman to permit reasonable lay-off privileges and to protect vacancies, vacations, extra assignments and other extended vacancies.

## ARTICLE IX – Off-Track Vehicle Accident Benefits

Article XI (b) of the July 17, 1968 Brotherhood of Railroad Trainmen Agreement, Article IX (b) of the July 29, 1968 Switchmen’s Union of North America Agreement, Article IX (b) of the September 14, 1968 Brotherhood of Locomotive Firemen and Enginemen Agreement, Article V (b) of the March 19, 1969 United Transportation Union (c) Agreement and Article V (b) of the April 15, 1969 United Transportation Union (E) Agreement, as amended by Article XIII of the August 25, 1978 United Transportation Union Agreement, are further amended as follows effective on the date of this Agreement.

### Section 1 – Compensation for Injury

Paragraph (b)(1) – Accidental Death or Dismemberment of the above-referenced Agreement provisions is amended to read as follows:

“(1) Accidental Death or Dismemberment

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

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

“Loss” shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, and tire and a recoverable loss of sight.

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

### Section 2 – Compensation for Time Lost due to Injury

Paragraph (b)(3) – Time Loss of the above-referenced Agreement provisions is amended to read as follows:

“(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of \$1000 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amount as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act."

### Section 3 – Aggregate Limit

Paragraph (b)(4) – Aggregate Limit of the above-referenced Agreement provision is amended by raising such limited to \$10,000,000.

### ARTICLE X – Bump Board Agreement

All "Bump Board Agreements", if any, as contained in the General Labor Agreement by and between the Indiana Harbor Belt Railroad Company and United Transportation Union(y) are hereby abrogated in the following Agreement shall apply in substitution thereof.

Yardman employed at Norpaul, Argo, Blue Island and Gibson who are displaced (bumped) shall be placed on the bump board from where they must exercise their seniority within twenty-four (24) hours after being notified of displacement or maybe considered absent without permission.

Note: A Yardman stay on the bump board shall commence from the time he/she is personally notified by the dispatcher by telephone.

### ARTICLE XI – Remote Control Agreement

#### Section 1 – Scope

Yardman shall have the exclusive right to perform all duties in connection with Remote Control Operations on the Indiana Harbor Belt Railroad Company.

#### Section 2 – Compensation

Effective August 1, 2005, each employee covered by this Agreement assigned to a Remote Control Operator – qualified ("RCO") position and Operating Remote Control Locomotive ("RCL") equipment will be paid a special allowance per tour duty in the amount equal to forty-six (46) minutes at the straight time hourly rate of the applicable position in addition to all other earnings. In no event with her be more than one such payment per Yardman/Yardmen per tour duty.

#### Section 3 – Training/Certification

- A. For each location where remote control equipment is implemented, the carrier will provide training so that all Yardman will be qualified to use remote control equipment. Carrier training programs shall be conducted frequently enough to ensure that Yardman will be able, without unreasonable delay, to freely exercise seniority to and from RCO assignments. Yardmaster supervising remote control operations will be trained to become familiar with procedures governing remote control operations.

Note: The terms and conditions as set forth in Section (3)(A) above may be modified, however, the shall be accomplished by a Separate and Special Agreement by and between UTU(y) General Chairperson and IHB Director of Labor Relations.

- B. As a sufficient number of RCO – qualified Yardman are trained, they may be used to train other Yardman during the on-the-job portion of the training, with the selection of UTU-represented RCO trainers to be a joint effort between UTU and Carrier. Certification remains the responsibility of management.

#### Section 4 – Bidding/Protection of Positions

- A. RCL assignments shall be advertised in the usual manner as the implementing location.
- B. If insufficient bids are received for the RCO positions involved (including relief), Yardman shall be force assigned by inverse seniority order at the implementing location.
- C. Each Yardman bidding or assigned to a RCO position shall complete the carrier’s RCO training program and shall be held on such position until such time as sufficient qualified Yardman are available at location to protect such position.

#### Section 5 – Overview Committee

- A. A local overview committee consisting of two (2) UTU and various Carrier representatives will meet at mutually agreeable times and locations to discuss and resolve issues and problems associated with the implementation of remote control technology. The UTU representatives shall be selected by the Organization.
- B. Regular meetings will occur during the first one-hundred twenty (120) days of operation and on an “as needed” basis thereafter. During such 120-day period, the UTU representatives shall be made whole for lost time due to attending committee meetings.
- C. The UTU Local Chairmen may participate in the training program as observers for purpose of becoming familiar with and explaining the use of remote technology to prospective trainees and interested Yardman.

#### Section 3 – Protection

- A. A protected class of Yardman shall be established to include those Yardman in train service as of the effective date of this agreement. Yardman on the effective date of this agreement who are
  1. furloughed and subsequently recalled,
  2. out of service due to carrier disciplinary action and subsequently reinstated to service with seniority unimpaired,
  3. in yardmaster or engine service (where UTU does not hold the contract), and hold the train service seniority,

and subsequently exercise such seniority, will be included in a protected class.

- B. The. That any member of the protected class may be eligible for protection as provided herein shall be six (6) years from the first date on which an RCL assignment is established in his location.
- C. At any location where an RCL assignment is established, the senior protected Yardman who cannot hold a position through the normal exercise of seniority will qualify to hold a remote

control protection (“RCP”) slot as provided for below. The normal exercise of seniority to another location shall not reduce the number of RCP slots. If a question develops as to which Yardman is the appropriate occupant of the RCP slot, the General Chairman and designated Carrier representative will determine which Yardman will occupy such lot.

- D. Upon establishment of an RCL assignment, a RCP slot shall be created at that location on a one-four-one basis, i.e., one slot for each such assignment.
- E. Any RCP slots shall be reduced on a one-four-one basis by any of the following:
  - 1. A buyout accepted by Yardman (in-service on the effective date of this agreement) on their seniority district after the effective date of this agreement;
  - 2. The abolishment of an RCL assignment at that location; or
  - 3. The establishment of any RCL reserve board position, etc. for Yardman at that location.
- F. A Yardman holding protected slot shall be paid at the Foreman rate based on five (5) days per week.
- G. There shall be no pyramiding of any protective benefits, but the Yardman shall be paid a higher level of protection.
- H. This agreement does not change any existing rights or obligations Yardman have under existing protective arrangements.

#### Section 7 – RCO Training Program

in accordance with the provisions as set forth in Article XI – Remote Control Agreement, Section 3 – Training/Certification as contained herein, the carrier shall commence an RCO Training Program consisting of not less than two (2) consecutive weeks of RCO Training.

Note: A Yardman shall be eligible for the RCO Training Program until such Yardman has completed the Yardman Training Program in its entirety, as set forth in Appendix III, Article XI as contained in the June 1, 1997 Agreement between the IHB and the UTU(y).

#### Section 8 – RCO Implementation

The Carrier may implement Remote Control Operations on a Job by Job basis and/or on a Location by Location basis, however, the shall be accomplished by a Separate and Special Agreement by and between UTU(y) General Chairperson and IHB Director of Labor Relations. In the event the Carrier is desirous of consummating an RCO Implementation Agreement by a Separate and Special Agreement, the Carrier shall notify the UTU(y) General Chairperson, in writing, and such General Chairperson shall meet with the Carrier within thirty (30) days of such written notification in order to endeavor to consummate a Separate and Special Agreement in connection with RCO implementation. In failing to consummate a Separate and Special Agreement within sixty (60) days thereof, the party shall resolve the dispute in expedited Arbitration.

### ARTICLE XII – Effect Of This Agreement

#### Section 1 –

This Agreement is made in full and final disposition of all outstanding notices served upon Indiana Harbor Belt Railroad Company on or about November 1, 1999 by United Transportation Union and also



all outstanding notices served upon United Transportation Union(y) by Indiana Harbor Belt Railroad Company, for concurrent handling, pursuant to provisions of the Railway Labor Act, as amended.

Section 2 –

The parties to this Agreement shall not serve or progress prior to November 1, 2004 (not to become effective before January 1, 2005), any notice or proposal for the purpose of changing provisions of this agreement and any proposal and pending notices, if any, relating to such subject matters are hereby withdrawn. No party to this agreement shall serve or progress, prior to November 1, 2004 (not to become effective before gender first 2005), any notice or proposal which might properly have been served when the last Moratorium ended on November 1, 1999, and any proposal and pending notices, if any, relating to such subject matters are hereby withdrawn.

Section 3 –

New proposals properly serve under Railway Labor Act covering subject matters which do not request compensation may be progressed under the provisions of the Railway Labor Act, as amended, except any subject excluded by Moratorium.

Section 4 –

This Article will not bar Management and the Organization from agreeing upon any subject of mutual interest except any subject excluded by Moratorium.

Section 5 –

This Agreement, Appendix 1, and side letters #1 through and including #9 shall become effective August 1, 2005, and shall remain in effect through August 1, 2005 and thereafter, until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

SIGNED AT HAMMOND, INDIANA, THIS 8<sup>TH</sup> DAY OF JULY, 2005.

July 8, 2005

Side Letter #1 (Retroactive Wage Qualifications)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

This refers to the increase in wages provided for in article I of the August 1, 2005 agreement.

It is understood that the retroactive portion of that wage increase shall be applied only to employees who have an employment relationship with a carrier on the date of this agreement or who retired or died subsequent to July 1, 2002.

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

Very truly yours,

D. H. Nelson

General Superintendent

July 8, 2005

Side Letter #2 (Common Extra Board)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

This will confirm our understanding reached during our negotiations of the August 1, 2005 Agreement that are Protected Yardman, Limited Rights Protected Yardman, and a Non-Protected Yardman shall be worked first in-first out on a common Extra Board at each of the various terminals i.e., Norpaul, Argo, Blue Island, and Gibson.

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

Very truly yours,

D. H. Nelson

General Superintendent

July 8, 2005

Side Letter #3 (Employee Record Review)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

this will confirm our understanding reached during our negotiations of the August 1, 2005 agreement that side letter #4 as contained in the May 1, 1988 agreement between IHB and UTU in connection with "fitness and all other qualifications being equal," shall be interpreted to allow for the carrier to review the work record of a Yardman for, not to exceed, the two (2) previous years, focusing on such Yardman's personal injury record, attendance record, and overall discipline record.

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

Very truly yours,

D. H. Nelson

General Superintendent

July 8, 2005

Side Letter #4 (Engineer's Switchmen Seniority)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

This will confirm our understanding reached during our negotiations of the August 1, 2005 agreement locomotive engineer shall be permitted to exercise his/her Yardman seniority only in the event such locomotive engineer(s) is unable to hold any position or assignment in engine service i.e., furloughed from engine service due to lack of seniority as a result of insufficient assignments. In the event he locomotive engineer exercises his/her Yardman seniority in connection with, such engineer, when recalled engine service, shall be recalled and seniority ordered by virtue of his/her engineer seniority i.e., the senior engineer being recalled to engine service before a Junior engineer.

Furthermore, it is understood that a locomotive engineer shall not be permitted exercise his/her Yardman seniority due to reasons such as but not limited to the certification, medical reasons and/or illness.

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

Very truly yours,

D. H. Nelson

General Superintendent

July 8, 2005

Side Letter #5 (Engineer's Switchmen Seniority Effective Date)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

This will confirm our understanding reached during negotiations of the August 1, 2005 agreement that engineers who have an employment date with the Indiana Harbor belt on January 1, 2005 through and including July 31, 2005 as an engineer, shall be placed on the various Yardman seniority roster i.e., Norpaul, Argo, blue Island, and Gibson. Such engineer(s) shall be placed on the various Yardman seniority rosters and seniority order and shall have a seniority date as a Yardman effective August 1, 2005.

In the event and engineers furloughed from engine service, such engineer may utilize his/her Yardman seniority date at one of the aforementioned districts and subsequently that district shall be the district that such engineer holds Yardman seniority and he/she shall be removed from the other district.

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

Very truly yours,

D. H. Nelson

General Superintendent

July 8, 2005

Side Letter #6 (Insurance Opt-Out Option)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

this confirms our understanding with respect to article IV, part A, section 3(k) of document "A" of the agreement of this date (Agreement).

That provision provides employees with an option to opt out of coverage for foreign-to-occupation health benefits for themselves and their dependents under the plan and under any Hospital Association Plan in which they participate. This will confirm our understanding with respect to the intended application of that provision.

1. An employee who opt out will be opting out of FO health coverage only and (if he otherwise satisfies eligibility in coverage requirements) will continue to have on-duty injury coverage, coverage under the Dental and Vision Plans, and Life and AD&D insurance coverage.
2. If a husband and wife are each covered by the plan (or a Hospital Association) by virtue of railroad employment in either or both hold positions covered by this Agreement, a UTU-represented spouse may elect to opt out as provided in section 3(k). If that election is made (and provided the other spouse remain so covered),
  - i. Such UTU-represented spouse shall not receive the \$100/month payment provided in section 3(k) and shall not be required to make the employer cost-sharing contributions required under Article IV, Part B, and
  - ii. The Plan's coordination of benefits rules in effect on the date of this agreement that are applied when a husband and wife are covered under the plan both as an Eligible Employee and as an Eligible Dependent shall continue to be applicable.

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

Very truly yours,

D. H. Nelson

General Superintendent

July 8, 2005

Side Letter #7 (Insurance Opt-Out Option)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

this confirms our understanding with respect to the opt-out provision, article IV, part A, section 3(k) of Document "A" of the agreement of this date (Agreement).

It is understood that for purposes of Section 9801(f) of the internal revenue code,

- i. any opt-out election shall be treated as a declination of coverage, or failure to enroll, for foreign-to-occupation health benefits under the Plan and under any Hospital Association Plan in which the employee making the election may participate,
- ii. that the provisions of Section 9801(f) and the regulations thereunder shall govern how any individual covered by election to-opt out may nonetheless become covered for foreign-to-occupation health benefits under the Plan or any Hospital Association Plan prior to the next regular opt-out election period,
- iii. that the terms of Article IV, Part A, Section 3(k) of our Agreement shall be interpreted and applied so as to be in compliance with Section 9801(f), and
- iv. that the employer's payment of \$100 per month employee who is elected to opt-out shall cease immediately upon the employee and/or his dependents or any of his dependents become coming covered, pursuant to Section 9801(f), for foreign-to-occupation health benefits under the Plan or any Hospital Association Plan.

Furthermore, and notwithstanding the above, the parties recognize that employee may lose coverage under the health plan or health insurance policy a year she relied upon in electing to forgo coverage for foreign to occupation health benefits under the Plan, and that such loss of coverage may be attributable to an event that is not listed in Section 9801(f) of the Internal Revenue Code and is be on the control the employee or of any member of his or her family. In such a case, and only to the extent permissible under the Section 125 of the Internal Revenue Code:

- a) the employee may ask his/her employer that his or her opt-out election be revoked;
- b) the employer involves may in his discretion grant request in the interest of fairness and equity; and



- c) if the request is granted, the employee's opt-out election shall be treated as revoked as of the day the employee received the request.

