

AGREEMENT

between

INDIANA HARBOR BELT RAILWAY

and

INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE

WORKERS

DISTRICT 19

JULY 1, 2011

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PREAMBLE

The provisions hereinafter set forth shall constitute an agreement between the Indiana Harbor Belt Railway Company, collectively referred to hereinafter as "IHB" and employees represented by the International Association of Machinist and Aerospace Workers (IAMAW) and shall govern the hours of service, rates of pay and working conditions of such employees.

It is the general intent of the Company and the Organization that any and all work set forth in the Work Classification Rules herein which can reasonably and practicably be performed by the employees covered by this Agreement shall be assigned to such employees rather than to any contractor or sub-contractor.

It is understood that this Agreement shall apply to those who perform the work specified in this Agreement on "IHB", except where such work, as of the effective date of this Agreement, is covered by existing agreements with other organizations.

It is agreed that all work recognized as work of the craft will not be contracted to outside concerns without the consent of the Organization.

HOURS OF SERVICE

RULE 1.

Eight hours shall constitute a day's work. All employees coming under the provisions of this agreement shall be paid on an hourly basis.

FORTY HOUR WORK WEEK

RULE 2.

NOTE: The expressions "positions" and "work" when used in this agreement refer to service, duties, or operations necessary to be performed the specified number of days per week, and not to the work week of individual employees.

(A) The Carrier will establish, effective September 1, 1949, for all employees, subject to the exceptions contained in this agreement, a work week of forty (40) hours, consisting of five days of eight hours each, with two consecutive days off in each seven; the work weeks may be staggered in accordance with the Carrier's operational requirements; so far as practicable the days off shall be Saturday and Sunday. The foregoing work week rule is subject to the provisions of this agreement which follow:

(B) Five-day Positions - On positions the duties of which can reasonably be met in five days, the days off will be Saturday and Sunday.

(C) Six-day Positions - Where the nature of the work is such that employees will be needed six days each week, the rest days will be either Saturday and Sunday or Sunday and Monday.

(D) Seven-day Positions - On positions which have been filled seven days per week any two consecutive days may be the rest days with the presumption in favor of Saturday and Sunday.

(E) Regular Relief Assignments

1. All possible regular relief assignments with five days of work and two consecutive rest days will be established to do the work necessary on rest days of assignments in six or seven-day service or combinations thereof, or to perform relief work on certain days and such types of other work on other days as may be assigned under this agreement.
2. Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees of the same class in the same seniority district, provided they take the starting time, duties and work locations of the employee or employees whom they are relieving.
3. When a regular relief assignment is established pursuant to this Rule 2 (E) and occupant of same is assigned to work at more than one station, the Carrier shall designate a headquarters point for such relief assignment, which shall be changed only after reasonable written notice to the employee affected, with copy to local chairman of respective craft.
4. Employees filling regular relief assignments under this Rule 2 (E) who are required to travel as a part of their assignment shall, in addition to pay for work performed, are to be paid as follows:
 - (a) If the time consumed in actual travel, including waiting time en route, from the headquarters point to the work location, together with necessary time spent waiting for the employee's shift to start, exceeds one hour and thirty minutes, or if on completion of his shift necessary time spent waiting for transportation plus the time of travel, including waiting time en route, necessary to return to his headquarters point or to the next work location exceeds one hour and thirty minutes, then the excess over one hour and thirty minutes in each case shall be paid for as working time at the straight time rate of the job to which traveled.
 - (b) Where an employee is required to travel from his headquarters point to another point outside the environs of the city or town in which his headquarters point is located, the Carrier will either provide transportation without charge or reimburse the employee for such transportation cost on the following basis ("transportation" means travel by rail, bus or private automobile, and "transportation cost" means the established passenger fare or automobile mileage allowance where automobile is used):
 - (i) If directed to travel by train, free rail transportation will be provided.
 - (ii) If directed to travel by bus the Company will reimburse the relief employee for the established bus passenger fares so paid.

- (iii) If authorized to travel by private automobile, the relief employee will be reimbursed therefore on the basis of the then established mileage rate established by management from time to time according to rail mileage between stations in the assignment, for highway miles so traveled.

An employee who desires to use his private automobile under the terms of this rule shall so advise the proper official and use of his automobile, if serviceable, may be authorized. The company may require such employee to carry and maintain in good standing an automobile personal injury and property damage liability insurance policy in which the railway company is designated as one of the insured.

When travel by bus or private automobile is authorized, the relief employee shall submit to the proper official, for payment, at the end of each calendar month, an itemized statement on proper form showing bus and/or other fares paid, or accrued automobile mileage. Statements of fares paid will have attached thereto ticket or cash fare receipts.

(c) When such employees are unable to return to their headquarters on any day they shall be entitled, in addition to the allowances under paragraphs (a) and (b) of this Rule 2 (E) to reimbursement for actual necessary cost of lodging and two meals per day while away from headquarters, i.e., the 24 hour period following the time when the employees' last shift began - but on such days they shall not be paid for any hours after their assigned hours unless actually working, or traveling to another work location. Accommodations on a sleeper may be furnished in lieu of the lodging above provided for and time spent on the sleeper will not be considered travel.

- 5. Rules applying to travel in connection with emergency service, temporary vacancies, temporary transfers, road work, vacation relief, wrecking service, or the like are not changed by this rule and will continue in effect for such service or work. An employee who performs rest day relief in such service is covered by such rules while on duty in place of the relieved employee, but his travel to and from the headquarters of the relieved employee will be subject to this Rule 2 (E).
- 6. The Carrier will make such relief assignments so as to have, consistent with the requirements of the service and other provisions of this agreement, a minimum amount of travel and time away from home for the employees involved, and at the request of any employee representative the Carrier's representative will meet to discuss questions that may be raised as to such assignments.

(F) Deviation from Monday-Friday Week - If in positions or work extending over a period of five days per week, an operational problem arises which the Carrier contends cannot be met under the provisions of paragraph (B) of this Rule 2, and requires that some of such employees work Tuesday to Saturday instead of Monday to Friday, and the employees contend the contrary, and if the parties fail to agree thereon, then if the Carrier nevertheless puts such assignments into effect, the dispute may be processed as a grievance or claim under applicable rules of this agreement.

(G) Nonconsecutive Rest Days - The typical work week is to be one with two consecutive days off, and it is the Carrier's obligation to grant this. Therefore, when an operating problem is met which may affect the consecutiveness of the rest days of positions or assignments covered by paragraphs (C), (D) and (E) of this Rule 2, the following procedure shall be used:

1. All possible regular relief positions shall be established pursuant to paragraph (E) of this Rule 2.
2. Possible use of rest days other than Saturday and Sunday by agreement, or in accordance with other provisions of this agreement.
3. Efforts will be made by the parties to agree on the accumulation of rest time and the granting of longer consecutive rest periods. The parties adopt this as a principle; to implement its accomplishment initially local officers and local chairmen will endeavor to agree where it shall be done and such agreements should be made in all instances where they will facilitate the establishment of relief positions.
4. Other suitable or practicable plans which may be suggested by either of the parties shall be considered and efforts made to come to an agreement thereon.
5. If the foregoing does not solve the problem, then some of the relief employees may be given nonconsecutive rest days.
6. If after all the foregoing has been done there still remains service which can only be performed by requiring employees to work in excess of five days per week, the number of regular assignments necessary to avoid this may be made with two nonconsecutive days off.
7. The least desirable solution of the problem would be to work some regular employees on the sixth or seventh days at overtime rates and thus withhold work from additional relief employees.
8. If the parties are in disagreement over the necessity of splitting the rest days on any such assignments, the Carrier may nevertheless put the assignments into effect subject to the right of employees to process the dispute as a grievance or claim under applicable rules of this agreement, and in such proceedings the burden will be on the Carrier to prove that its operational requirements would be impaired if it did not split the rest days in question and that this could be avoided only by working certain employees in excess of five days per week.
9. It is understood that the provisions of this Rule 2 (G) shall only be utilized in limited circumstances based on actual service requirements and only after consultation with the appropriate General Chairman by Labor Relations.

(H) Rest Days of Furloughed Employees - To the extent furloughed employees may be utilized under the applicable rules or practices, their days off need not be consecutive; however, if they take the assignment of a regular employee they will have as their days off the regular days off of that assignment.

(I) Beginning of Work Week - The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and for unassigned employees shall mean a period of seven consecutive days starting with Monday.

(J) Work on Unassigned Days - Where work is required by the Carrier to be performed on a day which is not a part of any assignment, it may be performed by an available unassigned employee who will otherwise not have forty (40) hours of work that week; in all other cases by the regular employee.

(K) Daylight Savings

1. Employees on duty when the change is made from Standard to Daylight Savings Time in a calendar year and who complete such tours of duty will be allowed eight hours pay for such tour of duty. If these employees are also on duty when change is made back to Standard Time in the same calendar year and complete that tour of duty, they will be allowed eight hours pay for that tour of duty.
2. Employees not on duty when change is made from Standard to Daylight Savings Time, but who are on duty when the change is made back to Standard Time will be released from duty after eight hours or, if required to remain on duty in excess of eight hours, will be paid at the applicable time and one-half rate of pay for all the time worked in excess of eight hours.

STARTING TIME

RULE 3.

(A) One Shift:

When one shift is employed, the starting time shall not be earlier than 7 o'clock and not later than 8 o'clock. The time and length of the lunch period shall be subject to mutual agreement.

(B) Two Shifts:

Where two shifts are employed, the starting time of the first shift shall be governed by paragraph (A) and the second shift shall start immediately following the first shift, or at 8 p.m. If the second shift is not required at those hours, it may be started at 10 p.m. The spread of the second shift shall consist of eight (8) consecutive hours, including an allowance of twenty (20) minutes for lunch within the limits of the fifth hour.

(C) Three Shifts:

Where three shifts are employed, the starting time of the first shift shall be governed by paragraph (A) and the starting time of the other shifts shall be regulated accordingly. Each shift shall work straight through and the second and third shifts shall be allowed not to exceed twenty (20) minutes for lunch within the fifth hour.

(D) Establishment of Uniform Commencing and Quitting Time:

The time established for commencing and quitting work for all employees on each shift shall be the same at the respective points, but where three shifts are worked by running repair forces and two shifts by the shop forces, the quitting time of the first shift and the commencing and quitting time of the second shift of the shop forces will be governed by the length of their lunch period. This shall not prohibit working temporarily a craft or portion thereof overtime, when necessary, and shall not apply when employees of such forces are available. The starting time of any shift may deviate from the above by agreement between the Local Chairman and Superintendent-Locomotives based on actual service requirements.

EXCEPTION: It is agreed that 3 eight (8) hour shifts may be established under the provisions of paragraph (C) for the employees necessary to the continuous operation of power houses, millwright gangs, heat treating plants, train yard running repair, inspection forces and repair track forces without extending the provisions of paragraph (C) to the balance of the shop forces.

OVERTIME

RULE 4.

(A) All overtime continuous with regular bulletined hours will be paid for at the rate of time and one-half until relieved, except as otherwise provided in this agreement. Employees will be allowed time and one-half on a minute basis for service performed continuously in advance of or following the regular working period with a minimum of one hour at the straight time rate of pay.

(B) All hours actually worked at home station in excess of sixteen (16) hours of continuous work computed from starting time of the employee's regular shift shall be paid for at rate of double time.

If an employee is required to work beyond twenty-four (24) hours computed from the starting time of his regular shift, double time will continue. Employee who has been at work for such 24-hour period may be relieved but if he desires to complete his regular shift will be permitted to do so and paid at straight time rate.

NOTE: It is not intended that lunch periods will break the continuity of computation of continuous work under this rule.

(C) Work in excess of forty (40) straight time hours in any work week shall be paid for at one and one-half times the basic straight time rate except where such work is performed by an employee due to moving from one assignment to another or to or from a furloughed list, or where days off are being accumulated under Section (G) of Rule 2.

Employees worked more than five days in a work week shall, except as provided in paragraph (C) of Rule 5, be paid one and one-half times the basic straight time rate for work on the sixth and seventh days of their work weeks, except where such work is performed by an employee due to moving from one assignment to another or to or from a furloughed list, or where days off are being accumulated under Section (G) of Rule 2.

There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight (8) paid for at overtime rates on holidays or for changing shifts, be utilized in computing the forty (40) hours per week, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, deadheading, travel time, 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.

CALLS AND WORK ON ASSIGNED REST DAYS

RULE 5.

(A) Employees called or notified to return to work outside bulletined hours shall receive pay for not less than five (5) hours. They shall be required to do only such work as called for or work of equal importance that may develop while they are on duty.

(B) Work performed by a regularly assigned employee on either or both his assigned rest days shall, except as provided in paragraphs (C) and (D) below, be paid for on the minute basis at the rate of time and one-half with a minimum allowance of five (5) hours at pro rata rate.

(C) Service performed by a regularly assigned hourly or daily rated employee on the second rest day of his assignment shall be paid at double the basic straight time rate provided he has worked all the hours of his assignment in that work week and has worked on the first rest day of his work week, except that emergency work paid for under the call rules will not be counted as qualifying service under this rule, nor will it be paid for under the provisions hereof.

(D) If a regularly assigned employee is required on either or both his assigned rest days to relieve (take the place of) another employee regularly assigned to work an eight (8) hour shift on such day, he shall be paid for a minimum of eight (8) hours at the applicable rate under this rule.

HOLIDAY WORK

RULE 6.

(A) Work performed on the following legal holidays, namely, New Year's Day, Presidents Day (3rd Monday in February), Good Friday (Friday before Easter), Memorial Day (last Monday in May), Independence Day (4th of July), Labor Day (first Monday in September), National Thanksgiving Day (4th Thursday in November), Day after Thanksgiving, Christmas Eve Day, Christmas Day and New Year's Eve Day, (provided when any of these holidays fall on Sunday, the day observed by the State, Nation or proclamation shall be considered the holiday), shall be paid for at the rate of time and one-half.

(B) A holiday shift shall be determined by the starting time of the shift involved. Any shift that has a starting time within the calendar date of a holiday shall be deemed the holiday shift.

ASSIGNMENTS ON HOLIDAYS

RULE 7.

Employees regularly assigned to work on holidays or those called to take the place of such employees will be allowed to complete the balance of the day unless relieved at their own request. Those who are assigned or called will be advised as soon as possible after vacancies become known. Effort will be made to finalize holiday assignments at least 5 days in advance of the holiday; however, adjustments in such assignments may be made at any time based on business needs, work load, service requirements, etc.

WORK DURING LUNCH PERIOD

RULE 8.

Employees required to work during, or any part of, the lunch period, shall receive pay for the length of the lunch period regularly taken at point employed at straight time and will be allowed necessary time to procure lunch (not to exceed thirty minutes) without loss of time.

This does not apply where employees are allowed the twenty (20) minutes for lunch without deduction therefore.

ROAD WORK-OVERTIME

RULE 9.

An employee regularly assigned to work at a shop, engine house, repair track, or inspection point, when called for emergency road work away from such shop, engine house, repair track, or inspection point, will be paid from the time ordered to leave home station until his return for all time worked in accordance with the practice at home station, and also straight time rates for straight time hours, and time and one-half rates for overtime hours, whether working, waiting, or traveling.