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

Very truly yours,

D. H. Nelson

General Superintendent

July 8, 2005

Side Letter #8 (Method of Receipt of Paychecks)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

This will confirm our understanding reached during the negotiations of the August 1, 2005 Agreement the Yardman shall receive his/her paycheck by one of the methods listed below:

1. A Yardman may have the carrier deposit his/her paycheck by direct deposit to such Yardman's account with a bank, credit union, financial services organization or similar institution; or
2. A Yardman may have the carrier mail his/her paycheck to such Yardman's last known home address on record with a carrier; or
3. A Yardman may pick up his/her paycheck Monday through Friday (7:00 AM - 3:00 PM) at the Gibson General Office Payroll Department.

This side letter #8 shall become effective on generally first 2006 and thereafter, however, a Yardman must notify the carrier honor prior to December 1, 2005 as to what methods such Yardman is desirous of receiving his/her paycheck. In the event a Yardman does not notify the carrier honor prior to December 1, 2005 as to what methods such Yardman is desirous receiving his/her paycheck the carrier shall mail his/her paycheck to such Yardman/known home address on record with a carrier. In the event a Yardman is desirous of changing the methods such Yardman's receives his/her paycheck such Yardman shall notify the carrier thirty (30) days in advance and choose an alternative method as provided for herein.

The carrier shall contact all Yardman by direct mail, no later October 1, 2005, providing them with a form letter that allow such Yardman to select a method of how they would like to receive their paychecks. Yardman shall be advised of a fax number that must be utilized in order to notify the carrier as to what method he Yardman is desirous of receiving his/her paychecks. On or prior to December 15, 2005, all Yardmen shall be notified by the carrier, by direct mail, of the method that was chosen by such Yardman to receive his/her paycheck.

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

Very truly yours,  
D. H. Nelson  
General Superintendent

July 8, 2005

Side Letter #9 (Retroactive Wage Qualifications)

Mr. M. J. Franciose

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Franciose:

This will confirm our understanding reached during negotiations of the August 1, 2005 agreement that when all “protected employees” and “limited rights protected employees”, all IHB Yardman that were employed prior to October 1, 1992, have been a trident for reasons such as but not limited to death, retirement, resignation, or disability that renders a Yardman unable to perform his/her duties as a Yardman, the following agreement shall be implemented within one hundred and eighty (180) consecutive calendar days from the date that pure attrition is achieved.

1. The “Twenty-Two (22) Start Agreement” as it currently applies to Norpaul, Argo, and blue Island shall be abrogated in its entirety and the “Gibson Five Day Work Week” as contained in the general labor agreement by and between the Indiana Harbor Belt Railroad Company and the United transportation Union shall apply to all districts on IHB i.e., Norpaul, Argo, blue Island, and Gibson. The carrier and the organization may implement a five-day workweek other than the “Gibson Five Day Work Week”, however the shall be achieved by mutual agreement between the parties’ signatory hereto.
2. Simultaneously to the implementation of the “Gibson five-day workweek” or the “five-day workweek” all IHB Yardman shall possess system seniority in such systems seniority a be exercised at Norpaul, Argo, blue Island, and/or Gibson. System seniority may be utilized at all districts i.e., Norpaul, Argo, blue Island, and/or Gibson on a daily basis unless otherwise mutually agreed upon between the parties’ signatory hereto. There shall be one (1) extra board to cover extra board vacancies at all districts i.e., Norpaul, Argo, blue Island, and Gibson unless otherwise mutually agreed upon between the parties’ signatory hereto.
3. Simultaneously to the implementation of the “Gibson five-day workweek” or the “five-day workweek” and simultaneously to the implementation of system seniority, **Article IX – Equalization of Outer Belt Transfer Crews as contained in the October 1, 1992 agreement** between the IHB and UTU(y) shall be abrogated in its entirety and the carrier shall bulletin all Outer belt transfer assignments at any of the various districts i.e., Norpaul, Argo, blue Island, and/or Gibson unless otherwise mutually agreed upon between the parties signatory hereto.

In the event the carrier operates in excess of thirty (30) extra Outer belt transfer assignments in any one given calendar month, the carrier shall, within three (3) calendar days subsequent to the last day of such calendar month, establish an additional Outer belt transfer assignment(s) at one or more of the district unless otherwise mutually agreed upon between the parties' signatory hereto.

Furthermore, this will confirm our understanding reached during our negotiations of the August 1, 2005 agreement that the Twenty-Two Start agreements as they apply to Norpaul, Argo, and Blue Island, Yardman as contained in the general labor agreement by and between the IHB and UTU(y) shall not be subject to negotiations, therefore, the parties to this agreement shall not serve nor progress any notice or proposal for changing any other specific provisions as contained in the agreements identified in this side letter #9 until all IHB Yardman that were employed, honor prior October 1, 1992 have been a trident for reasons such as but not limited to death, retirement, resignation, or disability that renders a Yardman unable to perform his/her duties as a Yardman. However, the parties may negotiate changes to the aforementioned subject matter(s) by mutual agreement.

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

Very truly yours,

D. H. Nelson

General Superintendent

Holiday Agreement

November 30, 2001

Mr. Gary F. Babiarz

General Chairman, UTU(y)

PO Box 820

Matteson, IL 60443

Dear Mr. Babiarz:

This shall confirm our understanding reached during our conference held in Hammond Indiana, on November 30, 201, that in the event a regularly assigned Yardman/Yardmen is cancelled on his/her regular assignment the day proceeding the holiday, the day of the holiday, and/or the day following the holiday, such Yardman/Yardmen may remain on that assignment as cancelled and shall be qualified for the purpose of receiving holiday pay.

Additionally, in the event a regularly assigned Yardman/Yardmen is bumped from his/her regular assignment the day proceeding the holiday, the day of the holiday, and/or the day following the holiday, such Yardmen/Yardmen shall not be required to exercise his/her seniority on that day and shall be qualified for the purpose of receiving holiday pay, however, such Yardman/Yardmen shall be required to be available to perform service on that day for the Carrier, if called upon, in order to meet the requirements of the service. In the event such Yardman/Yardmen is required to perform service on the day proceeding the holiday, the day of the holiday, and/or the day following the holiday, such Yardman/Yardmen, who elected to utilize this Agreement, shall be called in reverse seniority order to perform service on that day for the Carrier. In the event such Yardman/Yardmen, who elected to utilize this Agreement are not available, if called upon, to perform service for the Carrier on that day, such Yardman/Yardmen shall not qualify for the purpose of receiving holiday pay.

Furthermore, a regularly assigned Yardman/Yardmen may request to layoff on his/her regular assignment on the actual day of the holiday and shall qualify for the purpose of receiving holiday pay, however, this layoff request shall be granted at the sole discretion of the Carrier.

Note: A holiday, as referred to herein, is made in reference to paid holidays as provided for in the National Holiday Agreement, as amended.

Note: Except as provided for herein, all of the terms and conditions as contained in the National Holiday Agreement, as amended, shall remain in full force and effect.

This Letter of Understanding and the provisions contained herein shall become effective December 1, 2001, and thereafter, however either party may cancel this Letter of Understanding upon ten (10) days written notice, one party to the other.

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

Sincerely,

Joseph A. Markase

Manager of Labor Relations &  
Personnel – Contract  
Administration

I agree:

Gary F. Babiarz

Part One

ARTICLE I – WAGES

Section 1 – First General Wage Increase

Effective on December 1, 1995, all standard basic daily rates of pay for employees represented by the United Transportation Union (y) in effect on the preceding day shall be increased by three-and-one-half 3 ½ percent.

Note: Yardmen shall receive retroactive back pay commencing December 1, 1995 through and including May 31, 1997. Retroactive back pay shall be paid by separate check no later than thirty (30) days subsequent to the effective date of this Agreement.

Section 2 – Signing Bonus

Each employee will be paid a signing bonus of one (1) percent of the employee’s compensation for 1994.

Note: Yardmen shall be paid the signing bonus by separate check no later than thirty (30) days subsequent to the effective date of this Agreement.

Section 3 – First Lump Sum Payment

Each employee will be paid a lump sum equal to the excess of:

- i. three (3) percent of the employee’s compensation for 1995, excluding pay elements not subject to general wage increases under Section 8 of this article and lump sums, over
- ii. the lesser of (x) one-half of the amount described in clause (i) above and (y) two times one-quarter of the amount, if any, by which the carriers’ payment rate for 1996 for foreign-to-occupation health benefits under The Railroad Employees National Health and Welfare Plan (Plan) exceed such payment rate for 1995.

Note: Yardmen shall be paid this first lump sum payment by separate check no later than thirty (30) days subsequent to the effective date of this Agreement.

Section 4 – Second General Wage Increase

Effective July 1, 1997, all standard basic daily rates of pay in effect on June 30, 1997 for employees represented by United Transportation Union shall be increased by three-and-one-half (3 ½) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 5 – Second Lump Sum Payment

On July 1, 1998, each employee will be paid a lump sum equal to the excess of:

- i. three-and-one-half (3 ½) percent of the employee’s compensation for 1997, excluding pay elements not subject to general wage increases under Section 8 of this Article and lump sums, over



- ii. the lesser of (x) one-half of the amount described in clause (i) above and (y) one-and-one-half times one-quarter of the amount, if any, by which the carrier's payment rate for 1998 for foreign-to-occupation health benefits under the Plan exceed such payment rate for 1995.

#### Section 6 – Third General Wage Increase

Effective July 1, 1999, all standard basic daily rates of pay in effect on June 30, 1999 for employees represented by United Transportation Union (y) shall be increased by three-and-one-half (3 ½) percent, computed and applied in the same manner prescribed in Section 1 above.

#### Section 7 – Standard Rates

The applicable standard basic daily rates of pay produced by application of the increases provided for in this Article are set forth in APPENDIX 1 as attached hereto and shall be incorporated into and made a part of this Agreement to the same extent as if included herein.

#### Section 8 – Application of Wage Increases

- a) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.
- b) Existing money differentials above existing standard daily rates shall be maintained.

#### Section 9 – Definition of Carriers' Payment Rate

The Carriers payment rate for any year for foreign to occupation health benefits under the Plan shall mean twelve (12) times the payment made by the Carriers to the Plan per month (in such year) per employee who is fully covered for employee health benefits under the Plan. Carrier payments to the Plan for these purposes shall not include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the plan, to pay or provide for current plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating Carriers pursuant to Article III, Part A, Section 1 of the Agreed-Upon Implementation of Public Law 102 – 29 (1991 national implementing document).

#### Section 10 – Eligibility for Receipt of Signing Bonus, Lump-Sum Payments

The signing bonus and lump sum payments provided for in this Article shall be paid to each employee subject to this Agreement who has an employment relationship as of the date such payments are payable, or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payment. There shall be no duplication of lump sum payment by virtue employment under another Agreement normal such payments be used to offset, construct or increase guarantees in protective agreements or arrangements.

#### Section 11 – Calculation of Vacation Pay

The retroactive back pay, signing bonus and lump-sum payments provided for in Sections 1, 2, 3, and 5 of this Article will be included in the earnings for employee in the determination of vacation allowance is due in the year subsequent to their payment.

## Section 12 – Questions and Answers

- Q In calculating employees compensation for the 1% signing bonus and subsequent lump-sum payments provided for in this Article, what is the basis upon which the percentage is determined?
- A The employee’s compensation as used on such employees Carrier to determine vacation pay entitlement in the calendar year so stated beginning January 1 and extending through December 31.
- Q Are lump-sum payments applicable to employees who are suspended, as well as employees who are reinstated with rights unimpaired?
- A Yes, because in both cases the employment relationship is maintained.
- Q An employee had earnings in 1994 and 1995, however, the employee is not currently active due to disability. Is this employee eligible for the signing bonus in 19 A6 lump-sum payment?
- A Yes, so long as the employee maintains his/her employment relationship with a carrier, or subsequently retires or dies.
- Q How will the lump sums be calculated for employee who perform service for a carrier not party to this contract during the years of 1994 and 1995, but currently employed by Indiana Harbor Belt Railroad Company?
- A Only compensation earned on the carrier party to this agreement at which employed on the date payment is due will be credited.
- Q What is the definition of “foreign- to-occupation” as used in Section 5?
- A “Foreign-to-occupation” is defined in Article 1 Section 5 to mean “other than on duty”.

## ARTICLE II – COST-OF-LIVING PAYMENTS

### Part A – Cost-of-Living Payments Under 1991 National Implementing Document

The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II Part B of the 1991 National Implementing Document shall be rolled into basic rates of pay on November 30, 1995 and such Article II Part B shall be eliminated at that time. Any amounts paid from January 1 19 A6 art aforementioned COLA provisions (effective January 1, 1996) shall be deducted from amount payable under Article I of this Agreement.

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

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

<b>Measurement Periods</b>		
<b>Base Month</b>	<b>Measurement Month</b>	<b>Effective Date of Adjustment</b>
March 1995	March 1996	
March 1997	March 1998	December 31, 1999

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

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

<b>Effective date of Adjustment</b>	<b>Minimum CPI Increase That Shall be Taken Into Account</b>
December 31, 1999	4% of March 1995 CPI plus 4% of March 1997 CPI

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

<b>Effective Date of Adjustment</b>	<b>Minimum CPI Increase That Shall be Taken Into Account</b>
December 31, 1999	6% of March 1995 CPI plus 6% of March 1997 CPI

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

## [Part C – Cost-of-Living Allowance and Adjustments Thereto After January 1, 2000](#)

### [Section 1 – Cost-of-Living Allowance and Effective Dates of Adjustments](#)

- a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part. based on the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index. all items - unadjusted. as published by the Bureau of Labor Statistics. U.S. Department of Labor. and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2000 based. subject to paragraph (d), on the CPI for March 2000 as compared with the CPI for September 1999. Such allowance, and further cost-of-

living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table. subject to the exception provided in paragraph (d) (iii). according to the formula set forth in paragraph (e).

<b>Measurement Periods</b>		
<b>Base Month</b>	<b>Measurement Month</b>	<b>Effective Date of Adjustment</b>
September 1999	March 2000	July 1, 2000
March 2000	September 1998	January 1, 2001

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

- b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, vacations, holidays, and to special allowances in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles, or fixed amounts of money.
- c) The amount of the cost-of-living allowance, if any, that shall be effective from one adjustment date to the next may be equal to, or greater or less than the cost-of-living allowance in effect in the preceding adjustment period.
- d)
  - i. Cap. In calculations under paragraph (e), the maximum increase in CPI that shall be taken into account shall be as follows:

<b>Effective date of Adjustment</b>	<b>Minimum CPI Increase That May be Taken Into Account</b>
July 1, 2000	3% of September 1999 CPI
January 1, 2001	6% of September 1999 CPI, less the increase from September 1999 to March 2000

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

- ii. Limitation. In the calculations under paragraph (e), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.
- iii. If the increase in the CPI from the base month of September 1999 to the measurement month of March 2000 exceeds 3% of the September 1999 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month

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

- iv. Any increase in the CPI from the base month of September 1999 to the measurement month of September 2000 in excess of 6% of the September 1999 base index shall not be taken into account in the determination of subsequent cost-of-living adjustment.
  - v. The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.
- e) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (d), shall be converted into cents on the basis of one cent equals 0.3 full points. (by "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point change after the conversion shall not be counted. The cost-of-living allowance in effect on December 31, 2000 shall be adjusted (increased or decreased) effective January 1, 2001 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d) in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be added to the amount of the cost-of-living allowance in effect on December 31, 2000 if the CPI shall have been higher at the end than at the beginning of the measurement period and then, only to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments.
- f) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is 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 Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W during such measuring Period.

## Section 2 – Payment of Cost-of-Living Allowances

- a) The cost-of-living allowance payable to each employee effective July 1, 2000 shall be equal to the difference between:
  - i. the cost-of-living allowance effective on that date pursuant to Section 1 of this Part, and
  - ii. the lesser of (x) the cents per hour produced by dividing one-quarter of the increase, if any, in the Carriers' 1999 payment rate for foreign-to-occupation

health benefits under the Plan over such payment rate for 1998, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available and (y) one-half of the cost-of-living allowance effective July 1, 2000.

- b) The increase in the cost-of-living allowance effective January 1, 2001 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.
- c) The increase in the cost-of-living allowance effective July 1, 2001 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.
- d) The procedure specified in paragraphs (b) and (c) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.
- e) The definition of the Carriers' payment rate for foreign-to-occupation health benefits under the Plan set forth in Section 9 of Article 1 shall apply with respect to any year covered by this Section.
- f) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent: fractions less than one-half cent shall be dropped and fractions of one-half or more shall be increased to the nearest full cent.

### Section 3 – Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part C will not become part of basic rates of pay. In application of such allowance, each one cent per hour of cost-of-living allowance that is payable shall be treated as an increase of 8 cents in the basic daily rates of pay produced by application of ARTICLE I. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 8 of ARTICLE I.

### Section 4 – Continuation of Part C

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

## ARTICLE III – DENTAL BENEFITS

### Section 1 – Continuation of Plan

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

### Section 2 – Eligibility

Existing eligibility requirements under the Dental Plan are amended effective June 1, 1997, to provide that in order for an employee and his eligible dependents to be covered for Covered Dental Expenses (as defined in the Dental Plan) during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for at least one (1) calendar day during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of

compensated service solely for purposes of this Section. Existing Dental Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Note: Employees represented by UTU(y) shall continue to be a part of the Railway Employees National Dental Plan (Dental Plan)

### Section 3 – Benefit Changes

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

- a) The maximum benefit (exclusive of any benefits for orthodonture) which may be paid with respect to a covered employee or dependent in any calendar year beginning with calendar year 1999 will be increased from \$1,000 to \$1,500.
- b) The lifetime aggregate benefits payable for all orthodontic treatment rendered to a covered dependent, regardless of any interruption in service, will be increased from \$750 to \$1,000.
- c) The exclusion from coverage for implantology (including synthetic grafting) services shall be deleted and dental implants and related services will be added to the list of Type C dental services for which the Plan pays benefits.
- d) Repair of existing dental implants will be added to the list of Type B dental services for which the Plan pays benefits.
- e) One application of sealants in any calendar year for dependent children under 14 years of age will be added to the list of Type A dental services for which the Plan pays benefits.
- f) The Plan will pay 80% rather than 75% of covered expenses for Type B dental services.
- g) The Plan will establish and maintain an 800-telephone number that employees and dependents may use to make inquiries regarding the Plan.

## ARTICLE IV – VISION CARE

### Section 1 – Establishment and Effective Date

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

- a) eligibility and coverage employees and their dependents will be eligible for covered under the plan beginning on the first day of the calendar month after the employee has completed a year service for a participating railroad, but no earlier than the first day of January 1999. An eligible employee who renders compensated service on or received vacation pay for at least one (1) calendar day in a calendar month will be covered under the Plan, along with his eligible dependents, during the immediately succeeding calendar month. Any calendar day on which the employee assigned to an extra list is available for service does not perform service shall be deemed a day of compensated service solely for the purpose of this section.

Note: Employees represented by UTU(y) shall continue to be a part of the Vision Care Plan.

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

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



a set of two lenses of the same kind.

- 1) Patients who select frames that exceed a wholesale allowance established under the program may be required to pay part of the cost of the frames selected.
- 2) Patients may be required to pay part of the cost of spectacle lens characteristics that are not necessary for the patient's visual welfare. Moreover, patients who choose contact lenses in lieu of spectacles may be required to pay part of a contact lens evaluation fee and part of the cost of fitting and materials.

## Section 2 – Administration

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

## ARTICLE V – BENEFITS ELIGIBILITY

### Section 1 – Health and Welfare Plan

The Railroad Employees National Health and Welfare Plan ("the Plan") is amended, effective June 1, 1997, as provided in this Section. In order for an Eligible Employee (as defined by the Plan) to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the qualifying month"), such employee must have rendered compensated service on, or received vacation pay for at least one (1) calendar day during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in Effect.

Note: Employees represented by UTU(y) shall continue to be a part of the Railroad Employees National Health & Welfare Plan ("the Plan").

### Section 2 – Vacation Benefits

Existing Rules governing vacations are amended as follows effective January 1, 1997:

- a) Calendar days on which an employee assigned to an extra list is available for service and on which days he performs no service, not exceeding ninety (90) such days, will be included in the determination of qualification for vacation, also, calendar days, not in excess of forty-five (45), on which an employee is absent from and unable to perform service because of injury received on duty will be included. Such calendar days shall not be subject to the multiplying factors set forth in existing vacation rules as amended.
- b) Calendar days on which an employee is compensated while attending training and rules classes at the direction of the Carrier will be included in the determination of qualification for vacation. Such calendar days shall not be subject to the multiplying factors set forth in existing vacation rules as amended.

- c) During a calendar year in which an employee's vacation entitlement will increase on the anniversary date, such employee shall be permitted to schedule the additional vacation time to which entitled on the anniversary date at any time during that calendar year.
- d) A Yardman may make up to five (5) one week splits in his annual vacation in any calendar year.
- e) A Yardman may take up to one (1) week of his annual vacation in single day increments.
- f) Existing rules and practices regarding vacations not specifically amended by this Section including (but not limited to) scheduling of vacations, shall continue in effect without change.

### Section 3 – Scope of this Article

This Article is not intended to restrict any of the existing rights of this Carrier except as specifically provided herein.

## ARTICLE VI – ENHANCED CUSTOMER SERVICE

### Section 1 – Separate and Special Agreement

In the event Indiana Harbor Belt Railroad Company has a customer request for particularized handling that would provide more efficient service, or can show a need for relaxation of certain specific work rules to attract or retain a customer, such service may be instituted, however, this shall be accomplished by a Separate and Special Agreement by and between UTU(y) General Chairperson and Director of Labor Relations.

In the event UTU(y) General Chairperson and Director of Labor Relations are unable to consummate a Separate and Special Agreement, the provisions as set forth in Article VI, Section 2 herein apply.

### Section 2 – Provisions

- a) In the event UTU(y) General Chairperson and Director of Labor Relations are unable to consummate a Separate and Special Agreement as set forth in Section 1 as contained in Article VI herein, prior to implementing enhanced customer service, the Carrier will extend a minimum of a seven (7) day advance notice to General Chairperson of United Transportation Union(y) involved. Such notice will include an explanation of the need to provide the service, a description of the service, and a description of the work rules that may require relaxation for implementation. Relaxation of work rules that may be required under this Article shall be limited to starting times, on/off duty, and switching district boundaries.

**Note:** The Carrier shall not utilize Outer Belt Transfer Assignment(s) for the purpose of implementing Article VI, Section 2, as contained herein, unless mutually agreed upon by the parties signatory hereto.

- b) A joint Committee, comprised of the General Manager and Carrier Representative(s), and General Chairperson and Organization Representative(s), shall determine whether a need exists, as provided in paragraph (a), to provide the service. If the joint Committee has not made its determination by the end of the advance notice period referenced in

paragraph (a), it shall be deemed to be deadlocked and the service will be allowed on an experimental basis for a three-month period. If after the three-months has expired the Organization members of the Joint Committee continue to object, the matter shall be referred to arbitration.

- c) If the parties are unable to agree upon an arbitrator within seven days of the date of the request for arbitration, either party may request the National Mediation Board to provide a list of five potential arbitrators, from which the parties shall choose the arbitrator through alternate striking. The order of such striking shall be determined by coin flip unless otherwise agreed by the parties.
- d) The determination of the arbitrator shall be limited to whether the Carrier has shown a bona fide need to provide the service requested or can provide the service without a special exception to existing work rules being made at a comparable cost to the Carrier. If the arbitrator determines that this standard has not been met, the arbitrator shall have the discretion to award compensation for all wages compensation for all wages and benefits lost by an employee as a result of the Carrier's implementation of its proposal.

### Section 3 – Question and Answers

- Q-1: Should the Carrier notify the UTU(y) General Chairperson in writing when and where it intends to establish such service and identify the involved customer?
- A-1: Yes, and such notification should include the specific rule(s) where relief or relaxation is requested.
- Q-2: Can a Carrier be considered a customer in the application of this rule?
- A-2: The word "customer" as used in paragraph (a), was not meant to apply to a Carrier.
- Q-3: Does Article VI contemplate the use of yard crews from one switching district of Carrier to perform service for a customer which is located on the line of another Carrier?
- A-3: It is not the intent of the rule to permit yard crews from one Carrier to substitute for yard crews of another unrelated Carrier.
- Q-4: Are any employee protective provisions applicable to employees adversely affected by the institution of service under Article VI?
- A-4: As set forth in Section 2 (d).
- Q-5: Does Article VI contemplate the establishment of split-shifts in yard service?
- A-5: No.
- Q-6: Paragraph (d) requires that the Carrier show a "bona fide" need for the rule relief requested or that it cannot provide the service at a "Comparable cost" under the existing rules. Will the Carrier's burden of proof in this regard be met simply by showing that the customer service can be accomplished at a reduced cost?
- A-6: No. The Carrier will also have to show that it can provide more efficient service.

- Q-7: If a Carrier fails to comply with the provisions of Article VI, what remedy is available to employees adversely affected by the Carrier's implementation of its proposal?
- A-7: The arbitrator is authorized to fashion a remedy appropriate to the circumstances under Section 2 (d).

#### ARTICLE VII – RATE PROGRESSION – NEW HIRES

Article V – Rate Progression – New Hires as contained in the May 1, 1988 Agreement between the Indiana Harbor Belt Railroad Company and its employees represented by the United Transportation Union (y) is hereby amended and the following shall apply in addition thereto.

A Yardman who has a previous employment relationship with another Carrier(s) as a Yardman and is subsequently hired by the Indiana Harbor Belt Railroad Company, shall receive monthly credit(s) toward his/her completion of the sixty (60) month period by utilizing every month in which compensated service was performed as a Yardman for another Carrier(s). The IHB shall apply those months of compensated services from another Carrier(s) to his/her sixty (60) month period as an IHB Yardman in order to accelerate his/her rate progression. Such compensated service from another Carrier(s) as a Yardman must have last occurred within one (1) year of the date of employment with the Indiana Harbor Belt Railroad Company.

Note: This amendment to Article V – Rate Progression – New Hires as contained in May 1, 1988 Agreement between IHB and UTU(y) shall apply to an employee of the Indiana Harbor Belt Railroad Company in any craft who is subsequently employed and establishes seniority as and IHB Yardman.

#### ARTICLE VIII – LUNCH PERIOD

Article IV – Lunch Period, as contained in the October 1, 1992 Agreement between Indiana Harbor Belt Railroad Company and its Employees represented by United Transportation Union (y) is hereby abrogated and the following shall apply in substitution thereof.

##### Section 1 – Lunch Period for Yardmen Working in Outer Belt Transfer Service

- a) A Yardman in Outer Belt Transfer Service shall be allowed thirty (30) minutes for lunch without deduction in pay. The lunch period shall commence between 3 hours and 8 hours after the starting time of the assignment.
- b) In the event a Yardman in Outer Belt Transfer Service is not afforded a lunch period during his tour of duty as specified in Article VIII, Section 1 (a) herein, the lunch period shall be considered waived and that Yardman shall be paid thirty (30) minutes at the applicable overtime rate of pay in addition to any other compensation, in lieu thereof.
- c) It is agreed that all members of the crew shall begin and end their lunch period as a unit.
- d) It is agreed that all members of the crew shall be afforded an appropriate / reasonable facility for lunch.

## Section 2 – Lunch Period for Yardmen Working in Other Than Outer Belt Transfer Service

- a) A Yardman in other than Outer Belt Transfer Service shall be allowed thirty (30) minutes for lunch without deduction in pay. The lunch period shall commence between 3 hours and 7 hours after the starting time of the assignment.
- b) In the event a Yardman in other than Outer Belt Transfer Service is not afforded a lunch period during his tour of duty as specified in Article VIII. Section 2 (a) herein, such Yardman shall be paid thirty (30) minutes at the applicable overtime rate of pay in addition to any other compensation, in lieu thereof. It is hereby understood that additionally, such Yardman shall be allowed a lunch period as close to the four (4) hour period as service requirements permit, subject to the provisions as contained in Article VIII. Section 2 (c) herein.
- c) In the event a Yardman in other than Outer Belt Transfer Service is not afforded a lunch period prior to ten (10) hours on duty, such Yardman shall be paid thirty (30) minutes at the applicable overtime rate of pay in addition to thirty (30) minutes at the applicable overtime rate of pay as provided for in Section 2 (b) herein, for a total of sixty (60) minutes at the applicable overtime rate of pay in addition to any other compensation and the lunch period shall be considered waived.
- d) It is agreed that all members of the crew shall begin and end their lunch period as a unit.
- e) It is agreed that all members of the crew shall be afforded an appropriate/reasonable facility for lunch.

## Section 3 – Lunch Period for Car Retarder Operators

- a) Car Retarder Operators shall be allowed thirty (30) minutes for lunch without deduction in pay. The lunch period shall commence between 3 and 7 hours after the starting of the assignment.
- b) Car Retarder Operators shall not be required to work longer than 7 hours without being allowed to go to lunch without deduction in pay or time therefor.

## ARTICLE IX – DISTRIBUTION OF LOCOMOTIVES

### Section 1 – Abolished Herder Assignments

Effective June 1, 1997 and thereafter, the Carrier shall not call or establish a Herder Assignment(s) in Yard service (including Outer Belt Transfer Service).

### Section 2 – Permissible Locomotive Distribution (Yard Service)

Effective June 1, 1997 and thereafter, a Yardman(s) in Yard service (in other than Outer Belt Transfer Service) may be required to distribute locomotive(s) within the confines of such yard assignment's switching district without additional compensation.

Note: An IHB Yardman may be required by the Carrier to attach such locomotive(s) to a train. Additionally, Yardman may be required by the Carrier to buckle the air hose between such locomotive(s) and the head car and cut the air into such train.

### Section 3 – Permissible Locomotive Distribution (Outer Belt Transfer Service)

Effective June 1, 1997 and thereafter, a Yardman(s) in Outer Belt Transfer Service may be required to distribute locomotive(s) from one switching district to another without additional compensation.

### ARTICLE X – 401(K) PLAN

The provisions of the 401(K) Plan are contained in [Appendix II](#) as attached hereto, shall be incorporated into and made a part of this Agreement to the same extent as if included herein.