If, during the time on the road, an employee is relieved from duty and permitted to go to bed for five (5) or more hours, such relief time will not be paid for, provided that in no case shall he be paid for a total of less than eight (8) hours each calendar day, during which such irregular service prevents the employee from making his regular daily hours at home station. Where meals and lodging are not provided by the Company, actual necessary expenses will be allowed.

Employees will be called as nearly as possible one hour before leaving time, and on their return will deliver tools at point designated.

If required to leave home station during overtime hours, they will be allowed one hour preparatory time at straight time rate.

DISTRIBUTION OF OVERTIME

RULE 10.

When it becomes necessary for employees covered by this agreement to work overtime, they shall not be laid off during regular working hours to equalize the time.

Record will be kept of overtime worked and employees called with the purpose in view of distributing the overtime as equally as possible among the employees insofar as their qualifications will permit consistent with forty (40) hour week rules. Local management and local representative(s) should endeavor to cooperate in assuring proper distribution of available overtime.

TEMPORARY SERVICE - OUTLYING POINTS

RULE 11.

(A) Employees sent out to temporarily fill vacancies at an outlying point or shop, or sent out on a temporary transfer to an outlying point or shop, will be paid continuous time from time ordered to leave home point to time of reporting at point to which sent, straight time rates to be paid for straight time hours at home station and time and one-half rates for hours outside of bulletined hours at home station. If on arrival at the outlying point there is an opportunity to go to bed for five (5) hours or more before starting work, time will not be allowed for such hours.

While at such outside point will be paid for hours actually worked in accordance with Rule 4, i.e., at straight time, overtime or double time rates in accordance with the number of hours actually worked from starting time and will be guaranteed not less than eight (8) hours for each day.

Where meals and lodging are not provided by the Company, actual necessary expenses will be allowed.

On the return trip to home point, will be paid straight time or time and one-half, as the case may be, in accordance with bulletined hours at home station up to the time of arrival at home point.

(B) Employees who are sent from home station to relieve other employees taking vacations will be paid as follows:

For time consumed in going to or returning from the outside point, actual time at straight time rates apply. This shall apply to time consumed in making one trip to go to the point to perform vacation relief and one trip returning from such point. For relief service performed at such away from home point, they will be paid in accordance with the rules of the agreement; such away from home point, during time relief service is performed, to be deemed the home point for applying rules, except that if meals and lodging are not afforded by the Carrier, relief employees will be paid necessary actual expenses while away from home.

NOTE: Nothing in this paragraph is intended to alter or amend the provisions of the Vacation Agreement of December 17, 1941, as amended, and interpretations thereof as to the creation of relief positions under said agreement.

CHANGING SHIFTS

RULE 12.

Employees transferring from one shift to another at the direction of management will be paid overtime rates for the first day or night of the new shift. This does not apply to employees who transfer at their own request or due to an exercise of seniority.

Employees retained for three days or nights, or more, on a shift other than their regular shift will receive overtime rates when returning to their regular shift.

Relief assignments consisting of different shifts will be kept to a minimum. Such assignments shall be excepted from the requirements for overtime payments upon change of shift for shift changes included in the regular relief assignments.

EMPLOYEES FILLING POSITIONS OF OTHERS

RULE 13.

When an employee is required to fill the place of another employee receiving a higher rate of pay, he shall receive the higher rate; but if required to fill temporarily the place of another employee receiving a lower rate, his rate will not be changed.

SENIORITY OF EMPLOYEES

RULE 14.

(A) Except as otherwise provided in this agreement with respect to student machinists, persons shall establish seniority as of the date of last entrance into Carrier's service in an IAMAW represented position. In the event the employee's employment application is not approved, he fails to pass medical examination, or otherwise fails to meet the Carrier's entrance requirements, he shall be terminated and his name removed from the seniority roster; provided, however, any termination of the employee for these reasons (not including falsification of his employment application) must be made within sixty (60) calendar days after the first day service is performed.

(B) The seniority of any employee whose seniority under an agreement with IAMAW is established after December 18, 1987, and who is furloughed for 365 consecutive days will be terminated if such employee has less than three (3) years of seniority. The "365 consecutive days" shall exclude any period during which a furloughed employee receives compensation pursuant to an I.C.C. or S.T.B. employee protection order or an employee protection agreement or arrangement.

(C) Except as otherwise specifically provided, an employee establishes seniority under this Rule 14 only on the roster at the point employed. The point at which an employee first enters the service and establishes seniority shall be the employee's home point and, except as otherwise specifically provided in this agreement, shall remain the employee's home point.

SENIORITY ROSTERS

RULE 15.

(A) Seniority rosters shall be posted during the month of January in each year. They will be open to inspection and copy furnished the Committee and General Chairman.

(B) Such rosters shall be subject to protest for a period of sixty (60) days after posting. Any protest must be handled through the General Chairman who will handle same directly with Labor Relations. No protest will be considered under these provisions for rosters posted prior to the effective date of this agreement.

VACANCIES OR NEW POSITIONS

RULE 16.

(A) New positions and permanent vacancies shall be bulletined previous to or within ten (10) days following the dates such vacancies occur for a period of five (5) days.

(B) Applications for such positions or vacancies must be filed in writing with the appropriate Carrier officer on or before 12 midnight of the fifth day of the bulletin period, with copy to the local chairman. Applications of employees failing to follow this procedure will not be considered.

(C) Bulletined positions may be filled temporarily pending assignments.

(D) Assignments to such new positions or vacancies shall be made within twenty (20) days from the date of bulletin and bulletin shall be posted announcing the name of the employee assigned.

(E) An employee shall be given a reasonable trial to prove his qualifications, not to exceed five (5) working days. An employee failing to qualify for the position selected after being given a fair opportunity to demonstrate his qualifications, will retain all prior seniority and will return to his former position unless it has been abolished or permanently filled by a senior employee, in which event he will exercise seniority within twenty four (24) hours of his return.

(F) An employee who is absent from work due to vacation, suspension, disability or sickness may, within five (5) days after his return to work from vacation, suspension, disability or sickness make application for positions bulletined during his absence.

If the position the returning employee last held was not bulletined or abolished while he was off, the employee would return to that position and may, within five days after his return, make application for positions bulletined during his absence. It would be the employee's responsibility to determine what positions may have been bulletined.

Any employee affected by an employee exercising a late bid will be entitled to a displacement as provided in Rule 23 B.

If the position the returning employee last held had been abolished, bulletined and awarded to another employee, or held by another employee through a displacement, the returning employee would be entitled to exercise his seniority and displace to any position held by a junior employee.

(G) Bulletins issued under this rule will utilize the sample forms (Appendix B and C) of this agreement. The practice in effect at certain points of including in the Description of Work language such as "all other duties that may be assigned" will be discontinued in line with the following understanding:

1. While it is not possible to define all duties of a position in the "Description of Work", the primary duties of the position shall be included therein.
2. The Carrier continues to have the right to reassign employees temporarily to perform other work of their craft.

(H) Nothing in this rule shall be construed to prevent the blanking of positions during the temporary absence of employees.

In the event it is necessary to fill a position during the temporary absence of an employee at the beginning of the shift the senior qualified employee desiring to do so may be assigned to the temporary vacancy by virtue of his seniority by handling the matter with the appropriate carrier officer, otherwise the junior qualified employee should be assigned.

SAFETY SHOES

RULE 17.

Employees covered by this Agreement may purchase one (1) pair of approved safety shoes each calendar year. The Carrier will contribute \$160.00 toward the price of the shoes so purchased providing they meet the established standards set by the Carrier.

PROMOTION TO POSITIONS OF FOREMAN OR OFFICIAL POSITIONS WITH A CARRIER OR LABOR ORGANIZATION

RULE 18.

(A) Mechanics in service will be considered for promotion to positions as Foremen. Employees promoted to positions of Assistant Foreman or Foreman and to official positions with Indiana Harbor Belt Railroad Company, its successors, railroad affiliates, or the Organization party hereto shall, subject to the provisions of paragraphs 20(B) and (C) below, retain and continue to accumulate seniority established in accordance with the provisions of the rules of this agreement regardless of whether their names are shown on the seniority rosters.

(B) Effective July 1, 2011, all employees promoted subsequent thereto to official, supervisory, or excepted positions from crafts or classes represented by the Organization party hereto shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to retain and continue to accumulate seniority. A supervisor whose payments are delinquent shall be given a written notice by the appropriate General Chairman of the amount owed and ninety (90) days from the date of such notice to cure the delinquency in order to avoid seniority forfeiture.

(C) Employees promoted prior to July 1, 2011 to official, supervisory, or excepted positions from crafts or classes represented by the Organization party hereto shall retain their current seniority but shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to accumulate additional seniority.

(D) In the event employees so promoted are demoted, furloughed or have occasion to leave the position to which promoted for any reason beyond their control, they shall have the right to exercise a displacement right within ten (10) days from the date so affected under the provisions of Rule 23.

(E) Such employees returning to positions covered by this agreement because of their own election may do so within ten (10) days from the date their election is effective, but only by applying for existing vacancies to which their seniority entitles them. In the event there are no existing vacancies, such employees may displace only the employee with the least seniority in their craft at the point where they hold seniority.

(F) All time spent on leave of absence with the union will be considered as qualifying time for vacation and personal leave days.

FORCE REDUCTION

RULE 19.

(A) When it becomes necessary to reduce expenses, the force shall be reduced.

(B) Except as provided in Rule 24 with respect to use of furloughed employees and Rule 22 - Emergency Force Reduction, when forces are to be reduced or positions abolished, not less than five (5) working days advance notice shall be given employees affected and list of same shall be furnished employee representatives.

(C) The last individual employed shall be the first employee laid off except that at points where students/apprentices are employed, all student/apprentice machinists will be furloughed at the point before any journeyman machinists are furloughed.

(D) In the restoration of forces, senior laid off employees will be given preference to reemployment and shall be notified in writing at their last known address by their employing officer to return to the service. Additionally, should the Carrier have journeyman machinists furloughed and student/apprentice machinists furloughed at the same point, journeyman machinists will be restored to service before any student/apprentice machinists at that point. New positions established will be bulletined, and assignments thereto will be made in accordance with Rule 17.

(E) Employees notified to return to the service under paragraph (D) above shall advise their employing officer within ten (10) days from the date of said notice of their intent to return or not return.

(F) Employees must report for service as near the date called for as circumstances and conditions will permit. Unless employees give the notice required under paragraph (E) above and return to service, or arrange for proper leave of absence with their employing officer, their names, except in cases of bona fide sickness, shall be stricken from the seniority roster(s).

EMERGENCY FORCE REDUCTION

RULE 20.

(A) Rules, agreements or practices, however established, that require advance notice to employees before temporarily abolishing positions or making temporary force reductions are hereby modified to eliminate any requirement for such notices under emergency conditions such as flood, snow storm, hurricane, tornado, earthquake, fire or labor dispute other than as covered by paragraph (B) below, provided that such conditions result in suspension of Carrier's operations in whole or in part. It is understood and agreed that such temporary force reductions will be confined solely to those work locations directly affected by any suspension of operations. It is further understood and agreed that notwithstanding the foregoing, any employee who is affected by an emergency force reduction and reports for work for his position without having been previously notified not to report, shall receive four hours' pay at the applicable rate for his position.

(B) Rules, agreements or practices, however established, that require advance notice before positions are temporarily abolished or forces are temporarily reduced are hereby modified so as not to require advance notice where a suspension of Carrier's operations in whole or in part is due to a labor dispute between said Carrier and any of its employees.

READJUSTMENT OF FORCES - DISPLACEMENT RIGHTS

RULE 21.

(A) When it becomes necessary to adjust the forces for any reason, the position or positions to be made vacant shall be abolished as provided in Rule 21.

(B) Any employee affected thereby shall, if qualified (reasonable trial to be afforded to determine qualifications), be privileged to displace within forty-eight (48) hours any employee his junior in point of service on his own or any other shift or department to which he may desire to go.

(C) When forces are restored, employees shall be recalled as provided in Rule 21.

FURLOUGHED EMPLOYEES (USE OF)

RULE 22.

(A) The Carrier shall have the right to use furloughed employees to perform relief work on regular positions during absence of regular occupants, provided such employees have signified in the manner provided in paragraph (B) hereof their desire to be so used. This provision is not intended to supersede rules or practices which permit employees to place themselves on vacancies on preferred positions in their seniority districts, it being understood, under these circumstances, that the furloughed employee will be used, if the vacancy is filled, on the last position that is to be filled.

This does not supersede rules that require the filling of temporary vacancies. It is also understood that management retains the right to use the regular employee, under pertinent rules of the agreement, rather than call a furloughed employee.

(B) Furloughed employees desiring to be considered available to perform such relief work will notify the proper officer of the Carrier in writing, with copy to the local chairman, that they will be available and desire to be used for such work. A furloughed employee may withdraw his written notice of willingness to perform such work at any time before being called for such service by giving written notice to that effect to the proper Carrier officer, with copy to the local chairman. If such employee should again desire to be considered available for such service notice to that effect, as outlined hereinabove, must again be given in writing. Furloughed employees who would not, at all times, be available for such service will not be considered available for relief work under the provisions of this rule. Furloughed employees so used will not be subject to rules of the applicable collective agreements which require advance notice before reduction of force.

Only those furloughed employees who hold seniority at a particular point may notify the proper Carrier officer and thereafter be considered available to perform relief work on regular positions at such point.

(C) Furloughed employees who have indicated their desire to participate in such relief work will be called in seniority order for this service.

NOTE 1: Employees who are on approved leave of absence will not be considered furloughed employees for purposes of this agreement.

NOTE 2: Furloughed employees shall in no manner be considered to have waived their rights to a regular assignment when opportunity therefore arises.

LEAVE OF ABSENCE

RULE 23.

When the requirements of service will permit, employees, upon written request, will be granted leave of absence, not to exceed thirty (30) days, with privilege of renewal upon written request. If renewal is desired, written application in accordance with the foregoing requirements will be made prior to the expiration of the leave of absence previously granted.

An employee absent on leave, who engages in other employment, will lose his seniority unless special provision has been made therefore by the proper official and local chairman representing his craft.

EMPLOYEES UNAVOIDABLY ABSENT

RULE 24.

(A) In case an employee is unavoidably kept from work, he will not be discriminated against. An employee detained from work on account of sickness or for any other good cause shall notify his foreman as early as possible, preferably prior to the start of shift unless medically unable.

(B) The provisions of paragraph (A) shall be strictly complied with. Excessive absenteeism (except due to sickness under paragraph (A) above) and/or tardiness will not be tolerated and employees so charged shall be subject to the disciplinary procedures of Rule 29.

(C) An employee in service who fails to protect his assignment due to engaging in other employment shall be subject to dismissal.

HOURLY RATES OF MACHINISTS

RULE 25.

Rate in effect on January 1, 2011:

Machinist	\$ 25.14
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Above is a base rate and does not include any differentials.

Rates of pay for student machinists are as specified in the student machinist agreement. (Appendix D).

HOLIDAYS PAY FOR AND QUALIFICATIONS NECESSARY

RULE 26.

Article II of the National Agreement of August 21, 1954 captioned "Holidays," effective May 1, 1954, as amended by National Agreements of August 19, 1960, November 21, 1964, September 2, 1969, October 7, 1971, and January 1, 1983, is hereby further amended to read as follows:

Section 1.