### ARTICLE XI – YARDMAN TRAINING PROGRAM

Side Letter #9 dated August 28, 1992 as contained in the October 1, 1992 Agreement between Indiana Harbor Belt Railroad Company and Employees represented by the United Transportation Union (y) is hereby **abrogated** and the provisions as contained in Appendix III shall apply in substitution thereof.

Note: Appendix III as attached hereto shall be incorporated into and made a part of this Agreement to the same extent as if included herein.

### APPENDIX III– YARDMAN TRAINING PROGRAM

As a result of Crew Consist and the implementation of the Foreman Only Crew, the parties to this Agreement recognize the necessity of training a Yard Helper to become a Yard Foreman, and then Foremen. This process is vital in order to meet the requirements of the service.

Therefore, in the event Indiana Harbor Belt Railroad Company employs ab IHB Yardman/Yardmen at Norpaul, Argo, Blue Island, and/or Gibson, the following training program shall be utilized in an effort to promote a Yard Helper to Yard Foreman and then to Foreman. This Agreement shall apply to a Yardman employed by IHB on or subsequent to June 1, 1997, except as provided for in Section 8 herein.

### Section 1 – Initial Yardman Training

- A. In the event a Yardman is employed by IHB, he/she shall initially be placed in a four (4) week training program consisting of classroom instruction and field training. Classroom instruction shall consist of instructional training such as but not limited to, safety rules, time table rules, operating rules, signal rules, hazardous material regulations, federal regulations, train air/brake rules/systems, air tests, etc. Field training shall consist of instructional training such as but not limited to, radio procedure, operating switches, coupling onto equipment with locomotive(s) and/or cars, separating cars, applying hand brakes, switching equipment, making air hoses, etc. The Carrier shall bare the expense for this training program in its entirety.

Note 1: ARTICLE VII – APPLICATION FOR EMPLOYMENT, Section 1 – Probationary Period as contained in the August 25, 1978 National Agreement between IHB and UTU(y) shall apply from the first day a Yardman performs compensated service and commences training in connection with Section 1 as contained herein.

Note 2: ARTICLE V – RATE PROGRESSION – NEW HIRES as contained in the May 1, 1988 National Agreement between IHB and UTU(y) and ARTICLE VII – RATE PROGRESSION – NEW HIRES as contained in the June 1, 1997 Agreement between IHB and UTU(y) shall apply from the first day a Yardman performs compensated service and commences training in connection with Section 1 as contained herein.

- B. A Yardman placed in this four (4) week training program shall engage in training for a forty-eight (48) hour straight time work week. This forty-eight (48) hours straight time work week may consist of four (4) days per week, twelve (12) hours per day, four (4) days per week, ten (10) hours per day along with one (1) eight (8) hour day, or six (6) days per week, eight (8) hours per day, or any combination pertaining thereto. However, such work week shall not exceed a total of forty-eight (48) hours per calendar week. A Yardman participating in this training program shall be afforded a thirty (30) minute lunch period during the course of the daily training program. The thirty (30) minute lunch period shall be taken when practicable.
- C. A Yardman placed in this four (4) week training program shall be paid six hundred two dollars and six cents (\$602.06) per calendar week. The \$602.06 shall increase commensurate to general wage increases and/or cost of living increases that are applied to IHB Yardmen. A Yardman must be available for the entire forty-eight (48) hour per calendar week training program in order to receive the full rate of \$602.06 as adjusted. The pro-rata daily rate may be deducted for each day in such calendar week a Yardman is not available of his/her own volition. However, no deduction shall be made for days on which training is not scheduled.
- D. In the event IHB employs an experienced Yardman, the Carrier, at its discretion, may accelerate his/her four (4) week training program and after the training program is completed by such Yardman, he/she shall immediately be required to fulfill the provisions as contained in Section 2 herein.
- E. A Yardman must complete provisions as contained in Section 1 herein and shall then be immediately required to fulfill the provisions as contained in Section 2 herein.

#### Section 2 – On the Job Training (Yard Helper)

- A. A Yardman who completes the provisions as contained in Section 1 herein shall begin to perform service for the Carrier as a Tard Helper in accordance with existing schedule Agreements and past practices between IHB and UTU(y). Such Yardman shall perform service for the Carrier as a Yard Helper for not less than four (4) calendar weeks but not to exceed eight (8) calendar weeks in connection herewith. This four (4) week to eight (8) week period of time shall be determined at the discretion of the Carrier
- B. A Yardman who completes the provisions as contained in Section 1 herein shall be placed on his/her respective extra board by date of application. If more than one

Yardman has the same date of application from the same seniority district, such Yardmen shall be placed on that extra board in birth date order, older ahead of younger. If such Yardmen share the same birth date, they shall be placed on that extra board in alphabetical order by last name, A before B. However, a Yardman shall be shown on his/her respective seniority roster with a seniority date when such Yardman actually performs his/her first day of compensated service for the Carrier.

- C. A Yardman who is performing service for the Carrier as provided for in Section 2 herein shall receive his/her applicable rate of pay as provided by the Agreements between IHB and UTU(y).
- D. A Yardman must complete the provisions as contained in Section 2 herein and shall then be immediately required to fulfill the provisions as contained in Section 3 herein.

### Section 3 – Yard Foreman Training

- A. A Yardman who completes the provisions as contained in Section 2 herein shall be a Yard Foreman Trainee and shall be assigned to regular yard assignments at his/her home terminal. Such Yard Foreman Trainee shall be given a schedule from the Carrier identifying to such Yard Foreman Trainee specific assignments to perform service on as a Yard Foreman Trainee. The Yard Foreman training program shall be for not less than one (1) calendar week, but not to exceed eight (8) calendar weeks. This one (1) week to eight (8) week time period shall be determined at the discretion of the Carrier. The Carrier shall provide such Yard Foreman trainee with his/her training schedule on a weekly basis. The Carrier shall provide such Yard Foreman trainee with his/her schedule forty-eight (48) hours in advance.

Note 1: In the event a promoted Yard Foreman or Foreman and Yard Helper are assigned a Yard Foreman Trainee. Such Yard Foreman or Foreman and Yard Helper shall each be paid one (1) hour at the applicable straight time rate of pay for assisting with the training of such Yard Foreman Trainee.

Note 2: In the event a promoted Yard Foreman or Foreman is assigned a Yard Foreman Trainee, such Yard Foreman or Foreman shall be paid one (1) hour at the Foreman straight time rate of pay for assisting with the training of such Yard Foreman Trainee.

Note 3: A Yard Foreman Trainee shall not be considered a member of the train crew for the purpose of applying the Crew Consist Agreement.

Note 4: A Yard Foreman or Foreman shall be responsible to complete an evaluation form at the end of each tour of duty relative to the performance of the Yard Foreman Trainee.



- B. A Yard Foreman Trainee shall be on a five (5) day work week while training to be a Yard Foreman
- C. A Yardman employed by IHB who is performing service for the Carrier as a Yard Foreman trainee shall receive his/her applicable rate of pay is provided for by Agreement between IHB and UTU(y).
- D. A Yardman performing service for the Carrier as a Yard Foreman Trainee who completes his/her entire schedule shall be required to complete and pass a Book of Rules and/or Yard Foreman promotional examination. A Yard Foreman Trainee shall be paid one (1) day's pay at the Foreman's rate of pay for taking the first Yard Foreman Promotional Examination. Upon successful completion, such Yard Foreman Trainee shall be promoted to Yard Foreman on that date. A Yard Foreman shall be required to perform service on yard assignments that work within the confines of his/her seniority district.

Note 1: A promoted Yard Foreman shall not be demoted as a Yard Foreman for any reason.

Note 2: A promoted Yard Foreman shall not relinquish his/her seniority standing as a Yard Foreman except for medical reasons.

- E. In the event such Yard Foreman trainee fails to pass the yard Foreman promotional examination of his/her first attempt he/she shall be given a second opportunity to pass the Yard Foreman Promotional Examination. A Yard Foreman Trainee shall be paid one (1) day's pay at the Foreman's rate of pay for taking the second Yard Foreman Promotional Examination. The second examination shall be taken not less than five (5) calendar days but not to exceed ten (10) calendar days following the failure of the first examination. This five (5) day to ten (10) day time period in connection hereto shall be determined at the discretion of the Yard Foreman Trainee.

Note 1: The Yard Foreman Trainee may request the assistance of the Carrier in order to help him/her pass the second examination.

Note 2: Such Yard Foreman Trainee may mark up to perform service for the Carrier is a Yard Helper while waiting to take the second examination or the Carrier may require such Yard Foreman Trainee to continue training in the Yard Foreman Training Program.

- F. In the event such Yard Foreman Trainee fails to pass the Yard Foreman Promotional Examination on his/her second attempt, he/she shall be given a third opportunity to pass the Yard Foreman Promotional Examination. The Yard Foreman Trainee shall be paid one (1) day's pay at the Foreman's rate of pay for taking the third Yard Foreman Promotional Examination. The third examination shall be taken not less than ten (10)

calendar days, but not to exceed thirty (30) calendar days following the failure of the second examination. This ten (10) day to thirty (30) day time period in connection hereto shall be determined at the discretion of the Yard Foreman Trainee. In the event a Yard Foreman fails to pass the third Yard Foreman Promotional Examination, he/she shall automatically forfeit all employment rights and seniority rights in yard service and therefore be terminated as an IHB Yardman.

Note 1: The Yard Foreman Trainee may request the assistance of the Carrier in order to help him/her pass this third examination.

Note 2: Such Yard Foreman Trainee may mark up to perform service for the Carrier is a Yard Helper while waiting to take the third examination or the Carrier may require such Yard Foreman Trainee to continue training in the Yard Foreman Training Program.

- G. A Yardman who completes provisions as contained in Section 3 herein shall be required to fulfill the provisions as contained in Section 4 herein.

#### Section 4 – Foreman Training

- A. A Yardman who completes the provisions as contained in Section 3 herein shall become eligible for the Foreman Training Program. This Foreman Training Program shall commence between such Yardman's ninety-third (93<sup>rd</sup>) day of employment with IHB as an IHB Yardman and his/her three hundred and sixty-fifth (365<sup>th</sup>) day of employment with IHB as an IHB Yardman.
- B. A Yardman may request to engage in the Foreman Training Program at any time subsequent to completing the provisions as contained in Section 1, Section 2, and Section 3 as contained herein. If a Yardman's request is prior his/her 365<sup>th</sup> day of employment with IHB as an IHB Yardman, such Yardman's request may be denied by the Carrier without penalty to the Carrier. However, the Carrier shall arrange to have such Yardmen placed in the Foreman Training Program on or prior to his/her 365<sup>th</sup> day of employment with IHB as an IHB Yardman.
- C. The Carrier may require a Yard Foreman to engage in the Foreman Training Program as provided for in Section 4 herein at any time after completing the provisions as contained in Section 1, Section 2, and Section 3 herein in order to meet the requirements of the service. This shall be done at the discretion of the Carrier.
- D. A Foreman Trainee shall be assigned to regular Outer Belt Transfer Assignments at any terminal i.e. Norpaul, Argo, Blue Island, and/or Gibson. A Foreman Trainee shall be given a schedule from the Carrier identifying to such Foreman Trainee specific assignments in Outer Belt Transfer Service to perform service on as a Foreman Trainee. He/she shall be trained for not less than eight (8) calendar weeks, but not to exceed sixteen (16)

calendar weeks. This eight (8) week to sixteen (16) week time period shall be determined at the discretion of the Carrier. The Carrier shall provide such Foreman Trainee with his/her schedule forty-eight (48) hours in advance.

Note 1: In the event a promoted Foreman is assigned a Foreman Trainee, such Foreman shall be paid one (1) hour at the Foreman straight time rate of pay for assisting with the training of a Foreman Trainee. The Helper(s) on a Standard or Reduce Crew on an Outer Belt Transfer Assignment shall not be required to assist with training of a Foreman Trainee.

Note 2: A Foreman Trainee shall not be considered a member of the train crew for the purposes of applying the Crew Consist Agreement.

Note 3: A promoted Yard Foreman shall be responsible to complete an evaluation form at the end of each tour of duty relative to the performance of the Foreman Trainee.

- E. A Foreman Trainee shall be on a five (5) day work week while training to be a Foreman.
- F. A Yardman performing service for the Carrier as a Foreman Trainee who completes his/her entire schedule shall be required to Complete and pass a Foreman Promotional Examination. A Foreman Trainee shall be paid one (1) day's pay at the Foreman's rate of pay for taking the first Foreman Promotional Examination. Upon successful completion, such Foreman Trainee shall be a promoted Foreman on that date. He/she shall be required to perform duties of a Foreman in yard service, including Outer Belt Transfer Service.

Note 1: A promoted Foreman shall not be demoted as a Foreman for any reason.

Note 2: A promoted Foreman shall not relinquish his/her seniority standing as a Foreman except for medical reasons.

- G. In the event such Foreman Trainee fails to pass the Foreman Promotional Examination on the first attempt he/she shall be given a second opportunity to pass the Foreman Promotional Examination. A Foreman Trainee shall be paid one (1) day's pay at the Foreman's rate of pay for taking the second Foreman Promotional Examination. The second examination shall be taken not less than five (5) calendar days but not to exceed ten (10) calendar days following the failure of the first examination. This five (5) day to ten (10) day time period in connection hereto shall be determined at the discretion of the Foreman Trainee.

Note 1: The Foreman Trainee may request the assistance of the Carrier in order to help him/her pass the second examination.

Note 2: Such Foreman Trainee may mark up to perform service for the Carrier as a Yard Foreman or Yard Helper while waiting to take his/her second examination or the Carrier may require such Foreman Trainee to continue training in the Foreman Training Program.

H. In the event such Foreman Trainee fails to pass the Foreman Promotional Examination on the second attempt, he/she shall be given a third opportunity to pass the Foreman Promotional Examination. A Foreman Trainee shall be paid one (1) day's pay at the Foreman's rate of pay for taking the third Foreman Promotional Examination. The second examination shall be taken not less than ten (10) calendar days but not to exceed thirty (30) calendar days following the failure of the first examination. This ten (10) day to ten (30) day time period in connection hereto shall be determined at the discretion of the Foreman Trainee. In the event a Yard Foreman fails to pass the third Foreman examination, he/she shall automatically forfeit all employment rights and seniority rights in yard service and therefore be terminated as an IHB Yardman.

Note 1: The Foreman Trainee may request the assistance of the Carrier in order to help him/her pass the third examination.

Note 2: Such Foreman Trainee may mark up to perform service for the Carrier as a Yard Foreman or Yard Helper while waiting to take his/her third examination or the Carrier may require such Foreman Trainee to continue training in the Foreman Training Program.

#### Section 5 – Training Coordinator

A. The Carrier may utilize a Training Coordinator who shall be an IHB Foreman (Yardman). Such Training Coordinator may be used at the discretion of the Carrier and utilized in connection with Section 1, Section 2, Section 3, and/or Section 4 as contained herein. The Training Coordinator(s) shall be selected by mutual consent between the Carrier and the General Chairperson, UTU(y).

Note 1: A Training Coordinator shall be utilized during the course of field training as provided for in Section 1 herein.

B. The Training Coordinator shall receive the Foreman's rate of pay plus one (1) hour at the Foreman's rate of pay, and the Foreman Only Allowance, when applicable.

## Section 6 – Disrupted Training

In the event an IHB Yardman is furloughed or becomes sick or injured while in the Yard Foreman Training Program and/or the Foreman Training Program as provided for in Section 3 and/or Section 4 herein, such Yardman shall be required to complete such training program(s). However, it shall be at the discretion of the Carrier as to whether or not such Yardman must complete the training program(s) where he/she left off or retake the training program(s) in its entirety.

## Section 7 – Entitled Provisions

An IHB Yardman shall be entitled to all of the applicable provisions of all Agreements between IHB and UTU(y) such as but not limited to, health & welfare, holiday pay/credits, vacation pay/credits, bereavement pay, jury duty pay, etc. while engaged in the provisions as set forth in Section 1, Section 2, and Section 3, and/or Section 4 as contained herein.

## Section 8 – Exception to ARTICLE XI

ARTICLE XI, Sections 1 through and including Section 7 shall not apply to IHB Yardmen who were employed by the Carrier prior to June 1, 1997, except as provided for in Section 8 herein.

- A. An IHB Yardman employed by the Carrier prior to June 1, 1997, who is not yet promoted Yard Foreman may request promotion to Yard Foreman by contacting the Carrier Superintendent. Such Yardmen may be required to engage in the provisions as set forth in Section 3 herein or the Superintendent shall arrange for such Yardman to be given a Yard Foreman Promotional Examination. Such Yardmen shall be paid one (1) day's pay at the Foreman's rate of pay for taking Yard Foreman Promotional Examination. Despite the best efforts of all concerned, if such Yardman cannot pass Yard Foreman Promotional Examination, he/she shall be permitted to continue to work as a Yard Helper on assignments that do not require Yard Foreman qualifications.
- B. An IHB Yardman employed by the Carrier prior to June 1, 1977, who is not yet a promoted Foreman may request promotion to Foreman by contacting Carrier Superintendent. Such yardmen may be required to engage in provisions as set forth in Section 4 herein or the Superintendent shall arrange for such Yardman to be given a Foreman Promotional Examination. Such yardmen shall be paid one (1) day's pay at the Foreman's rate of pay for taking the Foreman Promotional Examination. Despite the best efforts of all concerned, if such Yardman cannot pass the Foreman Promotional Examination, he/she shall be permitted to continue to work as a Yard Foreman or Yard Helper on assignments that do not require Foreman qualifications.
- C. In order to meet the requirements of the service, the Carrier may require a Yardman to take promotion to Yard Foreman and/or Foreman. In the event the Carrier requires a Yardman to take promotion to Yard Foreman and/or Foreman, the Carrier shall place such Yardman/Yardmen in the Yard Foreman Training Program and/or Foreman Training Program in order to assist such yardmen and successfully completing Yard Foreman Promotional Examination and/or Foreman Promotional Examination.

Note: Despite the best efforts of all concerned, if such Yardman cannot pass the Yard Foreman Promotional Examination and/or the Foreman Promotional Examination, he/she shall be permitted to continue to work as a Yard Foreman or Yard Helper on assignments that do not require Foreman qualifications. Such Yardmen shall not be terminated as a Yardman due to failed promotion.

- D. All IHB Yardman who are a Promoted Yard Foreman prior to June 1, 1997, shall not be required to take a Yard Foreman Promotional Examination.
- E. All IHB Yardman who are a Promoted Yard Foreman prior to June 1, 1997, shall not be required to take a Foreman Promotional Examination.
- F. All IHB Yardman who are a Promoted Yard Foreman or a Promoted Foreman prior to June 1, 1997, shall not relinquish their standing as a Yard Foreman or Foreman except for medical reasons.
- G. All IHB Yardman who are a Promoted Yard Foreman or Promoted Foreman prior to June 1, 1997, shall not be demoted for any reason.

## ARTICLE XII – EFFECT OF THIS AGREEMENT

### Section 1 –

This Agreement is made in full and final disposition of all outstanding notices, if any, served upon Indiana Harbor Belt Railroad Company by United Transportation Union (y) and also all outstanding notices, if any, served upon United Transportation Union (y) by Indiana Harbor Belt Railroad Company, for concurrent handling, pursuant to the provisions of the Railway Labor Act as amended.

### Section 2 –

The Parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000), any notice or proposal for the purpose of changing provisions of this Agreement and any proposals in pending notices, if any, relating to such subject matters are hereby withdrawn.

No party to this Agreement shall serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000), any notice or proposal which might properly have been served when the last moratorium ended on November 1, 1994 and any proposals in pending notices, if any, relating to such subject matters are hereby withdrawn.

### Section 3 –

New proposals properly served under the Railway Labor Act covering subject matters which do not request compensation may be progressed under the provisions of the Railway Labor Act, as amended.

Section 4 –

This Article will not bar Management and the Organization from agreeing upon any subject of mutual interest.

Section 5 –

This Agreement (Part One), Appendix I, Appendix II, Appendix III, and Side Letters #1 through and including #12 shall become effective June 1, 1997 and shall remain in effect through December 31, 1999 and thereafter, until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

SIGNED AT HAMMOND, INDIANA, THIS 7<sup>TH</sup> DAY OF MAY, 1997.

## APPENDIX II

### ARTICLE X – 401(K) PLAN

#### Section 1 –

Not later than June 5, 1997, Indiana Harbor Belt Railroad Company shall establish a qualified 401(K) retirement plan for employees covered by this Agreement. Such plan need not be contributory with respect to the Carrier.

#### Section 2 – 401(K) Plan Outline

##### 1. Description of Plan

The 401(K) Plan, to become effective June 5, 1997, is designed to provide tax-advantage retirement savings benefits to eligible employees.

Monies directed into the Plan will not be taxed for Federal income tax purposes or most State purposes. Interest and/or dividend earnings are not taxed until distribution, and may be eligible for IRA rollover or five (5) year averaging tax treatment. However, all distributions from the Plan will be subject to taxation in accordance with IRS regulations in effect at the time of distribution.

##### 2. Eligibility

An Employee must be employed by Indiana Harbor Belt Railroad Company for at least sixty (60) days in order to be eligible to participate in this 401(K) Plan as contained in [Article X](#) herein.

##### 3. Employee Elective Contributions

On June 5, 1997, and monthly thereafter, each employee may designate up to 10% of his W-2 earnings to be directed into his 401(K) account, in 1% increments, up to the maximum permissible by law. All funds placed in the Plan shall be subject to limitations in accordance with the Internal Revenue Code.

##### 4. Vesting

Participants shall be 100% vested immediately in their 401(K) accounts including employee elective contributions, interest and dividends. The value of the accounts fluctuates with investment performance.

##### 5. Investment Options

- a) Participants will be able to direct the investment of their 401(K) accounts. The Plan shall include investment options to be selected by the Company. Initially, these options are four to six Fidelity investment funds.
- b) Participants shall be permitted to direct the allocation of their contributions among the available investment options in 10% increments.



- c) Participants shall also be permitted to reallocate existing account balances among investment options intervals in 10% increments.

#### 6. Withdrawals

Withdrawals from the Plan are available in the event of retirement, death, disability, termination, after attainment of age 59 ½, or in the event of hardship. Hardship withdrawals shall be determined on the basis of the “safe harbor” rule established by the IRS.

In addition, effective June 5, 1997, the Plan shall provide for loans to participants, as permitted by applicable IRS rules. Loans shall be a minimum of \$500 and for a maximum of 60 months. No more than one loan shall be outstanding at any one time. The rate of interest charged shall be one percentage point above the prevailing prime rate, determined each January 1 and July 1. The interest rate on a loan shall be fixed for the life of the loan. Repayment to the participant’s own account shall be subject to IRS restrictions, and shall be made by payroll deductions where applicable.

#### 7. Plan Administration

- a) The Plan Administrator and Fidelity Investments shall be the Plan Trustee and Recordkeeper. The Company reserves the right, however, to change the Administrator, Trustee or Recordkeeper at any time.
- b) The Company will bear the payroll, trust, recordkeeping, and transaction fees, except fees required to be borne by the Trustee in connection with the investment of funds and except any loan processing fees.
- c) The Plan Administrator will conduct periodic anti-discrimination tests as required by law and shall approve all hardship withdrawal requests.
- d) Each Plan participant shall be furnished by the Plan Administrator with a summary Plan Description and full Plan document at the time of enrollment in the Plan. These documents shall be furnished at the expense of the Company.
- e) The Plan must receive Internal Revenue Service approvals.

#### 8. Plan Information and Enrollment

- a) The Plan Trustee will provide participants quarterly written reports of their account balances.
- b) The Trustee shall prepare and distribute educational materials regarding the Plan to eligible employees.

Note: The above language is not prescriptive, it is understood that any IHB 401(K) program will follow the dictates and procedures as outlined by Consolidated Rail Corporation or its successors.

APPENDIX III

TABLE – FORMULA FOR GUARANTEED DAILY RATE OF PAY

Based on a 5 Man X-Board and the 7/1/97 Pay Schedule

Day	X-Man(1)	X-Man(2)	X-Man(3)	X-Man(4)	X-Man(5)	
1	NA	9hrs F L 184.77	A	13hrs H 268.29	11hrs H RTCA PSSA L 272.61	
2	12hrs H 242.32	10hrs H 190.40	11.5hrs F 238.85	A	A	
3	A	A	8hrs FOA PSSA 216.32	8hrs FOA PSSA 216.32	12hrs H 242.32	
4	A	A	10hrs H RTCA PSSA L 246.65	8hrs FOA PSSA 216.32	8hrs FOA PSSA 216.32	
5	A	10hrs H RTCA PSSA L 246.65	NA	11hrs F RTCA PSSA L 283.92	8hrs FOA PSSA 216.32	
6	11hrs F RTCA PSSA L 283.92	NA	NA	11hrs FOA PSSA 297.44	12hrs F 252.37	
7	10hrs FOA PSSA 270.40	NA	NA	A	8.5hrs H 151.45	
8	12hrs H 242.32	11hrs H RTCA PSSA L 272.61	A	A	10hrs H RTCA PSSA L 246.65	
9	10hrs H RTCA PSSA L 246.65	11hrs FOA PSSA 297.44	12hrs F 252.37	12hrs F 252.37	11hrs FOA PSSA 297.44	
10	8hrs FOA PSSA 216.32	8hrs FOA PSSA 216.32	10hrs FOA PSSA 270.40	8.5hrs H 151.45	A	
11	A	13hrs H 268.29	A	A	A	
12	A	8hrs FOA PSSA 216.32	A	A	8hrs FOA PSSA 216.32	
13	A	11hrs F RTCA PSSA L 283.92	NA	10hrs H RTCA PSSA L 246.65	A	
14	A	A	A	A	A	
15	11hrs H RTCA PSSA L 272.61	A	11hrs FOA PSSA 297.44	A	NA	
Starts	7 Starts	9 Starts	6 Starts	8 Starts	9 Starts	39 Starts
Comp	\$1,774.54	\$2,176.72	\$1,522.03	\$1,932.76	\$2,111.80	\$9,517
G Starts	4 Starts	1 Start	1 Start	3 Starts	1 Start	
G Comp	\$1,009.16	\$252.29	\$252.29	\$756.87	\$252.29	
Total	\$2783.70	\$2,429.01	\$1,774.32	\$2,689.63	\$2,364.09	

GDR from the previous pay period = \$252.29

GDR for the next pay period = (Total Comp / Total Starts)      \$244.05 = (\$9,517.85 / 39)

- Note:
- NA = Not Available (Midnight to Midnight)
  - A = Available (Midnight to Midnight)
  - H = Helper Rate
  - F = Foreman Rate
  - L = Lunch
  - RTCA = Reduced Train Crew Allowance 1 Hour Straight Time
  - FOA = Foreman Only Allowance 2.5 Hours Straight Time
  - PSSA = Productivity Savings Share Allowance 1.5 Hours Straight Time
  - GDR = Guaranteed Daily Rate
  - G Starts= Guaranteed Starts
  - G Comp= GDR x G Starts

Based on a 5 Man X-Board and the 7/1/97 Pay Schedule

Day	X-Man(1)	X-Man(2)	X-Man(3)	X-Man(4)	X-Man(5)	
16	NA	9hrs F L 184.77	14hrs H 294.25	9hrs F L 184.77	A	
17	13hrs F 279.41	A	11hrs FOA PSSA 297.44	NA	12hrs H 242.32	
18	12hrs H 542.32	12hrs F 252.37	NA	12hrs H 242.32	11hrs FOA PSSA 297.44	
19	11hrs F RTCA PSSA L 283.92	A	11hrs F RTCA PSSA L 283.92	NA	11.5hrs F 238.85	
20	NA	12hrs H 242.32	10hrs H RTCA PSSA L 246.65	8hrs F 144.21	A	
21	12hrs H 242.32	11hrs FOA PSSA 297.44	A	11hrs FOA PSSA 297.44	A	
22	11.5hrs F 238.85	10hrs H 190.40	A	14hrs FOA PSSA 378.56	A	
23	10hrs H RTCA PSSA L 246.65	8hrs FOA PSSA 216.32	8hrs FOA PSSA 216.32	11.5hrs F 238.85	A	
24	11 H RTCA PSSA L 272.61	A	11.5hrs F 238.85	A	A	
25	12 H 242.32	13hrs H 268.29	A	A	11.5hrs F 238.85	
26	11hrs FOA PSSA 297.44	10hrs H RTCA PSSA L 246.65	A	A	A	
27	12hrs H 242.32	A	A	11hrs F RTCA PSSA L 283.92	A	
28	9hrs F L 184.77	A	13hrs FOA PSSA 351.52	11hrs H RTCA PSSA L 272.61	A	
29	A	A	8hrs FOA PSSA 216.32	A	11hrs FOA PSSA 297.44	
30	A	11hrs FOA PSSA 297.44	10hrs H RTCA PSSA L 246.65	8hrs FOA PSSA 216.32	11hrs F RTCA PSSA L 283.92	
31	A	12hrs H 242.32	NA	11hrs FOA PSSA 297.44	9hrs F L 184.77	
<b>Starts</b>	11 Starts	10 Starts	9 Starts	10 Starts	7 Starts	47 Starts
<b>Comp</b>	\$2,772.93	\$2,438.32	\$2,391.92	\$2,556.44	\$1,783.59	\$11,943.20
<b>G Starts</b>	0 Starts	1 Start	1 Start	1 Start	4 Starts	
<b>G Comp</b>	\$0.00	\$244.05	\$244.05	\$244.05	\$976.20	
<b>Total</b>	\$2,772.93	\$2,682.37	\$2,635.97	\$2,800.49	\$2,759.79	

GDR from the previous pay period = \$244.05

GDR for the next pay period = (Total Comp / Total Starts)      \$54.11 = (\$11,943.20 / 47)

- Note:
- NA = Not Available (Midnight to Midnight)
  - A = Available (Midnight to Midnight)
  - H = Helper Rate
  - F = Foreman Rate
  - L = Lunch
  - RTCA = Reduced Train Crew Allowance 1 Hour Straight Time
  - FOA = Foreman Only Allowance 2.5 Hours Straight Time
  - PSSA = Productivity Savings Share Allowance 1.5 Hours Straight Time
  - GDR = Guaranteed Daily Rate
  - G Starts= Guaranteed Starts
  - G Comp= GDR x G Starts

APPENDIX IV

TABLE – MECHANICS FOR EXTRA BOARD STARTS

Based on a 5 Man X-Board and the 7/1/97 Pay Schedule

Day	X-Man(1)	X-Man(2)	X-Man(3)	X-Man(4)	X-Man(5)
16	A	A	Actual tour of duty	NA	A
17	Actual tour of duty	A	Actual tour of duty	NA	Actual tour of duty
18	Actual tour of duty	A	Actual tour of duty	A	A
19	Actual tour of duty	A	Actual tour of duty	NA	Actual tour of duty
20	A	A	Actual tour of duty	NA	A
21	A	A	A	A	NA
22	Actual tour of duty	A	NA	A	A
23	A	A	A	A	Actual tour of duty
24	Actual tour of duty	A	NA	A	A
25	A	A	Actual tour of duty	A	Actual tour of duty
26	A	A	Actual tour of duty	A	A
27	A	A	A	A	Actual tour of duty
28	A	A	A	A	A
29	Actual tour of duty	A	A	A	Actual tour of duty
30	A	A	A	A	A
31	Actual tour of duty	NA	A	NA	NA
Starts	7 Starts	0 Starts	7 Starts	0 Starts	6 Starts
G Starts	2 Starts	8 Starts	1 Start	4 Starts	2 Starts
G Comp	\$288.42	\$1,153.68	\$144.21	\$576.84	\$288.42

Note: NA = Not Available (Midnight to Midnight)  
 A = Available (Midnight to Midnight)  
 G Starts= Guaranteed Starts  
 G Comp= GDR x G Starts

## APPENDIX V –

### ARTICLE XIV – VOLUNTARY RESERVE BOARDS

#### Section 1 –

Effective June 1, 1997, the Carrier shall establish a “Voluntary Reserve Board” for Yardmen at each of the various seniority districts, i.e. Norpaul, Argo, Blue Island, and Gibson.