Subject to the qualifying requirements contained in Section 2 hereof, and to the conditions hereinafter provided, each hourly and daily rated employee shall receive eight (8) hours' pay at the pro rata hourly rate for each of the following enumerated holidays:

New Year's Day	Thanksgiving Day
Presidents Day	Day after Thanksgiving
Good Friday	Christmas Eve
Memorial Day	Christmas
Independence Day	New Year's Eve
Labor Day	

(A) Holiday pay for regularly assigned employees shall be at the pro rata rate of the position to which assigned.

(B) For other than regularly assigned employees, if the holiday falls on a day on which he would otherwise be assigned to work he shall, if consistent with the requirements of the service, be given the day off and receive eight hours' pay at the pro rata rate of the position which he otherwise would have worked. If the holiday falls on a day other than a day on which he otherwise would have worked, he shall receive eight hours' pay at the pro rata hourly rate of the position on which compensation last accrued to him prior to the holiday.

(C) Subject to the applicable qualifying requirements in Section 2 hereof, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in paragraph (B) above, provided (1) compensation for service paid him by the Carrier is credited to 11 or more of the 30 calendar days immediately preceding the holiday and (2) he has had a seniority date for at least 60 calendar days or has 60 calendar days of continuous active service preceding the holiday beginning with the first day of compensated service, provided employment was not terminated prior to the holiday by resignation, for cause, retirement, death, noncompliance with a union shop agreement, or disapproval of application for employment.

Section 2.

A regularly assigned employee shall qualify for the holiday pay provided in Section 1 hereof if compensation paid him by the Carrier is credited to the work days immediately preceding and following such holiday or if the employee is not assigned to work but is available

for service on such days. If the holiday falls on the last day of a regularly assigned employee's work week, the first work day following his rest days shall be considered the work day immediately following. If the holiday falls on the first work day of his work week, the last work day of the preceding work week shall be considered the work day immediately preceding the holiday.

Except as provided in the following paragraph, all others for whom holiday pay is provided in Section 1 hereof shall qualify for such holiday pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

- (i) Compensation for service paid by the Carrier is credited; or
- (ii) Such employee is available for service.

NOTE: "Available" as used in subsection (ii) above is interpreted by the parties to mean that an employee is available unless he lays off of his own accord or does not respond to a call, pursuant to the rules of the applicable agreement, for service.

For purposes of Section 1, other than regularly assigned employees who are relieving regularly assigned employees on the same assignment on both the work day preceding and the work day following the holiday will have the work week of the incumbent of the assigned position and will be subject to the same qualifying requirements respecting service and availability on the work days preceding and following the holiday as apply to the employee whom he is relieving.

Compensation paid under sick leave rules or practices will not be considered as compensation for purposes of this rule.

Section 3.

Provisions in existing agreements with respect to holidays in excess of the eleven holidays referred to in Section 1 hereof, as amended shall continue to be applied without change.

Section 4.

Existing rules and practices there under governing whether an employee works on a holiday and the payment for work performed on a holiday are not changed hereby, except that under no circumstances will an employee be allowed, in addition to his holiday pay, more than one time and one half payment for service performed by him on a holiday which also is a work day, a rest day and/or a vacation day.

NOTE: This provision does not supersede provisions of the individual collective agreements that require payment of double time for holidays under specified conditions.

Section 5.

When any of the eleven recognized holidays enumerated in Section 1 of this Article II, as amended, or any day which by agreement, or by law or proclamation of the State or Nation has been substituted or is observed in place of such holidays, falls during an hourly or daily rated employee's vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The "work days" and "days" immediately preceding and following the vacation period shall be considered the "work days" and "days" preceding and following the holiday for such qualification purposes.

DISCIPLINE

RULE 27.

Section A - General Requirements

1. An employee who has been in the service of the Carrier for sixty (60) working days shall not be discharged, suspended or otherwise disciplined without a fair and impartial investigation except that an employee may waive an investigation in accordance with Section B(2) of this agreement.
2. An employee shall not be held from service pending investigation except in serious cases, such as theft, altercation, Rule G violation, insubordination, major accidents, serious misconduct and major offenses, etc., whereby the employee's retention in service could be detrimental to himself, another person or the Carrier.

Section B - Formal Investigation

1. Notice of Investigation

(a) An employee directed to attend a formal investigation to determine the employee's responsibility, if any, in connection with an occurrence or incident shall be notified, in writing, by certified mail to the last known address, with a copy to duly authorized representative, within a reasonable period of time, but not to exceed ten (10) days from the date of occurrence, or where the occurrence is of a nature not immediately known to the employee's supervisor(s), not to exceed ten (10) days from the time they first have knowledge thereof. The notice shall contain a precise statement of the date, time, place and nature of the occurrence or incident that is to be the subject of the investigation.

NOTE: This rule does not preclude delivery of the notice at reasonable times by a Carrier representative. If such delivery is at the employee's home, it shall be made only when other means of delivery are not practicable.

(b) The notice shall state the date, time and place the investigation is to be held which shall be not less than four (4) days after the date of notification or more than fifteen (15) days after the date of notification unless otherwise agreed to.

(c) The Carrier will have the responsibility of producing sufficient witnesses to develop the facts concerning the incident or occurrence being investigated and the notice of investigation shall include the name of each person receiving the notice and the names of all witnesses known at the time of the notice that the Carrier intends to have in attendance at the hearing. The employee or the employee's duly authorized representative may bring to the attention of the responsible Carrier official the name or names of other witnesses who may provide material facts.

(d) The notice shall inform each employee so notified of the right to representation and to bring in witnesses.

(e) If any employee who is to receive a notice of investigation will not be permitted to exercise the option under Section B(2) of this agreement, the notice of investigation shall so specify.

2. Waiver of Investigation

(a) An employee who has been notified to appear for an investigation shall have the option, prior to the investigation, to discuss with the appropriate Carrier official, either personally, through or with the employee's duly authorized representative, the act or occurrence and the employee's responsibility, if any. The duly authorized representative shall be contacted and permitted to be present during any discussion held in connection with the waiver of investigation.

If disposition of the charges is made on the basis of the employee's acknowledgment of responsibility, the disposition shall be reduced to writing and signed by the employee and the official involved and shall incorporate a waiver of investigation and shall specify the maximum discipline imposed for employee's acceptance of responsibility with copy to General Chairman.

Disposition of cases under this paragraph (a) shall not establish precedents in the handling of other cases.

(b) No minutes or other record will be made of the discussions and, if the parties are unable to reach an agreed upon disposition on this basis, no reference shall be made to these discussions by either of the parties in any subsequent handling of the charges under the discipline procedure.

3. Postponements of Investigation

Consistent with the provisions of Section A.1 for a fair and impartial investigation, postponements of the formal proceeding may be requested by either party on reasonable grounds and consent shall not be unreasonably withheld.

4. Conduct of Investigation

(a) The investigation shall be conducted by an officer of the employing Carrier who may be assisted by other officers.

NOTE: When another Carrier is involved, this will not preclude an officer of that Carrier from assisting in the hearing recognizing, in any case, that there shall be only one presiding (hearing) officer.

(b) Formal investigations shall be held at the point where the employee involved is employed and at such time as will result in no loss of time for the employee, his representatives (no more than two) and his witnesses that are employed at such point unless otherwise agreed to. The employee shall have the right to represent himself with his duly authorized representative present or be represented at the investigation by a maximum of three duly authorized Organization representatives, with one acting as spokesman for all. The employee(s) involved

shall be afforded a reasonable opportunity to secure the presence of his representative(s) and/or necessary witnesses. The employee and/or the employee's representative(s) shall have the right to introduce witnesses in the employee's behalf, to hear all testimony introduced, to question all witnesses and examine all exhibits.

(c) The term "duly authorized representative" shall be understood to mean a member of the regularly constituted committee or an officer of the organization duly authorized to represent the employee in accordance with the Railway Labor Act, as amended.

(d) If the formal investigation is not held within the time limits specified in Section B.1(b), or the decision is not rendered within thirty (30) calendar days from the close of the investigation, the employee will not be disciplined, will be paid for all time lost, and no disciplinary entry will be made in the employee's personal service record.

Section C - Transcript of Investigation

1. A copy of the decision rendered shall be furnished to the duly authorized representative and the employee at the time the decision is rendered in the event discipline is assessed.

A copy of the transcript shall be furnished to the duly authorized representative or to the employee if he represents himself at the time the decision is rendered in the event discipline is assessed. In those cases where dismissal has been assessed, the General Chairman will also be furnished a copy of the transcript of the investigation and the decision rendered.

2. It is recognized that the Carrier is responsible for insuring that an accurate transcript of the investigative proceedings is made. However, this will not preclude the use of comparable equipment by the employee or his duly authorized representative to make a record of the proceedings for their own use.

Section D - Compensation for Attending Investigations

1. Witnesses, as referred to in Section B.1(c), who are directed by the Carrier to attend an investigation, shall be compensated for all time lost and, when incurred, will be reimbursed for reasonable and necessary expenses incurred for each day of the investigation.
2. When an employee involved in a formal investigation is not assessed discipline, the employee shall be compensated for all time lost and, when incurred, will be reimbursed for reasonable and necessary expenses incurred for each day of the investigation.

Section E - Time Limit of Appeals

1. When discipline has been assessed as a result of a formal investigation and the decision as rendered by the Carrier is not acceptable to the employee, any appeal must be presented in writing and subsequently handled in accordance with Article V of the August 21, 1954 Agreement. However, there shall not be more than two (2) succeeding officers involved in the discipline appeals process and in cases of dismissals the employee or the General Chairman may appeal from the decision directly to the highest officer of the Carrier designated to handle disputes under the Railway Labor Act, and the Carrier officer whose decision is being appealed in all cases shall be notified within the time frame of the rejection of his decision.

2. If at any point in this appeals procedure or in the proceedings before a tribunal having jurisdiction it is determined that the employee should not have been disciplined, any charges related thereto entered in the employee's personal service record shall be voided and, if required to lose time or if held out of service (suspended or dismissed), the employee shall be reinstated with his seniority and other rights unimpaired and made whole for time lost, if any, less outside earnings resulting from said suspension or dismissal. An employee who is suspended or dismissed from service and is thereafter awarded full back pay for all time lost as a result of such suspension or dismissal will be covered under the National Health and Welfare Plan as if he or she had not been suspended or dismissed in the first place.
3. If discipline assessed is by suspension, time lost by an employee when held out of service shall be deducted from the assessed period of suspension.

Section F - Unjust Treatment

An employee who considers himself unjustly treated, otherwise than covered by the current agreements, shall have the same right of representation, investigation and appeal as provided in this rule if written request is made by the General Chairman to the employee's immediate supervisor within fifteen (15) days of the cause for complaint.

Section G - Effect of Time Limits

The time limits set forth in this agreement will govern the discipline procedure to the exclusion of any other rule, practice or agreement to the contrary and such time limits may be extended by mutual agreement in writing.

NOTE: Upon request, employees shall be permitted to review their personal record file during their off-duty hours. Information regarding any alternative forms of discipline is available from union representatives or managers.

CLAIMS AND GRIEVANCES

RULE 28.

- (A) All claims or grievances shall be handled as follows:
 1. All claims or grievances must be presented in writing by or on behalf of the employee involved, to the officer of the Carrier authorized to receive same, within 60 days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Carrier shall, within 60 days from the date same is filed, notify whoever filed the claim or grievance (the employee or his representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

2. If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within 60 days from receipt of notice of disallowance. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, at any stage of the handling of a claim or grievance on the property, extend the 60-day period for either a decision or appeal, up to and including the highest officer of the Carrier designated for that purpose.
3. The requirements outlined in paragraphs (1) and (2), pertaining to appeal by the employee and decision by the Carrier, shall govern in appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest officer designated by the Carrier to handle such disputes. All claims or grievances involved in a decision by the highest officer shall be barred unless within 9 months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3 Second of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the 9 months' period herein referred to.

(B) A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged

violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than 60 days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(C) This rule recognizes the right of representatives of the organization, party hereto, to file and prosecute claims and grievances for and on behalf of the employees they represent.

(D) This agreement is not intended to deny the right of the employees to use any other lawful action for the settlement of claims or grievances provided such action is instituted within 9 months of the date of the decision of the highest designated officer of the Carrier.

(E) This rule shall not apply to requests for leniency.

(F) Pending Grievances - Violation of Agreement

While questions of grievances are pending there will be neither a shut down of the shop by the employer, nor a suspension of work by the employees.

When an alleged violation of agreement or a new practice is complained of by the duly authorized committee, an investigation will be held immediately under the provisions of Rule 29.

ATTENDING COURT

RULE 29.

When attending court as witnesses for the company, employees will be reimbursed for actual necessary expenses and paid for time lost, i.e., they will be allowed compensation equivalent to what they would have earned had such interruption not taken place. If required to attend court as witnesses for the company on an assigned rest day or holiday which they would not have worked, they will be paid for eight (8) hours at the pro rata rate each day or part thereof for such court service. Payment under this rule on one of the recognized holidays shall be in addition to holiday pay to which an employee may be entitled under Rule 28.

JURY DUTY

RULE 30.

When a regularly assigned employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

1. An employee must furnish the Carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.
2. The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.
3. No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.
4. When an employee is excused from railroad service account of jury duty the Carrier shall have the option of determining whether or not the employee's regular position shall be blanked, notwithstanding the provisions of any other rules.
5. Except as provided in paragraph (6), an employee will not be required to work on his assignment on days which jury duty:
 - (a) ends within four hours of the start of his assignment; or
 - (b) is scheduled to begin during the hours of his assignment or within four hours of the beginning or ending of his assignment.
6. On any day that an employee is released from jury duty and four or more hours of his assignment remain, he will immediately inform his supervisor and report to work if advised to do so.

(As Revised December 2, 1978 National Agreement)

STUDENT MACHINISTS - REGULATIONS COVERING

RULE 31.

Except as otherwise provided, the rates of pay, hours of service, and working conditions of student machinists are as specifically provided for in Appendix D.

TRANSFER FROM ANOTHER SHOP CRAFT

RULE 32.

(A) In the event a furloughed shop craft employee desires to transfer to the machinist craft to fill an existing vacancy, which cannot be filled from furloughed employees of the machinist craft, it is recognized that he may do so in accordance with the provisions of Rule 16.

(B) If such transferring employee is a journeyman of his craft, he will be placed as a student machinist at the highest step rate paid to student machinists (85% of the full journeyman rate of pay) while completing Phase IV training, unless some other arrangement is made by the Company and the General Chairman. Such employee will remain at the 85% rate of pay while in Phase IV until the student attains full journeyman machinist status.

(C) If such transferring employee is a student mechanic of his craft, he will be placed as a student machinist and paid in accordance with Section 6 of the Student Machinist Training Agreement (Appendix D).

MACHINISTS OR STUDENT MACHINISTS TO PERFORM MACHINIST'S WORK

RULE 33.

(A) Except as provided in this Rule 35 and Rules 36, 37 and 38 of this agreement, none but machinists or student machinists regularly employed as such will be assigned to do machinist's work as per special rules of the craft, except at small points where minor or emergency jobs are required.

ASSIGNMENT OF WORK - USE OF SUPERVISORS

RULE 34.

(A) None but machinists or student machinists regularly employed as such shall do machinists' work as per the special rules of the craft except foremen at points where no machinists are employed. However, craft work performed by foremen or other supervisory employees employed shall not in the aggregate exceed 20 hours a week.