Note: A Yardman on a Voluntary Reserve Board position prior to June 1, 1997, shall remain on a Voluntary Reserve Board position in accordance with the applicable provisions as contained herein.

#### Section 2 –

The number of “Voluntary Reserve Board positions” for Yardmen at the various seniority districts shall be determined at the discretion of the Carrier and may be increased or decreased in order to meet the manpower requirements on that seniority district.

#### Section 3 –

A Yardman with a seniority date on or prior to October 1, 1992, who is in active service when a Voluntary Reserve Board position(s) is established, is eligible for Voluntary Reserve Board position(s).

#### Section 4 –

A Yardman on a Voluntary Reserve Board position shall be considered in active service for the purpose of the application of all Agreements, Laws, and/or Acts respecting a Yardman’s rights to work.

#### Section 5 –

A Yardman on a Voluntary Reserve Board position shall be subject to physical examinations, and/or rules examinations.

Note: Physical examinations and/or rule examinations shall be deferred until such time a Yardman on a Voluntary Reserve Board position is recalled to active service.

#### Section 6 –

This Agreement shall not preclude a Yardman on a Voluntary Reserve Board position from receiving payments on time claims. Time claim payments due, if any, shall be paid in addition to compensation received while on a Voluntary Reserve Board position.

#### Section 7 –

A Yardman on a Voluntary Reserve Board shall be guaranteed a gross amount of \$1,149.47 for each full semi-monthly pay period.

Note: Voluntary Reserve Boards compensation is based on 75% of the basic Yard Foreman’s rate of pay for eleven (11) days per semi-monthly pay period.

Note: Voluntary Reserve Board compensation shall be subject to future general wage and cost of living increases.

- A. A Yardman on a Voluntary Reserve Board position shall not be required to submit a timeslip in order to receive Voluntary Reserve Board compensation.
- B. A Yardman on a Voluntary Reserve Board position shall be paid semi-monthly with regular payroll.
- C. If a request is made in writing, such Yardman shall receive his/her Voluntary Reserve Board compensation by U.S. Mail.

#### Section 8 –

A Yardman on a Voluntary Reserve Board position shall be covered by Health and Welfare Plan, Dental Plan, Vision Plan, Union Shop, Dues Check-Off, Discipline and Grievance Procedures that are applicable to employees in active service.

#### Section 9 –

- A. A Voluntary Reserve Board compensation shall be considered as compensated service in determining compensation due for vacation. Vacation pay received while on a Voluntary Reserve Board position shall offset pay received under this Article. Furthermore, time spent on a Voluntary Reserve Board position shall count in determining whether a Yardman is eligible for vacation in the succeeding year, as well as in determining the length of vacation to which a Yardman otherwise eligible, is entitled.
- B. Each day spent on a Voluntary Reserve Board position, less Saturday and Sunday, shall count as eight (8) qualifying hours in connection with the **National Vacation Agreement**.

#### Section 10 –

In the event a Yardman on a Voluntary Reserve Board position returns to active service, each day spent on a Voluntary Reserve Board position, less Saturday and Sunday, shall count as a start when determining a Yardman's eligibility to qualify for holiday pay, in accordance with the provisions as set forth in the **National Holiday Agreement**.

#### Section 11 –

A Yardman on a Voluntary Reserve Board position shall not be eligible for holiday pay, bereavement leave, jury duty pay, and all similar special allowances.

#### Section 12 –

Other employment, while on a Voluntary Reserve Board position, is permissible so long as there is no conflict of interest. There shall be no offset for outside earnings.

#### Section 13 –

The procedure for obtaining a Voluntary Reserve Board position shall be in accordance with the provisions as set forth herein.

- A. Four (4) full calendar days prior to the start of each new payroll period, the Crew Dispatcher shall inform Yardmen, upon request, the number of Voluntary Reserve Board positions open and available, if any, at their seniority district. A Yardman desiring a Voluntary Reserve Board position(s) shall notify the Crew Dispatcher and request such position(s) no later than two (2) full calendar days prior to 12:01 AM, on the first day of the new pay period. Assignments to a Voluntary Reserve Board position shall be made in seniority order of those making such request. A Yardman unable to hold a Voluntary Reserve Board position shall be notified by the Crew Dispatcher at least one (1) full calendar day prior to 12:01 AM, of the first day of the new pay period.
- B. A Yardman assigned to a Voluntary Reserve Board position, in accordance with the provisions as set forth in Section 13 A. must remain there for a minimum of two (2) entire pay periods. Such Yardman shall not be displaced by a senior Yardman and shall remain on a Voluntary Reserve Board position until:
  - 1. The Yardman is discharged from employment by the Carrier
  - 2. The Yardman resigns from the Carrier's employment.
  - 3. The Yardman is recalled to active service in accordance with the provisions as set forth in Section 14 of this Article.
  - 4. The Yardman exercises such Yardman's seniority and returns to active service in accordance with the provisions as set forth in Section 15 of this Article.

Section 14 –

A Yardman on a Voluntary Reserve Board position must hold themselves available for recall to active service by the Carrier upon fifteen (15) consecutive days of notice. In the event a Yardman is recalled by the Carrier, he/she shall be called in reverse seniority order. Voluntary Reserve Board compensation shall continue for seven (7) calendar days from the date of notification less pay for Saturday and Sunday. Date of notification shall be the date the notice is received or first attempted delivery of Certified Mail Notice to the last address on record with the Carrier, whichever date is earlier.

- A. A Yardman
- B. A Yardman

Section 15 –

A Yardman on a Voluntary Reserve Board position who desires to return to active service shall do so by providing the Carrier with a fifteen (15) calendar day written notice expressing his/her intent to do so.

Section 16 –

It is understood that when returning to active service, a Yardman cannot combine his/her days spent on a Voluntary Reserve Board position and active service days to exceed 22 starts in his/her start bracket (Norpaul, Argo, Blue Island), and/or a five (5) day work week, (Gibson).

May 7, 1997

Side Letter #1 (Retroactive Wage Qualifications)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This refers to the increase in wages provided for in.

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

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

Very truly yours,

C. H. Allen

General Superintendent



May 7, 1997

Side Letter #2 (Retroactive Wage Qualifications)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This refers to the Lump Sum Payments provided for in Article I of the June 1, 1997 Agreement.

[Sections 3](#) and [5 of Article I](#) are structured so as to provide payments that are essentially based on the compensation earned by an employee during a specified calendar year. [Section 10](#) provides that all of these payments are payable to an employee who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payments. Thus, for example, under [Section 3 of Article I](#), except for an employee who has retired or died, the Agreement requires that an employee have an employment relationship on July 1, 1996 in order to receive that lump sum payment.

The intervals between the close of the measurement periods and the actual payments established in the October 1, 1992 Agreement were in large measure a convenience to the Carriers in order that there be adequate time to make the necessary calculations.

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

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #3 (Pre-Agreement Payments)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that a Yardmen entitled to receive one or more of the following payments shall receive one separate check for the following:

1. Retroactive Back Pay (Part One – Article 1 – Section 1 – Note)
2. Signing Bonus (Part One – Article 1 – Section 2 – Note)
3. First Lump Sum Payment (Part One – Article 1 – Section 3 – Note)

However, it is understood that the Carrier shall provide each and all Yardmen a payroll detail attributed to each payment as referred to above as to identify such payments separately.

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #4 (Cost-of-Living Pay Schedule)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that the Carrier shall furnish all Yardmen an accurate pay schedule in connection with the application of Article II, Cost-of-Living Payments as contained in [Part One, Article II, of the June 1, 1997 Agreement](#), by January 15, 2000.

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #5 (Paycheck Detail)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that on or about January 1, 1999 and thereafter, the Carrier shall furnish all Yardmen a payroll check detail to accompany their bi-monthly paychecks.

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #6 (Rate Progression)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that [Article VII – Rate Progression – New Hires as contained in the June 1, 1997 Agreement](#) by and between IHB and UTU(y) which **amends** [Article V – Rate Progression – New Hires, as contained in the May 1, 1988 Agreement](#) by and between the IHB and UTU(y) shall also apply to Yardmen who have established a seniority date with this Carrier as a Yardman prior to June 1, 1997 and if applicable, such Yardman shall have his/her rate increased accordingly, when applicable. However, Yardmen entitled to an increased rate of pay to become effective June 1, 1997 and/or thereafter, shall not receive retroactive pay in connection therewith.

Additionally, this will confirm our understanding that in the event a Yardman disputes the monthly credit(s) towards his/her completion of the sixty (60) month period in connection with [Article VII](#), as contained in the June 1, 1997 Agreement, such Yardmen shall have sixty (60) days from the date that the monthly credit(s) should become effective, if applicable, to submit his/her dispute in writing to the Director of Labor Relations in regards thereto. He/she must specifically identify the monthly credit(s) towards his/her completion of the sixty (60) days from the date the dispute is received by same as to the disposition of such dispute. A dispute found to be valid shall be corrected accordingly and the Yardman(s) that filed the dispute(s) shall be notified promptly by the Director of Labor Relations of such correction, adjustment and payment if applicable. In the event a dispute cannot be resolved, the parties signatory hereto shall resolve such dispute, if any, in accordance with the applicable provisions of IHB and UTU Agreement, [Article VIII – Time Limits for Handling Claims and/or Grievances effective October 1, 1992](#).

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #7 (Termination of Seniority)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that **Article VI – Termination of Seniority as Contained in the May 1, 1988** Agreement by and between the IHB and UTU(y) shall not apply to Yardmen who have established a seniority date with this Carrier as a Yardman prior to June 1, 1997. Therefore, all Yardmen who have established a seniority date with the Carrier as a Yardman prior to June 1, 1997, shall not be terminated by virtue of **Article VI** as contained in the May 1, 1988 Agreement.

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #8 (Operating Computer(s))

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that a Yardman may be required to operate computer(s) in connection with their employment relationship with the Indiana Harbor Belt Railroad Company, without additional compensation.

Additionally, the Carrier shall offer Yardmen on-duty training in order for them to become conversant and qualified on such computer(s). Furthermore, in the event a Yardman operates such computer(s) in error unintentionally, such Yardman shall not be censored or disciplined in any manner as a result thereof.

The provisions as contained in this Side Letter are not intended to infringe on the work rights of another craft as established.

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #9 (Daily Vacation)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that the application of Article V – Benefits Eligibility, Section 2 – Vacation Benefits (e) as contained in the June 1, 1997 Agreement shall apply as follows:

A Yardman shall be permitted to take one (1) week of his/her vacation entitlement in one (1) day increments. A Yardman may request a vacation day by contacting the supervisor of Manpower or other designated officer(s) / representative(s) of the Carrier and must receive permission to take such vacation day.

It is further understood that in the application of Article V, section 2 (e), that when a Yardman elects to take one (1) week of his/her vacation in one (1) day increments, he/she shall receive vacation pay for only five (5) of the seven (7) days so taken.

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

Very truly yours,

C. H. Allen

General Superintendent



May 7, 1997

Side Letter #10 (New Seat(s))

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that IHB shall make every effort to provide a new seat(s) for Yardmen on all IHB locomotives utilized in Outer Belt Transfer Service. The IHB shall replace all current seats using Model# 163766529529AA-PD-F, Railroad TLine HB 4-W Lumbar Adj cus All Black Tuffex arms attached, adjustable with back protector and instr DE with floor mount swivel pedestal or a seat(s) similar thereto. Seat(s) replacement shall be accomplished on or prior to July 1, 1999.

Additionally, this will confirm our understanding that in the event a Yardman is assigned a locomotive(s) in Outer Belt Transfer Service on or subsequent to July 1, 1999 that is not equipped with a suitable seat(s) as described herein, such Yardman(s) shall not be entitled to additional compensation as a result thereof.

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #11 (Exclusive Rights)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

Side Letter #10 dated August 28, 1992 as contained in the October 1, 1992 Agreement is hereby abrogated and this Side Letter #11 shall apply in substitution thereof.

This will confirm our understanding reached during the negotiations of the June 1, 1997 Agreement, that Yardmen shall have the exclusive right to perform all duties either by virtue of applicable Agreements and scope rules and/or past practices that pertain to the movement of their train(s).

Additionally, Yardmen shall have the exclusive right to perform the duties as Foremen on Yard crews.

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

Very truly yours,

C. H. Allen

General Superintendent

May 7, 1997

Side Letter #12 (Labor Management Meeting)

Mr. P. D. Drennan

General Chairman, UTU(y)

PO Box 3162

Lisle, IL 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached during our negotiations of the June 1, 1997 Agreement that UTU(y) General Chairperson and/or his/her representative(s) shall agree to meet in conference periodically with IHB General Manager and/or his/her representative(s) for the purpose of discussing subjects of mutual interest.

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

Very truly yours,

C. H. Allen

General Superintendent

## Part Two

The parties to this Agreement recognize the necessity of providing efficient and competitive transportation service to Indiana Harbor Belt Railroad Company customers and that the future success of this Company and its ability to provide employment opportunities and job stability is directly related to the ability of the Indiana Harbor Belt Railroad company to meet this requirement. The parties also desire to provide greater benefits for Yardmen who now benefit from the existing Crew Consist Agreement.