(B) If any question arises as to the amount of craft work being performed by supervisory employees, a joint check shall be made at the request of the General Chairman. Any disputes over the application of this rule shall be handled in accordance with the provisions of Rule 30 - Claims and Grievances.

INCIDENTAL WORK RULES

RULE 35.

Applicable to employees in the class or craft of machinists by National Agreement dated April 9, 1970, as amended by the July 31, 1992 Agreement.

Section 1

The coverage of the Incidental Work Rule is expanded to include all shopcraft employees and shall read as follows:

Where a shopcraft employee or employees are performing a work assignment, the completion of which calls for the performance of "incidental work" (as hereinafter defined) covered by the classification of work or scope rules of another craft or crafts, such shopcraft employee or employees may be required, so far as they are capable, to perform such incidental work provided it does not comprise a preponderant part of the total amount of work involved in the assignment. Work shall be regarded as "incidental" when it involves the removal and replacing or the disconnecting and connecting of parts and appliances such as wires, piping, covers, shielding and other appurtenances from or near the main work assignment in order to accomplish that assignment, and shall include simple tasks that require neither special training nor special tools. Incidental work shall be considered to comprise a preponderant part of the assignment when the time normally required to accomplish it exceeds the time normally required to accomplish the main work assignment.

In addition to the above, simple tasks may be assigned to any craft employee capable of performing them for a maximum of two hours per shift. Such hours are not to be considered when determining what constitutes a "preponderant part of the assignment."

If there is a dispute as to whether or not work comprises a "preponderant part" of a work assignment the Carrier may nevertheless assign the work as it feels it should be assigned and proceed or continue with the work and assignment in question; however, the Shop Committee may request that the assignment be timed by the parties to determine whether or not the time required to perform the incidental work exceeds the time required to perform the main work assignment. If it does, a claim will be honored by the Carrier for the actual time at pro rata rates required to perform the incidental work.

Section 2

Nothing in the Article is intended to restrict any of the existing rights of the Carrier.

DISMANTLING OF PARTS OF LOCOMOTIVES, CARS AND OTHER MACHINERY

RULE 36.

When dismantling locomotives, cars and other machinery, the parts to be used again will be dismantled by mechanics or student mechanics of their respective crafts.

WELDING AND CUTTING

RULE 37.

Mechanics or student mechanics of the respective crafts shall do oxyacetylene, thermit, and electric cutting and welding. Each craft shall perform the work which was generally recognized as belonging to that craft prior to the introduction of such processes.

EMPLOYEE PROTECTION - SUBCONTRACTING

RULE 38.

The Shop Crafts Agreement dated September 25, 1964, as amended, relating to, among other things, Employee Protection (Appendix F) and Subcontracting (Appendix H) shall be applicable to all employees covered by this agreement the same as if the Carrier and Organization signatory hereto had been parties to said agreement but shall not be reproduced herein.

BULLETIN BOARDS

RULE 39.

Bulletin boards, provided by the Railway Company, may be used by the employees for posting business notices and by union representatives for posting notices relative to social events and union meetings, if possible under lock and key. Notices must not be posted elsewhere.

DISCRIMINATION

RULE 40.

(A) It is the policy of the Carrier and the Organization party hereto, that the provisions of this agreement be applied to all employees covered by said agreement without regard to race, creed, color, age, sex, or national origin.

(B) The Carrier will not discriminate against any committeemen who, from time to time, represent other employees, and will grant them leave of absence and free transportation where rail transportation is available on the property when delegated to represent other employees.

PAYMENT OF EMPLOYEES

RULE 41.

(A) Employees will be paid off bi-weekly during the day shift, except where existing state laws provide a more desirable paying off condition. Should the regular pay day fall on a holiday or days when the shops are closed down, employees will be paid on the preceding day.

(B) Where there is a shortage equal to one day's pay or more in the pay of an employee, a pay draft will be issued to cover the shortage.

(C) Employees leaving the service of the company will receive their pay as soon as possible, but not later than the normal pay period when due.

EMPLOYEES REQUIRED TO WORK UNDER LOCOMOTIVES AND CARS

RULE 42.

No employee will be required to work under a locomotive or car without being protected by proper signals. Workmen assigned to perform the work shall place the blue flag by day or blue light by night, which will not be removed except by the employees required to place them. When the nature of the work to be done requires it, locomotives or cars will be placed over a pit, if available.

PROTECTION OF EMPLOYEES

RULE 43.

Employees will not be required to work on locomotives or cars outside of shops during inclement weather if shop room and pits are available. This does not apply to work in locomotive cabs or emergency work on locomotive or cars set out for or attached to trains.

When it is necessary to make repairs to locomotives, boilers, tanks or tank cars, such parts shall be cleaned before mechanics are required to work on the same. This will also apply to cars undergoing general repairs.

Employees will not be assigned to jobs where they will be exposed to sand blasts and paint blowers while in operation.

All oxyacetylene or electric welding or cutting will be protected by a suitable screen when its use is required.

CHECKING IN AND OUT

RULE 44.

(A) Employees shall be allowed sufficient time at the beginning and end of each shift within which to check in and out. Sufficient time as used in this rule shall be determined at the respective points on the basis of the number of employees checking in and out.

(B) While employees are expected to report for duty and work their full 8 hour assignment, should an employee, for reasons beyond their control, have to report late for duty or by proper authority leave before the end of their regular shift, they shall be paid on the minute basis for actual time on duty.

SANITATION

RULE 45.

Good drinking water and ice will be furnished. Sanitary drinking fountains will be provided. Pits and floors, lockers, toilets and wash rooms will be kept in good repair and in a clean, dry and sanitary condition. Shops, locker rooms and wash rooms will be lighted and heated in the best manner possible consistent with the source of heat and light available at the point in question.

Shops and roundhouses shall be properly ventilated to remove exhaust fumes when diesel engines are operated in locomotives.

VACATIONS

RULE 46.

It is the intent of the parties for the Vacation provisions of this agreement to be the same as those applicable on the effective date of this agreement under the nationally negotiated non-operating craft Vacation agreements. Vacations will be granted employees covered by this agreement in accordance with the revisions of the "Vacation Agreement" signed at Chicago, Illinois, December 17, 1941, as last amended effective December 11, 1981. A synthesis of that Vacation agreement is attached as Appendix A.

An employee may elect to schedule one (1) week (five days) of vacation entitlement in one-half (1/2), one-, two-, three- or four-day increments with the stipulation that:

(A) The one-week split vacation will be taken during the period January 1 through December 31;

(B) Vacation day(s) discussed here may be scheduled upon no less than 48 hours advance notice from the employee to the proper Carrier officer, provided such day(s) may be taken only when consistent with the requirements of the Carrier's service;

(C) Split-week vacation day(s) will be paid for at the regular rate of the employee's assignment; and

(D) The total vacation allotment for each employee will be scheduled in accordance with past practices in one-week increments. Should an employee avail himself of this election, he will schedule those days in accordance with these provisions, and they will be removed from the last two weeks scheduled. Should any days be remaining at the time of the last one-week increment scheduled, the employee will take those days remaining during that week on consecutive days in the manner as assigned by the Carrier. The Carrier will have the right to distribute the work of any position vacated as a result of the application of this rule. The Carrier shall have the option to fill or not fill the position of an employee who is absent on vacation scheduled pursuant to this rule. If the position is filled, any employee used to fill the position of an employee off on vacation pursuant to this rule will be paid, for all service, in accordance with the provisions of this agreement.

(E) A regularly assigned vacation relief worker may be assigned to fill the position vacated by application of this rule. In the event a regularly assigned vacation relief worker is not available, a split-week vacation request can be denied.

(F) Except as otherwise provided above, each employee who is entitled to vacation shall take same at the time assigned and shall be taken from January 1 through December 31 of each calendar year in one-week (five-day) increments.

PHYSICAL EXAMINATIONS

RULE 47.

PHYSICAL EXAMINATIONS – When there is a dispute regarding an employee's mental or physical fitness for service, the case shall be handled in the following manner:

(A) The General Chairman or the Director Labor Relations may file with the other party a written protest which shall include a copy of the medical finding; such protest shall be submitted within thirty (30) days of knowledge of such dispute. Should the medical findings of the employee's doctor conflict with those of the Carrier's doctor, the management and the employee shall each select a doctor, notifying each other of the name and address of the doctor selected. The two doctors thus selected shall confer and select a neutral third doctor (qualified as an expert in the field of medicine involved and qualified by the American Board or equally rated Society) who will re-examine the employee. If the two partisan doctors fail to agree on the selection of the neutral doctor, the State Medical Association will be requested to submit a list of five (5) names of experts qualified as provided above in the field involved; the partisan doctors will then select one from such list.

(B) The neutral doctor thus selected will examine the employee and render a report within a reasonable time, not exceeding thirty (30) days from the date of his examination, setting forth his findings as to the physical condition of the employee to meet the Carrier's medical standards. Such findings shall be accepted as final and binding.

The doctors selected by the management and employee may make to the neutral doctor any representations which they believe pertinent in connection with the examination. If representations are made in writing, copy of such representation shall be furnished the other party's doctor. If the neutral doctor decides that the employee is fit to continue in service and properly perform the employee's normal duties, such neutral doctor shall also render a further opinion, as to whether such fitness existed at the time the employee was absent from service. Should the neutral doctor conclude that the employee possessed such fitness when withheld from service, the employee will be compensated for actual loss of normal earnings during the period withheld for each working day withheld from assignment and will not be deprived of any other contractual benefit to which he may be eligible.

(C) Should the decision be adverse to the employee and his doctor later contends that the physical condition for which he was disqualified has improved sufficiently to allow him to work, a re-examination by the Carrier's doctor will be arranged upon written request of the General Chairman.

(D) The fee of the neutral doctor and any expenses incurred in connection with his examination of the employee shall be borne equally by the Carrier and the employee.

EMPLOYEES INJURED AT WORK

RULE 48.

Employees injured while at work will not be required to make accident reports before given medical attention. Medical attention will be given as quickly as possible. Employees will make accident report as early as practicable and will not be required to sign release pending settlement of the case. Upon request, an employee will be provided a copy of his initial report of personal injury that he has signed.

PAYMENTS TO EMPLOYEES INJURED UNDER CERTAIN CIRCUMSTANCES

RULE 49.

Where employees sustain personal injuries or death under the conditions set forth in paragraph (A) below, the Carrier will provide and pay such employees, or their personal representative, the applicable amounts set forth in paragraph (B) below, subject to the provisions of other paragraphs in this Rule 54.

(A) Covered Conditions

This Rule 54 is intended to cover accidents involving employees covered by this agreement while such employees are riding in, boarding, or alighting from off track vehicles authorized by the Carrier and are (1) deadheading under orders or (2) being transported at Carrier expense.

(B) Payments to be made

In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (A) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs (1), (2) and (3) below, the Carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 or any other medical or insurance policy or plan paid for in its entirety by the Carrier, the following benefits:

1. Accidental Death or Dismemberment

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

Loss of Life	150,000
Loss of Both Hands	150,000
Loss of Both Feet	150,000
Loss of Sight of Both Eyes	150,000
Loss of One Hand and One Foot	150,000
Loss. of One Hand and Sight of One Eye	150,000
Loss of One Foot and Sight of One Eye	150,000
Loss of One Hand or One Foot or Sight of One Eye	75,000

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

Not more than \$150,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

2. Medical and Hospital Care

The Carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries incurred as a result of such accident, subject to limitation of \$3,000 for any employee for any one accident, less any amounts payable under Group Policy Contract GA-23000 or under any other medical or insurance policy or plan paid for in its entirety by the Carrier.

3. Time Loss

The Carrier will provide an employee who is injured as a result of an accident covered under paragraph (A) hereof and who is unable to work as a result thereof commencing within 30 days after such accident 80% of the employee's basic fulltime weekly compensation from the Carrier for time actually lost, subject to a maximum payment of \$ 150.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act.

4. Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to \$1,000,000 for any one accident and the Carrier shall not be liable for any amount in excess of \$1,000,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the Carrier shall not be required to pay as respects each separate employee a greater proportion of such payments than the aggregate limit set forth herein bears to the aggregate amount of all such payments.

(C) Payment in Case of Accidental Death

Payment of the applicable amount for accidental death shall be made to the employee's personal representative for the benefit of the persons designated in, and according to the apportionment required by the Federal Employers Liability Act (45 U. S. C. 51 et seq., as amended), or if no such person survives the employee, for the benefit of his estate.

(D) Exclusions

Benefits provided under paragraph (B) shall not be payable for or under any of the following conditions:

1. Intentionally self-inflicted injuries, suicide or any attempt thereat, while sane or insane;
2. Declared or undeclared war or any act thereof;
3. Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound.
4. Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;
5. While an employee is a driver or an occupant of any conveyance engaged in any race or speed test;
6. While an employee is commuting to and/or from his residence or place of business.

(E) Offset

It is intended that this Rule 54 is to provide a guaranteed recovery by an employee or his personal representative under the circumstances described, and that receipt of payment there under shall not bar the employee or his personal representative from pursuing any remedy under the Federal Employers Liability Act or any other law; provided, however, that any amount received by such employee or his personal representative under this Rule 54 may be applied as an offset by the railroad against any recovery so obtained.

(F) Subrogation

The Carrier shall be subrogated to any right of recovery an employee or his personal representative may have against any party for loss to the extent that the Carrier has made payments pursuant to this Rule 54.

The payments provided for above will be made, as above provided, for covered accidents on or after January 1, 1972.

It is understood that no benefits or payments will be due or payable to any employee or his personal representative unless such employee, or his personal representative, as the case may be, stipulates as follows:

"In consideration of the payment of any of the benefits provided in this Rule 54 (Article IV, National Agreement of October 7, 1971) (employee or personal representative) agrees to be governed by all of the conditions and provisions said and set forth by Rule 54."

(G) Claim Handling

1. The District Claim Agent in the territory involved is the designated officer of the Carrier with whom claims arising under the above rules are to be handled.
2. It is agreed that existing time limit on claims rules in national agreements or in local schedule agreements do not apply to claims filed under such off track vehicle accident provisions. Accordingly, the rights of neither the employees nor the railroads will be prejudiced by a failure to comply with a provision of such rules.

SUPPLEMENTAL SICKNESS BENEFITS PLAN

RULE 50.

The provisions of the Agreement dated May 10, 1973, as amended, between Carriers represented by the National Carriers' Conference Committee and employees of such Carriers operating through the Railway Employees' Department AFL-CIO (Applicable to Electrical Workers, Machinists, Boilermaker-Blacksmiths, Carmen and Firemen and Oilers) providing for a supplemental sickness benefit plan shall, while not reproduced herein, be applicable to the employees covered by this agreement.

HEALTH AND WELFARE

RULE 51.

The provisions of the National Health and Welfare Plan negotiated pursuant to the National Agreement of August 21, 1954, as this plan has been revised and amended up to and including the National Agreement of October 1, 2008, shall, while not reproduced herein, be applicable to the employees covered by this agreement.

UNION SHOP - DEDUCTION AGREEMENTS

RULE 52.

The provisions of the Union Shop Agreement dated February 27, 1953, (Appendix G) shall be applicable to all employees covered by this agreement the same as if the Carrier and Organization signatory hereto had been parties to said agreement on February 27, 1953.

The dues deduction agreement dated October 9, 1973 and the payroll deduction for Political League contributions agreement dated March 11, 1982, between the Carrier and the Organization, parties hereto, while not reproduced herein, shall be applicable to employees covered by said agreements.

MACHINISTS' SPECIAL RULES

QUALIFICATIONS

RULE 53.

Any man who has completed a student mechanic training program or has had two years' experience at the machinist trade and who by his skill and experience, is qualified and capable of laying out and fitting together the metal parts of any machine or locomotive, with or without drawings, and competent to do either sizing, shaping, turning, boring, planing, grinding, finishing or adjusting the metal parts of any machine or locomotive whatsoever shall constitute a machinist.

CLASSIFICATION OF WORK

RULE 54.

Making, repairing, erecting, aligning and dismantling locomotives, stationary and marine engines, machinery and metal parts thereof.

Machinists' work on tools, including shaping and hobbing dies, sharpening drills, reamers, taps, cutters, machine tools and other tools pertaining to the machinists' trade.

Engine truck and trailer work; applying engine truck wheels.

Renewing and applying outside boiler studs (except ash pan and grate rigging studs in boilers); application of brackets bolted on, including ash pan wedges.

Drilling, reaming and tapping with electric and air motors, and ratchets in connection with machinists' work; boring bar work.

Repairing, reaming and grinding valves, standpipes, exhaust pipes, nozzle tips, dry pipes, tee head and steam pipes to cylinders, including stripping, replacing and grinding joints.

Testing, removing and replacing superheater units.

Repairs to electric dynamos, electric headlight (except insulated and current carrying parts), and speed recorders.

Removing, replacing and repairing tires on locomotives, stripping and repairing engines of steam shovels and roadway machinery; hoists, pumps, pile-drivers, gasoline motor cars, steam pumps, gasoline-electric pumps and traveling cranes.

Repairing jacks and track drilling machines.

Erecting shafting and pulleys.

Installing and repairing machinery, cast iron and cast steel stacks and bases, and cast iron petticoat pipe work.

Removing, repairing and replacing rods, shoes and wedges on electric dump cars.

Fitting, turning, assembling, finishing and installing parts of motors, dynamos and power driven parts thereof.

Removing, turning and replacing armature shafts and bearings; turning commutators.

Removing, boring, bushing and babbitting bearings in connection with shafting and motors on machinists' work.

Lining and overhauling machinery of elevators and repairing of machinery, shafting and motors on draw bridges.

Laying out and drilling holes in metal pilot beams.

Repairing, applying and testing air equipment on engines and tenders (except applying and removing triple valves and brake rigging on tenders), grinding, turning, shaping, fitting, etc., to be done on triple valves including the testing and inspecting.

Portable car journal truing machines will be operated by machinists or student mechanics except in order to avoid delays on running repairs in car repair yards, where a carman may be assigned to such work at machinists' rate.

Car wheel boring, axle turning, engine inspecting and all other work generally recognized as machinists' work.

DIFFERENTIALS FOR MACHINISTS

RULE 55.

Journeymen who are eligible for one of the differential payments listed below shall receive the differential under the principles outlined in Appendix L. Refer to Appendix E for additional information for these and other differentials.

(A) Journeymen using a burning torch to cut metal shall be allowed a differential of six cents per hour.

(B) Journeymen performing autogenous welding shall be allowed a differential of twenty-five cents per hour.

(C) Journeymen required to inspect, attest to, and sign monthly federal inspection reports shall be allowed a differential of twenty-five cents per hour.

(D) Journeymen required to work as a Gang Leader pursuant to Rule 18 shall be allowed a differential of fifty cents per hour.

(E) Journeymen who perform the following work as defined in Side Letter #15 of the July 31, 1992 Agreement shall receive a differential of 50 cents per hour:

EMD Turbocharger Room Work
Traveling Roadway Machinists
Precision Machine Operators
Governor Room Work
Air Room Work
Engine Rebuild
Alignment of -

Main generators/alternators
Air Compressors (mechanical drive)
Auxiliary Generators
Fan Drives/Equipment Blowers (mechanical drive)
Gear Trains-Build-up locomotive gear trains

(F) Journeymen required to work as a Training Gang Leader pursuant to Rule 19 shall be allowed a differential of one dollar per hour.

MISCELLANEOUS

RULE 56.

(A) Employees shall not be required to furnish their privately-owned vehicles for Company use.

(B) Employees requested to and using their private vehicles for Company business shall be allowed mileage in accordance with the mileage rate established by the Company for such use.

(C) The Company will supply hand tools and related equipment needed for the employees to perform their duties in accordance with the Company's established repair and maintenance policies and procedures.

PURPOSES OF AGREEMENT

RULE 57.

(A) This agreement, except as otherwise provided herein, supersedes and cancels the following individual agreement dated January 1, 1947, as amended and revised between the parties hereto,

(B) Wherever words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply.

(C) This agreement negotiated between the parties hereto shall, except as otherwise provided, be effective July 1, 2011, and shall continue in effect until amended or terminated in accordance with the provisions of the Railway Labor Act, as amended.

(D) This agreement contains all the rules governing rates of pay and working conditions applicable to the shop craft employees, who are represented by the organization party hereto. Any practice or agreements not in conformance or contained herein are hereby abrogated.

(E) In reformatting and reprinting this agreement, it is the intent of the parties to update the previous agreements with subsequent amendments, including applicable parts of nationally negotiated agreements. Except as specifically provided herein, it is not the intention of the parties signatory hereto to otherwise change or modify the application and/or interpretation thereto.

Should unforeseen issues arise as a result of this reformatting and reprinting process, the parties agree to meet in an effort to jointly resolve such issues. In addition, the parties may correct typographical errors and omissions at any time.

Signed at Hammond, Indiana, the 25th day of May, 2011.

This Agreement is effective July 1, 2011.

FOR THE EMPLOYEES:

FOR THE CARRIER:

B. K. Orwan, General Chairman
International Association of Machinists
and Aerospace Workers

Mary Kay Conley, Director Labor Relations
and Human Resources

Appendix A

Vacation Agreement

VACATION AGREEMENT

The following represents a synthesis in one document, for the convenience of the parties, of the current vacation provisions of the December 17, 1941 National Agreement and the amendments theretoprovidedintheNationalAgreementsofDecember7, 1981.

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any provision, the terms of the appropriate vacation agreement shall govern.

PREAMBLE

This agreement is entered into between each of the carriers listed and defined in Appendices "A", "B" and "C," attached hereto and made a part hereof, represented respectively by their duly authorized Conference Committees, signatory hereto, as parties of the first part, and the employees of said carriers, represented by the organizations, signatory hereto, by their respective duly authorized executives, on behalf of which employees requests for vacations have been made as listed in the Appendices above identified, as parties of the second part, and is to be construed as a separate agreement by and between and in behalf of each of said carriers and its said employees for whom such requests have been made.

This agreement is executed as a result of the recommendations of the Emergency Board appointed by the President of the United States, September 10, 1941 and its report dated November 5, 1941 respecting the vacation with pay dispute, mediation proceedings between the parties with the participation and assistance of the Emergency Board and its supplementary report of December 5, 1941.

ARTICLES OF AGREEMENT

Insofar as applicable to employees covered by this agreement, the Vacation Agreement dated December 17, 1941, as amended, shall continue in effect and is further amended by the agreement of December 7, 1981, by substituting the following Article 1(c) and (d) for the corresponding provisions contained in Article III of the Agreement of December 6, 1978 to read as follows:

1. (a) Effective with the calendar year 1973, an annual vacation of five (5) consecutive work days with pay will be granted to each employee covered by this agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.

(b) Effective with the calendar year 1973, an annual vacation of ten (10) consecutive work days with pay will be granted to each employee covered by this agreement who renders compensated service on not less than one hundred ten (110) days during the preceding calendar year and who has two (2) or more years of continuous service and who, during such period of continuous service, renders compensated service on not less than one hundred ten (110) days (133 days in the years 1950-59 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of two (2) of such years, not necessarily consecutive.

(c) Effective with the calendar year 1982, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has eight (8) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959, inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of eight (8) of such years, not necessarily consecutive.

(d) Effective with the calendar year 1982, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has seventeen (17) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959, inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of seventeen (17) of such years, not necessarily consecutive.

(e) Effective with the calendar year 1973, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty-five (25) of such years, not necessarily consecutive.

(f) Paragraphs (a), (b), (c), (d) and (e) hereof shall be construed to grant to weekly and monthly rated employees, whose rates contemplate more than five days of service each week, vacations of one, two, three, four or five work weeks.

(g) Service rendered under agreements between a carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this agreement.

(h) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and, years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for an employee with less than three(3)years of service; a maximum of twenty(20) such days for an employee with three (3).but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) or more years of service with the employing carrier.

(i) 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, the time spent by such employees in the Armed Forces subsequent 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.

(j) In instances where an employee who has become a member of the Armed Forces of the United States returns 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 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 so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.

(k) In instances where an employee who has become a member of the Armed Forces of the United States returns 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 vacation in the following 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 so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.

(l) An employee who is laid off and has no seniority date and no right to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an employee does not return to service in the following year for the same carrier he will be compensated in lieu of the vacation he has qualified for provided he files written request therefore to his employing officer a copy of such request to be furnished to his local or general chairman.

(m) (Amended, effective January 1, 1972) An employee's vacation period will not be extended by reason of any of the nine recognized holidays (New Year's Day, Washington's Birthday, Good Friday, Decoration Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day and Christmas) or any day which by agreement has been substituted or is observed in place of any of the nine holidays enumerated above, or the employee's birthday, or any holiday which by local agreement has been substituted therefore falling within his vacation period.

2. Cancelled by agreement dated May 17, 1968.
3. 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 any 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.
4. (a) Vacations may be taken from January 1st to December 31st and due regard consistent with requirements of, service shall be given to the desires and preferences of the employees in seniority order when fixing the dates for their vacations. The local committee of each organization signatory hereto and the representatives of the Carrier will cooperate in assigning vacation dates.

(b) The Management may upon reasonable notice of thirty (30) days or more, if possible, but in no event less than fifteen (15) days) require all or any number of employees in any plant, operation, or facility, who are entitled to vacations to take vacations at the same time. The local committee of each organization affected signatory hereto and the proper representative of the Carrier will cooperate in the assignment of remaining forces.

5. Each employee who is entitled to vacation shall take same at the time assigned and, while it is intended that the vacation date designated will be adhered to so far as practicable, the management shall have the right to defer same provided the employee so affected is given as much advance notice as possible; not less than ten (10) days' notice shall be given except when emergency conditions prevent. If it becomes necessary to advance the designated date, at least thirty (30) days' notice will be given the affected employee. If a carrier finds that it cannot release an employee for a vacation during the calendar year because of the requirements of the service, then such employee shall be paid in lieu of the vacation the allowance hereinafter provided..

(Effective January 1, 1955, Article 5 amended by adding the following):

Such employee. shall be paid the time and one-half rate for work performed during his vacation period in addition to his regular vacation Pay.

NOTE: This provision does not supersede provisions of the individual collective agreements that require payment of double time under specified conditions.

6. The carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers. Where a vacation relief worker is not needed in a given instance and if failure to provide a vacation relief worker does not

burden those employees remaining on the job or burden the employee after his return from vacation, the carrier shall not be required to provide such relief worker.

7. Allowances for each day for which an employee is entitled to a vacation with pay will be calculated on the following basis:

(a) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.

(b) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this agreement,

(c) An employee paid a weekly or monthly rate shall have no deduction made from his compensation on account of vacation allowances made pursuant to this agreement.

(d) An employee working on a piece-work or tonnage basis will be paid on the basis of the average earnings per day for the last two semi-monthly periods preceding the vacation, during which two periods such employee worked on as many as sixteen (16) different days.

(e) An employee not covered by paragraphs (a), (b), (c) or (d) of this section will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service

8. (Effective September 1, 1960, Article 8 amended to read):

The vacation provided for in this agreement shall be considered to have been earned when the employee has qualified under Article 1 hereof. If an employee's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, noncompliance with a union-shop agreement, or failure to return after furlough he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified therefore under Article 1. If an employee thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as may have been designated or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

9. Vacations shall not be accumulated or carried over from one vacation year to another.

10. (a) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater: provided that if the assignment is filled by a regularly assigned vacation relief employee, such employee shall receive the rate of the relief position. If an employee receiving graded rates based upon length of service and experience is designated to fill an assignment of another employee in the same occupational classification receiving such graded rates, who is on vacation, the rate of the relieving employee will be paid.

(b) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five percent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the work load is agreed to by the proper local union committee or official.

(c) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees.

11. While the intention of this agreement is that the vacation period will be continuous, the vacation may, at the request of an employee, be given in installments if the management consents thereto.

12. (a) Except as otherwise provided in this agreement a carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and was paid in lieu therefore under the provision hereof. However, if a relief worker necessarily is put to substantial extra expense over and above that which the regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.

(b) As employees exercising their vacation privileges will be compensated under this agreement during their absence on vacation, retaining their other rights as if they had remained at work, such absences from duty will not constitute "vacancies" in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.

(c) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements.

13. 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 representatives of the employees, who are parties to one agreement, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this agreement, provided that such changes or understandings shall not be inconsistent with this agreement.

14. Any dispute or controversy arising out of the interpretation or application of any of the provisions of this agreement shall be referred for decision to a committee, the carrier members of which shall be the Carriers' Conference Committee signatory hereto, or their successors; and the employee members of which shall be the Chief Executives of the Fourteen Organizations, or their representatives, or their successors. Interpretations or

applications agreed upon by the carrier members and employee members of such committee shall be final and binding upon the parties to such dispute or controversy.

This section is not intended by the parties as a waiver of any of their rights provided in the Railway Labor Act as amended, in the event committee provided in this section fails to dispose of any dispute or controversy.

Except to the extent that articles of the Vacation Agreement of December 17, 1941 are changed by this agreement, the said agreement and the interpretations thereof, and of the Supplemental Agreement of February 23, 1945, as made by the parties, dated June 10, 1942, July 20, 1942 and July 18, 1945 and by Referee Morse in his award of November 1, 1942, shall remain in full force and effect.

In Articles 1 and 2 of this agreement certain words and phrases which appear in the Vacation Agreement of December 17, 1941, and in the Supplemental Agreement of February 23, 1945, are used. The said interpretations which defined such words and phrases referred to above as they appear in said agreements shall apply in construing them as they appear in Articles 1 and 2 hereof.

(Effective January 1, 1973. Article 15 amended to read:

15. Except as otherwise provided herein this agreement shall be effective as of January 1, 1973 and shall be incorporated in existing agreements as a supplement thereto and shall be in full force and effect for a period of one (1) year from January 1, 1973, and continue in effect thereafter, subject to not less than seven (7) months' notice in writing (which notice may be served in 1973 or in any subsequent year) by any carrier or organization party hereto, or desire to change this agreement as of the end of the year in which the notice is served. Such notice shall specify the changes desired and the recipient of such notice shall then have a period of thirty (30) days from the date of the receipt of such notice within which to serve notice specifying changes which it or they desire to make. Thereupon such proposals of the respective parties shall thereafter be negotiated and progressed concurrently to a conclusion.
16. This agreement is subject to approval of court with respect to carriers in hands of receivers or trustees.

SIGNED AT CHICAGO, ILLINOIS. THIS 17th Day of December 9, 1941.

(Signatures and Appendices A, B and C are not here reproduced.)