Therefore, by mutual agreement as provided for in the October 1, 1992 Crew Consist Agreement, Crew Consist PART Two, Side letters, and appendixes as contained in the October 1, 1992 Agreement between IHB and UTU (y) and the modifications to ARTICLE 9, ARTICLE 11, and ARTICLE 16 signed on December 7, 1994, effective January 1, 1995 between IHB and UTU (y) are hereby abrogated in their entirety and the following shall apply in substitution thereof, finalizing Crew Consist except as provided for in ARTICLE 25 as contained herein.

IT IS HEREBY AGREED

### ARTICLE I – DEFINITIONS

- A. The terms "Foreman" and "Yardman" as used in this Agreement serve the purpose of identifying a craft or class and are not intended to denote gender.
- B. A "Standard Crew" is a crew which operates with not less than a Yard Foreman/Foreman and two Yard Helpers.
- C. A "Reduced Crew" is a crew which operates with not less than a Yard Foreman/Foreman and one Yard Helper.
- D. A "Foreman Only Crew" is a crew which operates with not less than a Yard Foreman/Foreman.
- E. The term "Must-Fill" position are all positions covered by Agreements between the Carrier and the United Transportation Union (y), except second Yard Helper positions in yard service which may be blanked pursuant to this Agreement.
- F. The term "Blankable" position refers to a second Yard Helper position on a Standard Crew which is filled by a protected Employee and which, under certain specified conditions, may be operated as a 'Reduced Crew' in the absence of a second Yard Helper.
- G. The term "Blanked" position refers to a second Yard Helper position on a crew which is not filled and works as a "Reduced Crew".
- H. A "Furloughed" employee (Yardman) is an employee (yardman) whose seniority does not entitle him/her to hold a position regular or extra, on his/her respective seniority district

### ARTICLE II – EMPLOYEE STATUS

#### Section 1 – Protected Employees

- A. An employee holding a seniority date on one or more of the various yard seniority rosters, i.e. Norpaul, Argo, Blue Island and/or Gibson, on or prior to August 15, 1985, shall be known and designated as a "Protected Employee".

- B. A Protected Employee who is or becomes dismissed or suspended and who is subsequently reinstated with seniority rights unimpaired, shall remain a Protected Employee.
- C. A Protected Employee shall retain the right to exercise seniority to Must-Fill, Blanked or Blankable second Yard Helper positions except as otherwise provided for in accordance with the provisions as set forth in this Agreement
- D. A Protected Employee shall not be furloughed or remain on furlough if a Reduced Crew(s) and/or a Foreman Only Crew(s) is/are operating from that seniority district.

Note: A Protected Employee shall not be furloughed in accordance with the provisions as set forth in ARTICLE 6 as contained herein.

### Section 2 – Limited Rights Protected Employees

- A. An employee holding a seniority date on one or more of the various yard seniority rosters; i.e. Norpaul, Argo Blue Island and/or Gibson subsequent to August 15, 1985, but on or prior to October 1, 1992, shall be known and designated as a “Limited Rights Protected Employee”.
- B. A Limited Rights Protected Employee who is or becomes dismissed or suspended and who is subsequently reinstated with seniority rights unimpaired shall remain a Limited Rights Protected Employee.
- C. A Limited Rights Protected Employee shall not have the right to exercise his/her seniority to, or otherwise be used on Blanked or Blankable second Yard Helper positions.
- D. Limited Rights Protected Employee(s) shall not be furloughed or remain on furlough if a Foreman Only Crew(s), excluding Outer Belt Transfer Assignments, is/are operating from that seniority district except as provided for in this Agreement.

Note: A Limited Rights Protected Employee shall not be furloughed in accordance with the provisions as set forth in ARTICLE 5 as contained herein.

### Section 3 – Non-Protected Employees

- A. An employee holding a seniority date on a yard seniority roster, i.e. Norpaul, Argo, Blue Island or Gibson, subsequent to October 1, 1992, shall be known and designated as a “Non-Protected Employee”.
- B. A Non-Protected, Employee who is or becomes dismissed or suspended and who is subsequently reinstated with seniority rights unimpaired shall remain a Non-Protected Employee.
- C. A Non-Protected Employee shall be utilized to fill Yardmen positions in accordance with the provisions as set forth in this Agreement.
- D. A Non-Protected Employee shall be utilized to fill Yardmen positions solely at the discretion of the Carrier.
- E. Non-Protected Employee(s) on the various extra boards shall be used in accordance with the provisions as set forth in this Agreement and shall have no claim if runaround by Protected Employees and/or Limited Rights Protected Employees filling vacancies.
- F. A Non-Protected Employee shall not be furloughed in accordance with the provisions as set forth in ARTICLE 6 as contained herein.

ARTICLE III – REDUCED TRAIN CREW ALLOWANCE

ARTICLE IV – FOREMAN ONLY ALLOWANCE

ARTICLE V – PRODUCTIVITY SAVING SHARE ALLOWANCE

ARTICLE VI – YARDMEN PROTECTION

Section 1 –

Section 2 –

Section 3 –

ARTICLE VII – GUARANTEED EXTRA BOARD STARTS – PROTECTED/LIMITED RIGHTS  
PROTECTED

Section 1 –

Section 2 –

Section 3 –

Section 4 –

Section 5 –

Section 6 –

Section 7 –

Section 8 –

Section 9 –

Section 10 –

Section 11 –

Section 12 –

Section 13 –

Section 14 –

ARTICLE VIII – EXTRA BOARD STARTS – NON-PROTECTED YARDMEN

Section 1 –

Section 2 –

Section 3 –

Section 4 –

Section 5 –

Section 6 –

Section 7 –

Section 8 –

Section 9 –

Section 10 –

Section 11 –

Section 12 –

Section 13 –

Section 14 –

ARTICLE IX – CONSIST OF YARD CREWS

Section 1 –

Section 2 –

Section 3 –

Section 4 –

Section 5 –

Section 6 –

Section 7 –

ARTICLE X – CREW CONSIST NOTICE

Section 1 –

Section 2 –

Section 3 –

## ARTICLE XI – EXHAUSTED EXTRA BOARD(S)

## ARTICLE XII – FILLING VACANCIES

In the event there is no Yardman available on the extra board in a specific seniority district, the following procedure may be utilized to fill Yardman/Yardmen vacancies on that specific seniority district. This procedure shall be adhered to in the following sequence:

1. In the event there is no Yardman available on the extra board in a specific seniority district, the vacancy shall be filled from the “Available Board” at that specific district. Such Yardman working from the “Available Board” shall be paid the applicable overtime rate of pay.
2. In the event there is no Yardman on the “Available Board” on that specific district, the Carrier shall attempt to fill the Yardman vacancy from any of the various extra boards on a voluntary basis utilizing a Yardman who was employed by IHB on or prior to October 1, 1992. Such Yardman working from any of the various extra boards on a voluntary basis shall be paid at the applicable rate of pay.
  - A. Such Yardman shall be called in position order and be afforded the opportunity to fill such vacancy accordingly.

Note: A Yardman on the extra board desirous of filling a vacancy on a seniority district other than his/her own, shall notify the Crew Dispatcher of his/her intent. Such Yardman shall have his/her crew tag marked accordingly. A Yardman who has not notified the Crew Dispatcher of such intent, shall not be called.

- B. All compensation due to a Yardman that is earned due to such Yardman filling a vacancy on other than his/her own seniority district shall be credited to the seniority district where such Yardman earned such compensation for the purpose of computing the Guaranteed Daily Rate of Pay at that seniority District.
- C. In the event a Yardman declines to fill a vacancy on other than his/her own seniority district, he/she shall not lose his/her position on the extra board, nor be penalized in any manner for refusing to do so.

Note: It is understood that this practice is not intended to adversely affect the Guaranteed Extra Board Start(s) for a Yardman.

3. In the event there is no volunteer from any of the various extra boards, the Carrier may fill a vacancy from any of the various extra boards utilizing a Non-Protected Employee(s)
  - A. Such Non-Protected Employee shall be called to fill such vacancies in position order (rotary order) from any of the various extra boards.



- B. In the event a Non-Protected Employee is called, he/she shall be required to fill such vacancy and his/her Extra Board Start(s) shall be reduced by one, if applicable.

ARTICLE XIII – HELPER DIVERSION

Section 1 –

Section 2 –

ARTICLE XIV – FOREMAN DIVERSION

Section 1 –

Section 2 –

Section 3 –

ARTICLE XV – CAR RETARDER OPERATOR DIVERSION

Section 1 –

Section 2 –

Section 3 –

ARTICLE XVI – FAILS TO REPORT

Section 1 –

Section 2 –

Section 3 –

ARTICLE XVII – DISCONTINUES DUTY

Section 1 –

Section 2 –

Section 3 –

Section 4 –

ARTICLE XVIII – TEMPORARILY DISCONTINUES DUTY

Section 1 –

Section 2 –

ARTICLE XIX – VOLUNTARY RESERVE BOARDS

ARTICLE XX – NEW BUSINESS

ARTICLE XXI – YARD CANCELLATIONS

ARTICLE XXII – OUTER BELT TRANSFER CANCELLATIONS

Section 1 –

Section 2 –

Section 3 –

ARTICLE XXIII – VOLUNTARY SEPARATION ALLOWANCE

ARTICLE XXIV – COMPLEXITIES

ARTICLE XXV – MORATORIUM

ARTICLE XXVI – EFFECT OF THIS AGREEMENT

ARTICLE IRATES OF PAY

Daily, straight time hourly, and overtime hourly rates will be shown under Rates of Pay.

Where rules of existing schedule agreement provide that switchtenders are paid helpers rates, such rules will be continued.

PILOTS' PAY

Regular pilots will receive not less than yard foremen's pay.

Yardmen required to perform incidental pilot service during the day will receive yard foremen's rate for the entire day's work.

BACK-UP PAY

Except where passenger back-up work is now performed by passenger train crews, the back-up lead man shall receive yard foreman's rate, and the helpers yard helpers' rate.

Passenger back-ups will be handled by one or more men as may be required by the company.

ARTICLE IIBASIC DAY OVERTIME

Eight hours or less shall constitute a day's work.

OVERTIME – REGULAR MEN

Except when changing off where it is the practice to work alternately days and nights for certain periods, working through two shifts to change off; or where exercising seniority rights from one assignment to another; all time worked in excess of eight hours continuous service in a twenty-four hour period shall be paid for as overtime, on the minute basis at one and one-half times the hourly rate.

OVERTIME – EXTRA MEN

Article 3, Section 8 of the FIVE DAY WORK WEEK AGREEMENT dated May 25, 1951, reproduced herebelow:

RATES OF PAY CHART COVERING YARD FOREMEN AND YARD HELPERS

EFFECTIVE DATE	PER DAY	FOREMAN PER HOUR S.T.	PER HOUR O.T.	PER DAY	HELPERS PER HOUR S.T.	PER HOUR O.T.
1-1-75	52.53	6.5675	9.8525	49.27	6.1600	9.2400
10-1-75	55.16	6.8950	10.3425	51.73	6.4675	9.7025
1-1-76	56.12	7.1050	10.5225	52.69	6.5875	9.8800

4-1-76	57.77	7.2225	10.8325	54.24	6.7800	10.1700
7-1-76	58.73	7.3425	11.0150	55.20	6.9000	10.3500
1-1-77	59.77	7.4725	11.2100	56.24	7.0300	10.5450

### RATES OF PAY CHART COVERING SWITCHTENDERS AND CAR RETARDER OPERATORS

EFFECTIVE DATE	PER DAY	SWTNDRS. PER HOUR S.T.	PER HOUR O.T.	PER DAY	CROS. PER HOUR S.T.	PER HOUR O.T.
1-1-75	45.86	5.7325	8.6000	54.18	6.7725	10.1600
10-1-75	48.15	6.0200	9.0300	56.89	7.1125	10.6700
1-1-76	49.11	6.1400	9.2075	57.85	7.2325	10.8475
4-1-76	50.55	6.3200	9.4800	59.56	7.4450	11.1675
7-1-76	51.51	6.4400	9.6600	60.52	7.5650	11.3475
1-1-77	52.55	6.5700	9.8550	61.56	7.6950	11.5425

### Section 8

1. Existing rules which relate to the payment of daily overtime for regular yardmen and practices thereunder are not changed hereby and shall be understood to apply to regular relief men, except that work performed by regular relief men on assignments which conform with the provisions of Section 3 shall be paid for at the straight time rate.
2. Current overtime rules relating to extra yardmen are cancelled as of the effective date of this agreement and the following will apply:

Except as indicated below or when changing off where it is the practice to work alternately days and nights for certain periods, working through two shifts to change off, or where exercising seniority rights, all time worked in excess of eight hours continuous service in a twenty-four hour period shall be paid for as overtime on a minute basis at one and one-half times the hourly rate.

In the application of this rule, the following shall govern:

- a) This rule applies only to service paid on an hourly or daily basis and not to service paid on mileage or road basis.
- b) A tour of duty in road service shall not be used to require payment of such overtime rate in yard service. (The term "road service", as used in this paragraph (b), shall not apply to employees paid road rates, but governed by yard rules.)
- c) Where an extra man commences work on a second shift in a twenty-four hour period he shall be paid at time and one-half for such second shift except when it is started twenty two and one-half to twenty-four hours from the starting time of the first shift.  
A twenty-four hour period, as referred to in this rule shall be considered as commencing for the individual employee at the time, he started to work on the last shift on which his basic day was paid for at the Pro rata rate.

- d) An extra man changing to a regular assignment or a regularly assigned man reverting to the extra list shall be paid at the pro rata rate for the first eight hours of work following such change.
- e) Except as modified by other provisions of this rule, an extra employee working one shift in one grade of service and a second shift in another grade of service shall be paid time and one-half for the second shift. the same as though both shifts were in the same grade of service, except where there is another man available to perform the work at pro rata rate.

Note (1): On railroads where a seniority board is in effect in cases where there is a man or men on such board available for work at the pro rata rate. a senior man who exercises his seniority to work two shifts, the second of which would otherwise, under the provisions of this rule, be paid at the overtime rate, shall be paid at the pro rata rate.

Note (2): The adoption of this rule shall not affect any existing rule in the schedule of any individual carrier relating to service performed on a Succeeding trick when an employee's relief fails to report at the fixed starting time.

Note (3): On such roads as have an existing rule or practice differing from the ruled the December 12, 1947 Agreement, titled "OVERTIME RATE IN YARD SERVICE - EXTRA MEN", and providing for pay at time and one-half, without exception, to extra yard men performing a second tour of duty in a 24-hour period, the Employees' Committee may elect to retain the existing rule or practice in lieu of this rule.

3. Employees worked more than five straight time eight-hour shifts in yard service in a work week shall be paid one and one-half times the basic straight time rate for such excess work except:
  - a) Where days off are being accumulated under Section 4 of this Article 3;
  - b) When changing off where it is the practice to work alternately days and nights for certain periods;
  - c) When working through two shifts to change off;
  - d) Where exercising seniority rights from one assignment to another;
  - e) Where paid straight time rates under existing rules or practices for a second tour of duty in another grade or class of service.