Vacation Entitlement and Qualifications

<u>Years of Continuous Service</u>	<u>Minimum Annual Days of Compensated Service To Qualify for Vacation</u>	<u>Vacation Days Based on Preceding Years of Qualifying Service</u>
1 year	Not less than 120 days	5 days next year
2nd thru 7th year	Not less than 110 days	10 days 3rd thru 8th year
8th thru 16th year	Not less than 100 days	15 days 9th thru 17th
17th thru 24th year	Not less than 100 days	20 days 18th thru 25th
25 years	Not less than 100 days	25 days after 25th

Appendix B

Personal Leave

ARTICLE X – PERSONAL LEAVE

Section 1

A maximum of two days of personal leave will be provided on the following basis:

Employees who have met the qualifying vacation requirements during eight calendar years under vacation rules in effect on January 1, 1982 shall be entitled to one day of personal leave in subsequent calendar years;

Employees who have met the qualifying vacation requirements during seventeen calendar years under vacation rules in effect on January 1, 1982 shall be entitled to two days of personal leave in subsequent calendar years.

Section 2

- (a) Personal leave days provided in Section 1 may be taken upon 48 hours' advance notice from the employee to the proper carrier officer provided, however, such days may be taken only when consistent with the requirements of the carrier's service. It is not intended that this condition prevent an eligible employee from receiving personal leave days except where the request for leave is so late in a calendar year that service requirements prevent the employee's utilization of any personal leave days before the end of that year.
- (b) Personal leave days will be paid for at the regular rate of the employee's position or the protected rate, whichever is higher.
- (c) The personal leave days provided in Section 1 shall be forfeited if not taken during each calendar year. The carrier shall have the option to fill or not fill the position of an employee who is absent on a personal leave day. If the vacant position is filled, the rules of the agreement applicable thereto will apply. The carrier will have the right to distribute work on a position vacated among other employees covered by the agreement with the organization signatory hereto.

Section 3

This Article shall become effective on January 1, 1982 except on such carriers where the organization representative may elect to preserve existing local rules or practices pertaining to personal leave days and so notifies the authorized carrier representative on or before such effective date.

Appendix C

Bereavement Leave

Bereavement Leave -December 2, 1978, National Agreement

ARTICLE VII -BEREAVEMENT LEAVE

Bereavement leave, not in excess of three calendar days, following the date of death will be allowed in case of death of an employee's brother, sister, parent, child, spouse or spouse's parent. In such cases a minimum basic day's pay at the rate of the last service rendered will be allowed for the number of working days lost during bereavement leave. Employees involved will make provision for taking leave with their supervising officials in the usual manner. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under this provision.

This Article shall become effective thirty(30) days after the date of this Agreement except on such Carriers where the organization representative may elect to preserve existing rules or practices and so notify the authorized Carrier representative on or before such effective date.



INDIANA HARBOR BELT RAILROAD COMPANY

2721-161st STREET, HAMMOND, IN 46323-1099

November 1, 1997

Side Letter #9

Mr. Robert C. Moore
General Chairman,
International Association of Machinists & Aerospace Workers
101 E. St. Charles Road
Villa Park, Illinois 60181

Dear Mr. Moore:

This will confirm our understanding with respect to the subject of modification of Bereavement Leave. Bereavement Leave, not in excess of three (3) consecutive calendar days,

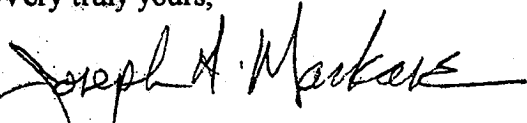
- (a) commencing with the day of death, when the death occurs prior to the time an employee is scheduled to report for duty; or
- (b) ending the day of the funeral service; or
- (c) ending the day following the funeral service

will be allowed in case of death of an employee's brother, sister, parent, child, spouse or spouse's parent. If an employee's scheduled rest days fall in the middle of the three (3) consecutive calendar days, then the remaining days must be taken after the last scheduled rest day. In such cases a minimum basic day's pay at the rate of the last service rendered will be allowed for the number of working days lost during bereavement leave. Employees involved will make provision for taking leave with their supervising official(s) in the usual manner.

Side Letter 9 (Continued)

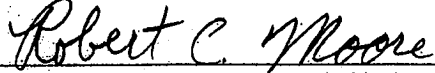
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



JOSEPH A. MARKASE
Manager of Labor Relations & Personnel -
Contract Administration

I agree:



Robert C. Moore, General Chairman, IAM&AW



Robert L. Reynolds, Directing General Chairman, IAM&AW

Appendix D

Student Machinist Agreement

AGREEMENT

between

INDIANA HARBOR BELT RAILWAY COMPANY

and its employees represented by

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS**

It Is Hereby Mutually Agreed As Follows:

The parties hereto agree and recognize that joint, cooperative efforts between them are required to provide a workable training program that can realistically improve the availability of competent mechanics who are skilled in the respective trades.

The parties therefore mutually agree to modernize the former training agreements, as revised, as set forth herein below.

SECTION 1 - Selection of Student Machinists

(a) The selection of Student Machinists shall be on the basis of background, experience, ability to learn and other factors relative to job performance. Student Machinists will be selected without regard to race, creed, color, sex or national origin.

(b) For the purposes of this agreement, the term "Student Machinist" is synonymous with the term "Machinist Apprentice."

(c) Qualified journeymen from non-railroad industries may be hired into existing authorized vacancies upon verification of experience and concurrence by Labor Relations and the appropriate General Chairman.

1. If the individual is to be hired at the journeyman's level for a diesel shop or at points where locomotive or car work is to be done, the individual must complete Phases I, and II of the Student Mechanic Training Program.
2. If the individual is to be hired at a location where locomotive or car work is not required, the individual may be employed as a journeyman mechanic or as a student at the Phase II level.

SECTION 2 - Probationary Period

The probationary period for Student Machinists extends to 60 creditable days of training in Phase II after completion of Phase I.

SECTION 3 - Student Machinists Employed After the Effective Date of This Agreement

(a) Individuals employed as Student Machinists after the effective date of this Agreement shall undergo training for a period of not more than 2 years, i.e., a total of 488 creditable days of training.

Note: Individuals employed as Student Machinists prior to the effective date of this Agreement will also be covered by this Agreement.

(b) The training program shall consist of four basic phases consisting of:

<u>Phase I</u>	Orientation
<u>Phase II</u>	On-the-Job Training

(c) Training time during Phases I, and II of the training program shall be credited toward the completion of the required creditable days of training as set forth in SECTION 4(a) above.

1. Phase I - Orientation - Academic Training of the training program are to be provided by an accredited technical school along the lines of the Carrier. However, Carrier may, at its election, provide its own staff and training facilities at a suitable location on the property.
2. Insofar as feasible, Student Machinists shall be assigned during Phase II On-the-Job Training, at the point at which they are to be employed as Machinists in the craft upon satisfactory completion of the training program. During this Phase II, Student Machinists shall receive on-the-job training by performing Machinist's work and working along with qualified mechanics and gaining practical experience performing the various phases of the work of their craft.
3. Student Machinists in Phase II should be rotated through the various phases of the work of their craft at the location employed, such as, running repair, inspection and servicing, routine maintenance, and heavy repair assignments where such exist. Student Machinists in Phase II should also be rotated through each of the existing shifts. Such rotation continues to be an exception

to the requirements for overtime payments in the rules covering changing shifts in the applicable current agreements. The local Carrier Officer and the Union Representative representing the location concerned should endeavor to co-operate in the scheduling of rotations and in determining the length of the rotation period in a manner consistent with the requirements of the service at the involved location.

4. A creditable day of training during Phase II shall consist of 8 hours, exclusive of overtime. During such Phase II, Student Machinists shall be assigned a work week of 40 hours, consisting of five days of 8 hours each with two consecutive days off. Such assignments may consist of work days, rest days, and shifts as designated by the Carrier to best facilitate the training being given at the time and the work schedule established in accordance with item (2) above provided there is a journeyman Machinist assigned to the same shift. This will not preclude a Student Machinist from occasionally working overtime with a journeyman to finish a job; however, such overtime use will not be abused to the detriment of other Machinists.

SECTION 4 - Seniority

(a) Student Machinists entering the Carrier's service on or after July 1, 2011, shall establish seniority as a journeyman Machinist upon successful completion of 488 creditable days of training. The seniority date thus established shall be retroactive to the date the employee was first employed as a Student Machinist.

(b) Two or more Student Machinists establishing seniority as journeyman Machinists on the same date shall be ranked on the seniority roster in accordance with the following guidelines in the order listed:

1. Student Machinists with the earlier hire date shall be ranked senior.
2. Student Machinists who had previous service with the Carrier shall be ranked senior.
3. Student Machinists with earlier birth dates shall be ranked senior.

(c) A Student Machinist, entering the Carrier's service on or after July 1, 2011, who is furloughed at the home point while undergoing training during Phase II of the Student Machinist Training Program, who is subsequently permitted to transfer to any other point, and who is working at a point to which transferred upon successful completion of the total days of training, shall be treated with respect to establishment of seniority as a journeyman of the craft in the following manner:

1. The Student Machinist involved shall establish seniority and be placed on the Machinist seniority roster at the point to which transferred. The seniority date thus established will be retroactive to the date the employee first worked as a

Student Machinist at this point. The employee's name will also be placed on the home point seniority roster. This seniority date will be retroactive to the date the employee first worked as a Student Machinist at the home point.

2. Upon being recalled to the home point in accordance with the applicable recall rule, the Student Machinist may elect, at the time, to remain at the point to which transferred and retain the seniority date established, thereby forfeiting all rights at the former home point, or

3. Upon being recalled to the home point in accordance with the applicable recall rule, the Student Machinist involved may elect to return to the home point, thereby retaining his seniority date at such point and forfeiting all rights at the point to which transferred. Such Student Machinists will be required to report and protect such seniority at the home point within ten (10) days following recall.

(d) In the event an active Student Machinist, entering the Carrier's service on or after July 1, 2011, while undergoing training during Phase II requests transfer from his home point to another point and such request is granted, the Student Machinist will be given credit for the number of creditable days of training completed prior to the transfer. Upon successful completion of a total of 488 creditable days of training, the Student Machinist will establish a seniority date only at the point to which transferred retroactive to the first day of service at that point.

(e) An employee entering the Carrier's service on or after July 1, 2011, as a Student Machinist, who resigns from the service and is then subsequently rehired as a Student Machinist, shall be treated with respect to the establishment of seniority as a journeyman as follows:

1. Credit will be given for the number of creditable days of training which he completed prior to his resignation from Carrier's service;

2. Upon successful completion of a total of 488 creditable days of training, the employee will establish a seniority date retroactive to the date he was last rehired as a Student Machinist.

SECTION 5 - Rates of Pay for Student Machinists

(a) The rate of pay for Student Machinists during the Training Program shall be as follows:

1. For the first 244 creditable days of training, Student Machinists shall be paid 80% of the full Machinist rate of pay.

2. For the next 244 creditable days of training, Student Machinists shall be paid 85% of the full Machinist rate of pay.

(d) Upon completion of 488 creditable days of training and establishment of full journeyman status, the rate of pay shall be increased to the full Machinist rate of pay.

(e) Student Machinists are not entitled to the differential payments provided for in the basic agreement, or any other differential, when engaged in designated differential paying tasks as part of their training.

SECTION 6

(a) At points where a temporary vacancy in a position of journeyman Machinist (such as one caused by the absence of the assigned Machinist due to illness, accident, or other good cause) has not been filled in accordance with the basic schedule Agreement and results in a Student Machinist being required to work on his normal shift in the absence of a journeyman Machinist, the Student Machinist so worked (if more than one, the senior Student Machinist on the roster on that shift) shall be compensated for service performed on the shift involved at the full rate of journeyman Machinist.

(b) Should a Student Machinist at a diesel shop be required on occasion to work a shift in the absence of a journeyman Machinist on duty, the senior student mechanic on the roster on that shift, shall be paid under the principle of Paragraph (a) above for service performed at the full rate of journeyman Machinist.

(c) In the event the Carrier is unable to fill overtime needs by calling journeyman Machinists, and the so-called overtime board has been exhausted, the senior available Student Machinist, if qualified, may be called and used. A Student Machinist so used shall be compensated on the basis of the full rate of a journeyman Machinist for such service performed.

SECTION 7

This Agreement shall constitute the applicable agreement providing for rates of pay and training for Student Machinists and shall be effective July 1, 2011.

This Agreement signed at Hammond, Indiana on May 25th, 2011.

FOR THE EMPLOYEES:

FOR THE CARRIER:

B. K. Orwan
General Chairman

M. K. Conley
Director Labor Relations
and Human Resources

Appendix E

Differentials Paid to Journeymen

ARTICLE VII - SKILL DIFFERENTIALS

Section 1 - Journeyman machinists who perform the work listed below shall receive a differential per hour above the minimum rate paid to journeymen machinists at the point employed for each hour actually spent performing the listed work as set forth below:

(a) Existing differentials paid to journeymen machinists for performing lead mechanic work shall be increased to 50 cents per hour effective January 1, 1993.

(b) Existing differentials paid to journeymen machinists for performing federal inspector or welding work shall be increased to 25 cents per hour effective January 1, 1993.

(c) Journeymen machinists who perform the work (as defined in Side Letter #15) of -

Classroom Instructor
EMD Turbocharger Room Work
Traveling Roadway Machinists
Precision Machine Operators
Governor Room Work
Air Room Work
Engine Rebuild
Alignment of -
Main generators/alternators
Air Compressors (mechanical drive)
Auxiliary generators
Fan Drives/Equipment Blowers (mechanical drive)
Gear Trains - Build-up locomotive gear trains

shall receive a differential of 25 cents per hour, effective January 1, 1993. Effective January 1, 1994, this differential shall be increased to 50 cents per hour.

Section 2 - When performing the above work for four (4) hours or less in any one day, employees will be paid the differential on an hourly basis with a minimum of one (1) hour; for more than four (4) hours in any one day, the differential will apply for that day.

Section 3 - There shall be no compounding or pyramiding of the above differentials. Any existing differentials for the above listed work that exceed the amounts specified shall be preserved. The parties recognize and agree that this Article is limited solely to the matter of skill differentials and this Article and any actions pursuant to it will not be used by either party in any manner with respect to the interpretation or application of any rule or practice.

NATIONAL RAILWAY LABOR CONFERENCE

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

CHARLES I. HOPKINS, Jr.

Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

July 31, 1992

#15

Mr. John F. Peterpaul, General Vice President
International Association of Machinists and
Aerospace Workers
1300 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Peterpaul:

This refers to Article VII, Skill Differentials, of the Agreement of this date. This is to confirm our understanding regarding certain of the terms used therein:

Classroom Instructor - A machinist designated by carrier to provide classroom instruction;

EMD Turbocharger Room Work - Rebuilding of EMD turbochargers in the designated rebuilding area for turbochargers;

Traveling Roadway Machinists - Machinists that regularly perform maintenance of way field service; does not include any machinist in such service assigned in shops;

Precision Machine Operators - Operators on precision machines such as the following: wheel truing machines, treadmills, axle lathes, wheel boring mills, engine line boring, traction motor line boring, wheel mounting press, engine lathe. This category does not include machines such as grinders, drill presses, punches, shears, threaders, saws, honing, and the like, hand-held tools or portable machines;

Governor Room Work - Assemble and test mechanical engine governor in the governor room;

Air Room Work - Assemble and test air brake valves in the air room;

Engine Rebuild - Build-up of locomotive diesel engine (out of locomotive car body);

Alignment of the following - Main generators/alternators, Air Compressors (mechanical drive), Auxiliary generators, Fan Drives/Equipment Blowers (mechanical drive);

Gear Trains - Build-up locomotive gear trains.

The parties agree that this letter is limited solely to implementation of Article VII - Skill Differentials of this Agreement and that it will not be used by either party in any manner with respect to the interpretation or application of any rule or practice.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

NATIONAL RAILWAY LABOR CONFERENCE

1301 L STREET N.W. WASHINGTON D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, Jr.

Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kaly
Director of Labor Relations

July 31, 1992

#16

Mr. John F. Peterpaul, General Vice President
International Association of Machinists and
Aerospace Workers
1300 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Peterpaul:

This refers to Article VII, Skill Differentials, of the Agreement of this date and will confirm our understanding that its implementation is not intended to disrupt carrier operations or unnecessarily increase costs. In furtherance of that mutual intent the parties agree that:

1. Implementation of this Article will not require rebulletining of any existing position.
2. Application of differentials under this Article to non-full time assignments in which a differential is paid will not, in and of itself, require the establishment or advertisement of any position.
3. Employees seeking to qualify and train for work subject to a differential under this Article will qualify and train on own time for such work. Employees will be given reasonable cooperation from their supervisors to do so.
4. An employee bidding on an assignment subject to a differential under this Article must be qualified, or demonstrate qualifications to carrier on own time, for such assignment before expiration of bid period.
5. Prior to displacing onto a position subject to a differential under this Article, an employee must be qualified, or demonstrate qualifications to carrier on own time. This includes an employee returning from leave of absence, vacation, illness, etc. and seeking to displace onto a position that was bulletined during the employee's absence.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

NATIONAL RAILWAY LABOR CONFERENCE

1901 K STREET N.W. WASHINGTON D.C. 20036/AREA CODE 202-842-7200

CHARLES I. HOPKINS, Jr.

Chairman

D. P. LEE
Vice Chairman and
General Counsel

G. F. DANIELS
Vice Chairman

R. T. Kelly
Director of Labor Relations

July 31, 1992

#17

Mr. J. F. Peterpaul
General Vice President
International Association
of Machinists & Aerospace Workers
1300 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20036

Dear Mr. Peterpaul:

This refers to our discussions with respect to Article VII - Skill Differentials. During our discussion it was understood that sufficiently before January 1, 1993 the local IAM representative and appropriate carrier officer will jointly review the application of Article VII as to that particular property.

If, at any time a local IAM representative believes that there should be adjustments in the application of the differentials, he may contact the appropriate carrier officer and advise him of this matter and any information that supports his position. A carrier designee will schedule the matter for conference with the IAM representative. The parties will be free to make any adjustments that they jointly deem appropriate.

If the local question concerning the applicability of a skill differential to a position is not resolved between the local IAM representative and appropriate carrier officer the question will be referred to the General Chairman and chief mechanical officer or their respective designees for resolution.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

Mr. W. L. Scheri
General Vice President
International Association of
Machinists & Aerospace Workers
9000 Machinists Place
Upper Marlboro, MD 20772-2687

Dear Mr. Scheri:

During the negotiations that led to the Agreement of this date, the parties discussed issues related to the appropriate application of the differentials payable to certain employees pursuant to the terms of Article VII of the July 31, 1992 Agreement.

1. This will confirm our understanding that any of the differentials referenced above that by its terms is payable to a covered employee for each hour actually spent performing the work for which the differential is granted is not payable for any non-working time for which the employee receives remuneration, except as provided in paragraph 2.

2. Such differential shall be included in vacation pay with respect to any employee described in paragraph 1 who is regularly assigned to a position for which that differential is paid for the entire day.

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

Very truly yours,



Robert F. Allen

I agree:


W. L. Scheri

Appendix F

Employee Protection

EMPLOYEE PROTECTION

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any provision, the terms of the appropriate agreement shall govern.

Section 1

The purpose of this rule is to afford protective benefits for employees who are displaced or deprived of employment as a result of changes in the operations of the carrier due to the causes listed in Section 2 hereof, and, subject to the provisions of this Agreement, the carrier has and may exercise the right to introduce technological and operational changes except where such changes are clearly barred by existing rules or agreements.

Any job protection agreement which is now in effect on a particular railroad which is deemed by the authorized employee representatives to be more favorable than this Article with respect to a transaction such as those referred to in Section 2 hereof, may be preserved as to such transaction by the representatives so notifying the carrier within thirty days from the date of receipt of notice of such transaction, and the provisions of this Article will not apply with respect to such transaction.

None of the provisions of this Article shall apply to any transactions subject to approval by the Interstate Commerce Commission, if the approval order of the Commission contains equal or more favorable employee protection provisions, or to any transactions covered by the Washington Job Protection Agreement.

Section 2

The protective benefits of the Washington Job Protection Agreement of May, 1936, shall be applicable, as more specifically outlined below, with respect to employees who are deprived of employment or placed in a worse position with respect to compensation and rules governing working conditions as a result of any of the following changes in the operations of this individual carrier:

- 1) Transfer of work;
- 2) Abandonment, discontinuance of 6 months or more, or consolidation of facilities or services or portions thereof;
- 3) Contracting of work;

- 4) Lease or purchase of equipment or component parts thereof, the installation, operation, servicing or repairing of which is to be performed by the lessor or seller;
- 5) Voluntary or involuntary discontinuance of contracts;
- 6) Technological changes; and,
- 7) Trade-in or repurchase of equipment or unit exchange.

Section 3

An employee shall not be regarded as deprived of employment or placed in a worse position with respect to his compensation and rules governing working conditions in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to work due to disability or discipline, or failure to obtain a position available to him in the exercise of his seniority rights in accordance with existing rules or agreements, or reductions in forces due to seasonal requirements, the layoffs of temporary employees or a decline in a carrier's business, or for any other reason not covered by Section 2 hereof. In any dispute over whether an employee is deprived of employment or placed in a worse position with respect to his compensation and rules governing working conditions due to causes listed in Section 2 hereof or whether it is due to the causes listed in Section 3 hereof, the burden of proof shall be on the carrier.

Section 4

The carrier shall give at least sixty (60) days (ninety (90) days in cases that will require a change of employee's residence) written notice of the abolition of jobs as a result of changes in operations for any of the reasons set forth in Section 2 hereof, by posting a notice on bulletin boards convenient to the interested employees and by sending certified mail notice to the General Chairmen of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes in operations, including an estimate of the number of employees of each class affected by the intended changes, and a full disclosure of all facts and circumstances bearing on the proposed discontinuance of positions. The date and place of a conference between representatives of the carrier and the General Chairman or his representative, "at his option," to discuss the manner in which employees may be affected by the changes involved, shall be agreed upon within ten (10) days after the receipt of said notice, and conference shall commence within thirty (30) days from the date of such notice.

Section 5

An employee who is continued in service, but who is placed, as a result of a change in operations for any of the reasons set forth in Section 2 hereof, in a worse position with respect to

compensation and rules governing working conditions, shall be accorded the benefits set forth in Section 6(a), (b) and (c) of the Washington Job Protection Agreement of May 1936, reading as follows:

“Section 6(a). No employee of any of the carriers involved in a particular coordination who is continued in service shall, for a period not exceeding five years following the effective date of such coordination, be placed, as a result of such coordination, in a worse position with respect to compensation and rules governing working conditions than he occupied at the time of such coordination so long as he is unable in the normal exercise of his seniority rights under existing agreements, rules and practices to obtain a position producing compensation equal to or exceeding the compensation of the position held by him at the time of the particular coordination, except however, that if he fails to exercise his seniority rights to secure another available position, which does not require a change in residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position which he elects to decline.

(b) The protection afforded by the foregoing paragraph shall be made effective whenever appropriate through what is hereby designated as a ‘displacement allowance’ which shall be determined in each instance in the manner hereinafter described. Any employee entitled to such an allowance is hereinafter referred to as a ‘displaced’ employee.

(c) Each displacement allowance shall be a monthly allowance determined by computing the total compensation received by the employee and his total time paid for during the last twelve (12) months in which he performed service immediately preceding the date of his displacement (such twelve (12) months being hereinafter referred to as the ‘test period’) and by dividing separately the total compensation and the total time paid for by twelve, thereby producing the average monthly compensation and average monthly time paid for, which shall be the minimum amounts used to guarantee the displaced employee, and if his compensation in his current position is less in any month in which he performs work than the aforesaid average compensation he shall be paid the difference, less compensation for any time lost on account of voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the average monthly time paid for during the test period.

Section 6

Any employee who is deprived of employment as a result of a change in operations for any of the reasons set forth in Section 2 hereof shall be accorded a monthly dismissal allowance in accordance with the terms and conditions set forth in Section 7(a) through (j) of the Washington Job Protection Agreement of May 1936, reading as follows:

Section 7(a). Any employee of any of the carriers participating in a particular coordination who is deprived of employment as a result of said coordination shall be accorded an allowance (hereinafter termed a coordination allowance), based on length of service, which (except in the case of an employee with less than one year of service) shall be a monthly allowance equivalent in each instance to sixty per cent (60%) of the average monthly compensation of the employee in question during the last twelve months of his employment in which he earned compensation prior to the date his is first deprived of employment as a result of the coordination. This coordination allowance will be made to each eligible employee while unemployed by his home road or in the coordinated operation during a period beginning at the date he is first deprived of employment as a result of the coordination and extending in each instance for a length of time determined and limited by the following schedule:

Length of Service	Period of Payment
1 yr. and less than 2 yrs.	6 months
2 yrs. and less than 3 yrs.	12 months
3 yrs. and less than 5 yrs.	18 months
5 yrs. and less than 10 yrs.	36 months
10 yrs. and less than 15 yrs.	48 months
15 yrs. and over	60 months

In the case of an employee with less than one year of service, the total coordination allowance shall be a lump sum payment in an amount equivalent to sixty (60) days pay at the straight time daily rate of the last position held by him at the time he is deprived of employment as a result of the coordination.

(b) For the purposes of this agreement the length of service of the employee shall be determined from the date he last acquired an employment status with the employing carrier and he shall be given credit for one month's service for each month in which he performed any service (an any capacity whatsoever) and twelve such months shall be credited as one year's service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee organization he will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

(c) An employee shall be regarded as deprived of his employment and entitled to a coordination allowance in the following cases:

When the position which he holds on his home road is abolished as a result of coordination and he is unable to obtain by the exercise of his seniority rights another position on his home road or a position in the coordinated operation, or

When the position he holds on his home road is not abolished but he loses that position as a result of the exercise of seniority rights by an employee whose position is abolished, or by other employees, brought about as a proximate consequence of the coordination, and if he is unable by the exercise of his seniority rights to secure another position on his home road or a position in the coordination operation.

(d) An employee shall not be regarded as deprived of employment in case of his resignation, death, retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally, dismissal for justifiable cause in accordance with the rules, or furloughed because of reduction in forces due to seasonal requirements of the service; nor shall any employee be regarded as deprived of employment as a result of a particular coordination who is not deprived of his employment within three years from the effective date of said coordination.

(e) Each employee receiving a coordination allowance shall keep the employer informed of his address and the name and address of any other person by whom he may be regularly employed.

(f) The coordination allowance shall be paid to the regularly assigned incumbent of the position abolished. If the position of an employee is abolished while he is absent from service, he will be entitled to the coordination allowance when he is available for service. The employee temporarily filling said position at the time it was abolished will be given a coordination allowance on the basis of said position until the regular employee is available for service and thereafter shall revert to his previous status and will be given a coordination allowance accordingly if any is due.

(g) An employee receiving a coordination allowance shall be subject to call to return to service after being notified in accordance with the working agreement, and such employee may be required to return to the service of the employing carrier for other reasonably comparable employment for which he is physically and mentally qualified and which does not require a change in his place of residence, if his return does not infringe upon the employment rights of other employees under the working agreement.

(h) If an employee who is receiving a coordination allowance returns to service the coordination allowance shall cease while he is so re-employed and the period of time during which he is so re-employed shall be deducted from the total period for which he is entitled to receive a coordination allowance. During the time of such re-employment however, he shall be entitled to protection in accordance with the provisions of Section 6.

(i) If an employee who is receiving a coordination allowance obtains railroad employment (other than with his home road or in the coordinated operation) his coordination allowance shall be reduced to the extent that the sum total of his earnings in such employment and his allowance exceeds the amount upon which his coordination allowance is based; provided that this shall not apply to employees with less than one year's service.

(j) A coordination allowance shall cease prior to the expiration of its prescribed period in the event of:

Failure without good cause to return to service in accordance with working agreement after being notified of position for which he is eligible and as provided in paragraphs (g) and (h).

Resignation.

Death

Retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally.

Dismissal for justifiable cause.

Section 7 –

Any employee eligible to receive a monthly dismissal allowance under Section 6 hereof may, at his option at the time he becomes eligible, resign and (in lieu of all other benefits and protections provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the provisions of Section 9 of the Washington Job Protection Agreement of May 1936, reading as follows:

“Section 9. Any employee eligible to receive a coordination allowance under Section 7 hereof may, at his option at the time of coordination, resign and (in lieu of all other benefits and protections provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the following schedule:

<u>Length of Service</u>	<u>Separation Allowance</u>
1 yr. & less than 2 yrs.	3 month's pay
2 yrs. & less than 3 yrs.	6 month's pay
3 yrs. & less than 5 yrs.	9 month's pay
5 yrs. & less than 10 yrs.	12 month's pay
10 yrs. & less than 15 yrs.	12 month's pay
15 years and over	12 month's pay

In the case of employees with less than one year's service, five days' pay, at the rate of the position last occupied, for each month in which they performed service will be paid as the lump sum.

- 3) Length of service shall be computed as provided in Section 7.
- 4) One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination.”

Section 8 -

Any employee affected by a change in operations for any of the reasons set forth in Section 2 hereof shall not be deprived of benefits attaching to his previous employment, such as free transportation, pensions, hospitalization, relief, etc., under the same conditions and so long as such benefits continue to be accorded to other employees of the carrier, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

Section 9 -

Any employee who is retained in the service of the carrier or who is later restored to service after being eligible to receive a monthly dismissal allowance, who is required to change the point of his employment as a result of a change in the carrier's operations for any of the reasons set forth in Section 2 hereof, and is, therefore, required to move his place of residence, shall be accorded the protective benefits set forth in Section 10 of the Washington Job Protection Agreement of May 1936, reading as follows:

"Section 10(a). Any employee who is retained in the service of any carrier involved in a particular coordination (or who is later restored to service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as result of such coordination and is therefore required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects and for the traveling expenses of himself and his family and his own actual wage loss during the time necessary for such transfer, and for a reasonable time thereafter, (not to exceed two working days), used in securing a place of residence in his new location. The exact extent of the responsibility of the carrier under this provision and the ways and means of transportation shall be agreed upon in advance between the carrier responsible and the organization of the employee affected. No claim for expenses under this Section shall be allowed unless they are incurred within three years from the date of coordination and the claim must be submitted within ninety (90) days after the expenses are incurred.