In the event an additional day's pay at the straight time rate is paid to a yard service employee for other service performed or started during the course of his regular tour of duty, such additional day will not be utilized in computing the five straight time eight-hour shifts referred to in this paragraph (3).

4. There, shall be no overtime on overtime: neither shall overtime hours paid for, nor time paid for at straight time rate for work referred to in paragraph (3) of this Section 8, be utilized in computing the five straight time eight-hour shifts referred to in such paragraph (3) of this Section 8, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, inquests, investigations, examinations, deadheading, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours. or where such time is now included under existing rules in computations leading to overtime. Existing rules or practices regarding the basis of payment of arbitraries or special allowances such as attending court, inquests, investigations, examinations, deadheading, etc.,

also for calls, basic day, transfer line, stand-by time, and compensation therefor, preparatory time, starting time (except as otherwise provided in Section 3) and similar rules are not affected by the provisions of this Article 3.

5. Any tour of duty in road service shall not be considered in any way in connection with the application of the provisions of this Article 3, nor shall service under two agreements be combined in any manner in the application of this Article 3.

## ASSIGNMENTS

## VACATIONS

From Article III of the January 27, 1972 National Agreement and previous agreement which are unchanged thereby.

Insofar as applicable to employees represented by the United Transportation Union, the Vacation Agreement dated April 29, 1949, as amended, is further amended effective January 1, 1973, by substituting the following Section 1 for Section 1 as previously amended, substituting the following Section 2 for Section 2 as previously amended, and substituting the following Section 9 for Section 9 as previously amended.

### Section 1 (a) – One Week

Effective January 1, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, will be qualified for an annual vacation of one week with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to one hundred sixty (160) basic days in miles or hours paid for, as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 25, 1950, May 25, 1951 or May 23, 1952, on an individual Carrier, but not earlier than year 1960, in the application of this Section 1(a) each basic day in Yard Service performed by a Yard Service Employee or by an Employee having interchangeable road and yard rights shall be computed as 1.1 days, for purposes of determining qualifications for vacations. (This is equivalent of 120 qualifying days in a calendar year in yard service and 144 qualifying days in road service.) (See NOTE below.)

Beginning with the year 1960 on all other Carriers, in the application of this Section 1(a) each basic day in all classes of service shall be computed as 1.1 days for purposes of determining qualifications for vacation. (This is the equivalent of 144 qualifying days.) (See NOTE below.)

### Section 1 (b) – Two Weeks

Effective January 1, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having two or more years of continuous service with employing Carrier will be qualified for an annual vacation of two weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to one hundred sixty (160) basic days in miles or hours paid for, as provided in individual schedules and during the said two or more years of continuous service renders service of not less than three hundred twenty (320) basic days in miles or hours paid for as provided in individual schedules..

Beginning with the effective date of the provisions of Article 3 of Agreement “A” dated September 25, 1950, May 25, 1951 or May 23, 1952, on an individual Carrier, but not earlier than year 1960, in the application of this Section 1(b) each basic day in Yard Service performed by a Yard Service Employee or by an Employee having interchangeable road and yard rights shall be computed as 1.4 days, and each basic day in all other services shall be computed as 1.2 days, for purposes of determining qualifications for vacations. (This is equivalent of 110 qualifying days in a calendar year in yard service and 132 qualifying days in road service.) (See NOTE below.)

Beginning with the year 1960 on all other Carriers, in the application of this Section 1(b) each basic day in all classes of service shall be computed as 1.2 days for purposes of determining qualifications for vacation. (This is the equivalent of 132 qualifying days.) (See NOTE below.)

### Section 1 (c) – Three Weeks

Effective January 1, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having ten or more years of continuous service with employing Carrier will be qualified for an annual vacation of three weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to one hundred sixty (160) basic days in miles or hours paid for, as provided in individual schedules and during the said ten or more years of continuous service renders service of not less than three hundred twenty (1600) basic days in miles or hours paid for as provided in individual schedules..

Beginning with the effective date of the provisions of Article 3 of Agreement “A” dated September 25, 1950, May 25, 1951 or May 23, 1952, on an individual Carrier, but not earlier than year 1960, in the application of this Section 1(c) each basic day in Yard Service performed by a Yard Service Employee or by an Employee having interchangeable road and yard rights shall be computed as 1.4 days, and each basic day in all other services shall be computed as 1.6 days, for purposes of determining qualifications for vacations. (This is equivalent of 100 qualifying days in a calendar year in yard service and 120 qualifying days in road service.) (See NOTE below.)

Beginning with the year 1960 on all other Carriers, in the application of this Section 1(c) each basic day in all classes of service shall be computed as 1.3 days for purposes of determining qualifications for vacation. (This is the equivalent of 120 qualifying days.) (See NOTE below.)



### Section 1 (d) – Four Weeks

Effective January 1, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having twenty or more years of continuous service with employing Carrier will be qualified for an annual vacation of four weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to one hundred sixty (160) basic days in miles or hours paid for, as provided in individual schedules and during the said two or more years of continuous service renders service of not less than three hundred twenty (3200) basic days in miles or hours paid for as provided in individual schedules..

Beginning with the effective date of the provisions of Article 3 of Agreement “A” dated September 25, 1950, May 25, 1951 or May 23, 1952, on an individual Carrier, but not earlier than year 1960, in the application of this Section 1(d) each basic day in Yard Service performed by a Yard Service Employee or by an Employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualifications for vacations. (This is equivalent of 100 qualifying days in a calendar year in yard service and 120 qualifying days in road service.) (See NOTE below.)

Beginning with the year 1960 on all other Carriers, in the application of this Section 1(d) each basic day in all classes of service shall be computed as 1.3 days for purposes of determining qualifications for vacation. (This is the equivalent of 120 qualifying days.) (See NOTE below.)

### Section 1 (e) – Five Weeks

Effective January 1, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having twenty-five or more years of continuous service with employing Carrier will be qualified for an annual vacation of five weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to one hundred sixty (160) basic days in miles or hours paid for, as provided in individual schedules and during the said two or more years of continuous service renders service of not less than three hundred twenty (4000) basic days in miles or hours paid for as provided in individual schedules..

Beginning with the effective date of the provisions of Article 3 of Agreement “A” dated September 25, 1950, May 25, 1951 or May 23, 1952, on an individual Carrier, but not earlier than year 1960, in the application of this Section 1(e) each basic day in Yard Service performed by a Yard Service Employee or by an Employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualifications for vacations. (This is equivalent of 100 qualifying days in a calendar year in yard service and 120 qualifying days in road service.) (See NOTE below.)

Beginning with the year 1960 on all other Carriers, in the application of this Section 1(e) each basic day in all classes of service shall be computed as 1.3 days for purposes of determining qualifications for vacation. (This is the equivalent of 120 qualifying days.) (See NOTE below.)

Note: In the application of Section 1(a), (b), (c), (d) and (e), qualifying years accumulated, also qualifying requirements for years accumulated, prior to the effective date of the respective provisions hereof, for extended vacations shall not be changed.

#### Section 1 (f) – Not Applicable

Deleted – Not applicable on IHB

#### Section 1 (g) – Extra Board Vacation Qualifications

Calendar days on which an employee assigned to an extra list is available for service and on which days he performs no service, not exceeding sixty (60) such days, will be included in the determination of qualification for vacation; also, calendar days, not in excess of thirty (30), on which an employee is absent from and unable to perform service because of injury received on duty will be included.

The 60 and 30 calendar days referred to in this Section 1(g) shall not be subject to the 1.1, 1.2, 1.3, 1.4 and 1.6 computations provided for in Section 1(a), (b), (c), (d) and (e), respectively.

#### Section 1 (h) – Vacation After Restoration to Service with Seniority Unimpaired

Where an employee is discharged from service and thereafter restored to service during the same calendar year with seniority unimpaired, service performed prior to discharge and subsequent to reinstatement during that year shall be included in the determination of qualification for vacation during the following year.

Where an employee is discharged from service and thereafter restored to service with seniority unimpaired, service before and after such discharge and restoration shall be included in computing three hundred twenty (320) basic days under Section 1(b), sixteen hundred (1600) basic days under Section 1(c), thirty-two hundred (3200) basic days under Section 1(d), and four thousand (4,000) basic days under Section 1(e).

#### Section 1 (i) – Vacation with Combined Service

Only service performed on one railroad may be combined in determining the qualifications provided for in this Section 1, except that service of an employee on his home road may be combined with service performed on other roads when the latter service is performed at the direction of the management of his home road by virtue of the employee's seniority on his home road. Such service will not operate to relieve the home road of its responsibility under this agreement.

#### Section 1 (j) – Vacation with Armed Services

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

### Section 1 (k) – Vacation with Armed Services

In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing Carrier in accordance with the Military Selective Service Act of 1967 as amended, and in the calendar year preceding his return to railroad service had rendered no compensated service or had rendered compensated service on fewer days than are required to qualify for a vacation in the calendar year of his return to railroad service, but could qualify for a vacation in the year of his return to railroad service if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could qualify for under Section 1(a), (b), (c), (d) or (e) and (j) hereof.

### Section 1 (l) – Vacation with Armed Services

In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing Carrier in accordance with the Military Selective Service Act of 1967 as amended, and in the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could qualify for under Section 1(a), (b), (c), (d) or (e) and (j) hereof.

### Section 2 – Vacation Pay

Employees qualified under Section 1 hereof shall be paid for their vacations as follows:

#### General

#### Section 2 (a) – Vacation Pay

An employee receiving a vacation, or pay in lieu thereof, under Section 1 shall be paid for each week of such vacation 1/52 of the compensation earned by such employee under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, on the Carrier on which he qualified under Section 1 (or Carriers in case he qualified on more than one Carrier under Section 1 (i)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay for each week of vacation be less than six (6) minimum basic days' pay at the rate of the last service rendered, except as provided in subparagraph (b).

#### Section 2 (b) – Vacation Pay

Beginning on the date Agreement "A" dated September 25, 1950, May 25, 1951 or May 23, 1952, became or becomes effective on any Carrier, the following shall apply insofar as yard service employees and employees having interchangeable yard and road rights covered by said agreement, who are represented by the United Transportation Union, are concerned:

## Yard Service

### Section 2 (b) (1) – Vacation Pay

An employee receiving a vacation, or pay in lieu thereof, under Section 1 shall be paid for each week of such vacation 1/52 of the compensation earned by such employee under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, on the Carrier on which he qualified under Section 1 (or Carriers in case he qualified on more than one Carrier under Section 1 (i)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay for each week of vacation be less than five (5) minimum basic days' pay at the rate of the last service rendered.

### Combination of Yard and Road Service

#### Section 2 (b) (2) – Vacation Pay

Deleted – Not applicable on IHB

Note: Section 2 (b) applicable to yard service shall apply to yard, belt line and transfer service and combinations thereof, and to hostling service.

### Section 9 – Vacation Pay

The terms of this Agreement shall not be construed to deprive any employee of such additional vacation days as he may be entitled to receive under and existing rule, understanding or custom, which additional vacation days shall be accorded under and in accordance with the terms of such existing rule, understanding or custom. With respect to yard service employees, and with respect to and yard service employee having interchangeable yard and road rights who receives a vacation in yard service, such additional vacation days shall be reduced by 1/6<sup>th</sup>.

### Section 10 – Dispute Resolution

Any dispute or controversy arising out of the interpretation or application of any of the provisions of this Agreement will be handled on the property in the same manner as other disputes. If the dispute or controversy is not settled on the property and either the Carrier or the Organization desires that the dispute or controversy be handled further, it shall be referred by either party for decision to a Committee, the Carrier members of which shall be five members of the Carriers' Conference Committees signatory hereto, or their successors; and the employee members of which shall be the chief executives of the five Organizations signatory hereto, or their representatives, or successors. It is agreed that the Committee herein provided will meet between January 1 and June 30 and July 1 and December 31 of each year if any disputes or controversies have been filed for consideration. In event of failure to reach agreement the dispute or controversy shall be arbitrated in accordance with the Railway Labor Act, as amended, the arbitration being handled by such Committee. Interpretation or application agreed upon by such Committee, or fixed by such arbitration, shall be final and binding as an interpretation or application of this agreement.

Section 11 –

This vacation agreement shall be construed as a separate agreement by and on behalf of each Carrier party hereto, and its railroad employees represented by the respective organizations signatory hereto, and effective July 1, 1949 supersedes the Consolidated Uniform Vacation Agreement dated June 6, 1945, insofar as said agreement applies to and defines the rights and obligations of the Carriers parties to this agreement and the employees of such Carriers represented by the Brotherhood of Locomotive Engineers and United Transportation Union.

Section 12 –

This vacation agreement shall continue in effect until changed or modified in accordance with provisions of the Railway Labor Act, as amended.

Section 13 –

This agreement is subject to approval of courts with respect to Carriers in hands of receivers or trustees.

Section 14 –

The parties hereto having in mind conditions which exist or may arise on individual Carriers in making provisions for vacations with pay, agree that the duly authorized representative (General Chairman) of the employees, party to this agreement, and the officer designated by the Carrier, may enter into additional written understandings to implement the purposes of this agreement, provided that such understandings shall not be inconsistent with this agreement.

ARTICLE IV – PAID HOLIDAYS FOR YARD SERVICE EMPLOYEES

Of the April 5, 1957 National Agreement as amended by the 11-30-60, 6-25-64, 7-17-68, 1-27-72, 1-29-75 and 11-10-76 National Agreements.

Section 2 (a) – Regularly Assigned Yard Service Employees

Each regularly assigned yard service employee, who meets the qualifications provided in paragraph (b) hereof, shall receive one basic day's pay at the pro rata rate of the position to which regularly assigned for each of the following enumerated holidays:

New Year's Day	Thanksgiving Day
Washington's Birthday	Christmas Day
Decoration Day	Veteran's Day (1-1-73)
Fourth of July	Christmas Eve (1-1-76)
Labor Day	Good Friday (1-1-76)

Only one basic day's pay shall be paid for the holiday irrespective of the number of shifts worked.

Note: When any of the above-listed holidays fall on Sunday, the day observed by the State or Nation shall be considered the holiday.

## Section 2 (b) – Regularly Assigned Yard Service Employees

To qualify, a regularly assigned employee must be available for or perform service as a regularly assigned employee on the workdays immediately preceding and following such holiday, and if his assignment works on the holiday, the employee must fulfill such assignment. However, a regularly assigned yard service employee whose assignment is annulled, cancelled or abolished, or a regular assigned yard service employee who is displaced from a regular assignment as a result thereof on (1) the workday immediately preceding the holiday, **(2)** the holiday, or **(3)** on the workday immediately following the holiday will not thereby be disqualified for holiday pay provided he does not lay off on any of such days and makes himself available for yard service on each of such days excepting the holiday in the event the assignment does not work on the holiday. If the holiday falls on the last day of an employee's workweek, the first workday following his "days off" shall be considered the workday immediately following. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday. (Article I of the November 30, 1960 National Agreement)