(b) If any employee is furloughed within three years after changing his point of employment as a result of coordination and elects to move his place of residence back to his original point of employment, the carrier shall assume the expense of moving his household and other personal effects under the conditions imposed in paragraph (a) of this section.

(c) Except to the extent provided in paragraph (b) changes in place of residence subsequent to the initial changes caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehend within the provisions of this section."

Section 10 -

Any employee who is retained in the service of the carrier, or who is later restored to service after being eligible to receive a monthly dismissal allowance, who is required to change the point of his employment as a result of a change in the carrier's operations for of the reasons set forth in Section 2 hereof, and is, therefore, required to move his place of residence, shall be accorded the protective benefits set forth in Section 11 of the Washington Job Protection Agreement of May, 1936, reading as follows:

"Section 11 (a). The following provisions shall apply, to the extent they are applicable in each instance, to any employee who is retained in the service of any of the carriers involved in a particular coordination (or who is later restored to such service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as a result of such coordination and is therefore required to move his place of residence:

1. If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by his employing carrier for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the coordination to be unaffected thereby. The employing carrier shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other party.
2. If the employee is under a contract to purchase his home, the employing carrier shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligations under his contract.
3. If the employee holds an unexpired lease of a dwelling occupied by him as his home, the employing carrier shall protect him from all loss and cost in securing the cancellation of his said lease.

(b) Changes in place of residence subsequent to the initial change caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this Section.

(e) No claim for loss shall be paid under the provisions of this section which is not presented within three years after the effective date of the coordination.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of lease, or any other question in connection with these matters, it shall be decided through joint conference between the representatives of the employees and the carrier on whose line the controversy arises and in the event they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and the carrier, respectively; these two shall endeavor by agreement within ten days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser, and in the event of failure to agree then the Chairman of the Interstate Commerce Commission shall be requested to appoint the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the salary of the appraiser selected by such party."

Section 11 -

When positions are abolished as a result of changes in the carrier's operations for any of the reasons set forth in Section 2 hereof, and all or part of the work of the abolished positions is transferred to another location or locations, the selection and assignment of forces to perform the work in question shall be provided for by agreement of the General Chairman of the craft or crafts involved and the carrier establishing provisions appropriate for application in the particular case; provided however, that under the terms of the agreement sufficient employees will be required to accept employment within their classification so as to insure a force adequate to meet the carrier's requirements. In the event of failure to reach such agreement, the dispute may be submitted by either party for settlement as hereinafter provided.

Section 12 -

Any dispute with respect to the interpretation or application of the foregoing provisions of Sections 1 through 11 of this Article (except as defined in Section 10) with respect to job protection, including disputes as to whether a change in the carrier's operations is caused by one of the reasons set forth in Section 2 hereof, or is due to causes set forth in Section 3 hereof, and disputes as to the protective benefits to which an employee or employees may be entitled, shall be handled as hereinafter provided.

Appendix G

Union Shop Agreement

UNION SHOP

AGREEMENT

between

**SOUTHERN RAILWAY COMPANY
THE CINCINNATI, NEW ORLEANS AND TEXAS PACIFIC RAILWAY COMPANY
HARRIMAN AND NORTHEASTERN RAILROAD COMPANY
THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY
(including Woodstock and Blocton Railway Company)
NEW ORLEANS AND NORTHEASTERN RAILROAD COMPANY
THE NEW ORLEANS TERMINAL COMPANY
GEORGIA SOUTHERN AND FLORIDA RAILWAY COMPANY
ST. JOHNS RIVER TERMINAL COMPANY**

AND

**Employees of each such company as represented by the Railway Labor Organizations signatory
hereto, through the Employees' National Conference Committee, Seventeen Cooperating
Railway Labor Organizations**

Effective April 15, 1953

AGREEMENT

This Agreement made this 27th day of February, 1953, by and between Southern Railway Company, The Cincinnati, New Orleans and Texas Pacific Railway Company, Harriman and Northeastern Railroad Company, The Alabama Great Southern Railroad Company (including Woodstock and Blocton Railway Company), New Orleans and Northeastern Railroad Company, The New Orleans Terminal Company, Georgia Southern and Florida Railway Company and St. Johns River Terminal Company, respectively (hereinafter referred to as "Carrier"), and employees of each such company as represented by the Railway Labor Organizations signatory hereto, through the Employees' National Conference Committee, Seventeen Cooperating Railway Labor Organizations, witnesseth:

IT IS AGREED:

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employees of the Carrier now or hereafter subject to the rules and working conditions agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this agreement representing their craft or class within sixty (60) calendar days of the date they first perform compensated service as such employees after the effective date of this agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty (30) days within a period of twelve (12) consecutive calendar months. Nothing in this agreement shall alter, enlarge or otherwise change the coverage of the present or future rules and working conditions agreement.

Section 2.

This agreement shall not apply to employees while occupying positions which are expected from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this agreement. However, such excepted employees are free to be members of the organization at their option.

Section 3.

(a) Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a period of thirty (30) days or more, are (1) furloughed on account of force reduction, (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employee return to any service covered by the said Rules and Working Conditions Agreements and continue therein

thirty (30) calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within five (35) calendar days from date of their return to such service.

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leave of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-service men shall not be terminated by reason of any of the provisions of this agreement but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this agreement.

(c) Employees who retain seniority under the rules and working conditions agreements governing their class or craft and who, for reasons other than those specified in subsections (a) and (b) of this Section 3, are not in service covered by such agreements, or leave such service, will not be required to maintain membership as provided in Section 1 of this agreement so long as they are not in service covered by such agreements, but they may do so at their option. Should such employees return to any service covered by the said rules and working conditions agreements they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

(d) Employees who retain seniority under the Rules and Working Conditions Agreements of their class or craft, who are members of any organization signatory hereto representing that class or craft and who in accordance with the Rules and Working Conditions Agreement of that class or craft temporarily perform work in another class of service shall not be required to be members of another organization party hereto whose agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the agreement covering such other class of service.

Section 4.

Nothing in this agreement shall require an employee to become or to remain a member of the organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time in the same organizational unit.

Section 5.

(a) Each employee covered by the provisions of this agreement shall be considered by the carrier to have met the requirements of the agreement unless and until such carrier is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by

Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used shall be agreed upon by the carrier and the organizations involved and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon receipt of such notice, the carrier will, within ten (10) calendar days of such receipt, so notify the employee concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this agreement, shall within a period of ten (10) calendar days from the date of receipt of such notice, request the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten (10) calendar days of the date of receipt of request therefore. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the organization, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the carrier of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and, the decision of the carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreement not later than thirty (30) calendar days from receipt of the above described notice from the organization, unless the carrier and the organization agree otherwise in writing.

(b) The carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this agreement and shall render a decision within twenty (20) calendar days from the date that the hearing is closed, and the employee and organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested:

If the decision is that the employee has not complied with the terms of this agreement, his seniority and employment under the rules and working conditions agreement shall be terminated within twenty (20) calendar days of the date of said decision except as hereinafter provided or unless the carrier and the organization agree otherwise in writing.

If the decision is not satisfactory to the employee or the organization it may be appealed in writing, by Registered Mail, Return Receipt Requested, directly to the highest officer of the carrier designated to handle appeals under this agreement. Such appeals must be received by such officer within ten (10) calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered. The carrier shall promptly notify the other party in writing of any such appeal, by Registered Mail, Return Receipt Requested. The decision on such appeal, shall be rendered within twenty (20) calendar days of the date the notice of appeal is received, and the

employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision on such appeal is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty (20) calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten (10) calendar days from the date of the decision the organization or the employee involved requests the selection of a neutral person to decide the dispute as provided in Section 5(c) below. Any request for selection of a neutral person as provided in Section 5(c) below shall operate to stay action on the termination of seniority and employment until not more than ten (10) calendar days from the date decision is rendered by the neutral person.

(c) If within ten (10) calendar days after the date of a decision on appeal by the highest officer of the carrier designated to handle appeals under this agreement the organization or the employee involved requests such highest officer in writing by Registered Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the carrier designated to handle appeals under this agreement or his designated representative, the Chief Executive of the organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the organization and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty (30) calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The carrier, the employee, and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the organization; if the employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employee.

(d) The time periods specified in this Section 5 may be extended in individual cases by written agreement between the carrier and the organization.

(e) Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between the carrier and the organization will not apply to cases arising under this agreement.

(f) The General Chairman of the organization shall notify the carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this agreement. The carrier shall notify the General Chairman of the organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this agreement.

(g) In computing the time periods specified in this agreement, the date on which a notice is received or decision rendered shall not be counted.

Section 6.

Other provisions of this agreement to the contrary notwithstanding, the carrier shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The carrier may not, however retain such employee in service under the provisions of this Section 6 for a period in excess of sixty (60) calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety (90) calendar days from date of receipt of notice from the organization in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this Section 6 shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the carrier and the organization involved.

Section 7.

An employee whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this agreement or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.

If the final determination under Section 5 of this agreement is that an employee's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement shall arise or accrue during the period up to the expiration of the sixty (60) or ninety (90) day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim or on behalf of any employee against the carrier predicated upon any action taken by the carrier in applying or complying with this agreement or upon an alleged violation, misapplication or noncompliance with any provision of this agreement. If the final determination under Section 5 of this agreement is that service shall give rise to no liability against the carrier in favor of the organization or other employee based upon an alleged violation, misapplication or noncompliance with any part of this agreement.

Section 8.

In the event that seniority and employment under the rules and working conditions agreement is terminated by the carrier under the provisions of this agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the organization shall indemnify and save harmless the carrier against any and

all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided, however, that this Section 8 shall not apply to any case in which the carrier involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such carrier acts in collusion with any employee; provided further, that the aforementioned liability shall not extend to the expense of the carrier in defending suits by employees whose seniority and employment are terminated by the carrier under the provisions of this agreement.

Section 9.

An employee whose employment is terminated as a result of noncompliance with the provisions of this agreement shall be regarded as having terminated his employee relationship for vacation purposes.

Section 10.

(a) The Carrier party to this agreement shall periodically deduct from the wages of employees subject to this agreement periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such Organization, and shall pay the amount so deducted to such officer of the Organizations as the Organization shall designate; provided, however, that the requirements of this subsection (a) shall not be effective with respect to any individual employee until he shall have furnished the Carrier a written assignment to the Organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement whichever occurs sooner.

(b) The provisions of subsection (a) of this section shall not become effective unless and until the Carrier and the Organization shall, as a result of further negotiations pursuant to the recommendations of Emergency Board No.98, agree upon the terms and conditions under which such provision shall be applied; such agreement to include, but not be restricted to, the means of making said deductions, the amounts to be deducted, the form, procurement and filing of authorization certificates, the frequency of deductions, the priority of said deductions with other deduction now or hereafter authorized, the payment and distributions of amounts withheld and any other matters pertinent thereto.

Section 11.

This agreement shall become effective on April 15, 1953, and is in full and final settlement of notices served upon the carriers by the organizations, signatory hereto, on or about February 5, 1951. It shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented by each organization on each of said carriers as heretofore stated. This agreement will remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

Signed at Washington, DC, this 27th day of February 1953.

AGREEMENT

between

SOUTHERN RAILWAY COMPANY
THE CINCINNATI, NEW ORLEANS AND TEXAS
PACIFIC RAILWAY COMPANY
THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY
NEW ORLEANS AND NORTHEASTERN RAILROAD COMPANY
THE NEW ORLEANS TERMINAL COMPANY
GEORGIA SOUTHERN AND FLORIDA RAILWAY COMPANY
ST. JOHNS RIVER TERMINAL COMPANY

and their employees
represented by

SHEET METAL WORKERS INTERNATIONAL ASSOCIATION
INTERNATIONAL ASSOCIATION OF ELECTRICAL WORKERS
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
BROTHERHOOD RAILWAY CARMEN OF THE UNITED STATES AND CANADA
INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS & HELPERS

WHEREAS, question has been raised concerning the intent of Section 2 of the Union Shop Agreement dated February 27, 1953 as it relates to student mechanics employed under the May 6, 1971 Agreement in that said student mechanics occupy positions which are not subject to the bulletining and displacement rules of the scheduled Agreement; and

WHEREAS, it is desired that there be no misunderstanding concerning applicability of the Union Shop Agreement to said student mechanics:

IT IS THEREFORE MUTUALLY AGREED AS FOLLOWS:

Student mechanics employed in the respective classes or crafts represented by the organizations signatory hereto under the May 6, 1971

Agreement are subject to and are covered by the provisions of Section 1 of the Union Shop Agreement dated February 27, 1953 and are therefore required to become members of the organization party hereto representing their craft or class subject to the terms and conditions set forth in said Union Shop Agreement within 60 calendar days of the date they are first employed as student mechanics.

Signed at Washington, D.C. this 19th day of June, 1972.

For the Employees:

For the Carriers:

O. V. Carter
General Chairman
Sheet Metal Workers
International Association

R. E. Parnes
Assistant Vice President
Labor Relations

Carl Williams, Jr.
General Chairman
International Association of
Electrical Workers

M. Beauchamp
General Chairman
International Association of
Machinists and Aerospace Workers

W. A. Stettin
General Chairman
International Brotherhood of Boiler-
makers, Iron Ship Builders, Blacksmiths,
Forgers & Helpers

E. J. Neal
General Chairman
Brotherhood Railway Carmen of
the United States and Canada

Appendix H

Subcontracting

SUBCONTRACTING

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any provision, the terms of the appropriate agreement shall govern.

Article II, Subcontracting, of the September 25, 1964 National Agreement, as amended, is further amended as follows to implement the report and recommendations of Presidential Emergency Board No. 219, as interpreted and clarified by Special Board 102-29, and that report and recommendations as well as the questions and answers that interpret and clarify them are specifically incorporated herein by reference:

Article II Subcontracting

The work set forth in the classification of work rules of the crafts parties to the Imposed Agreement or, in the scope rule if there is no classification of work rule, and all other work historically performed and generally recognized as work of the crafts pursuant to such classification of work rules or scope rules where applicable, will not be contracted except in accordance with the provisions of Sections 1 through 4 of this Article II. The maintenance and repair of equipment which has been historically (not necessarily exclusively) maintained and repaired by a carrier's own employees, no matter how purchased or made available to the carrier, shall not be contracted out by the carrier except in the manner specified. In determining whether work falls within either of the preceding sentences, the practices at the facility involved will govern.

Section 1 - Applicable Criteria

Subcontracting of work, including unit exchange, will be done only when genuinely unavoidable because (1) managerial skills are not available on the property but this criterion is not intended to permit subcontracting on the ground that there are not available a sufficient number of supervisory personnel possessing the skills normally held by such personnel; or (2) skilled manpower is not available on the property from active or furloughed employees; or (3) essential equipment is not available on the property; or (4) the required time of completion of the work cannot be met with the skills, personnel or equipment available on the property; or (5) such work cannot be performed by the carrier except at a significantly greater cost, provided the cost advantage enjoyed by the subcontractor is not based on a standard of wages below that of the prevailing wages paid in the area for the type of work being performed and provided further that if work which is being performed by railroad employees in a railroad facility is subcontracted under this criterion, no employees regularly assigned at that facility at the time of the subcontracting will be furloughed as a result of such subcontracting. Unit exchange as used herein means the trading in of old or worn equipment or component parts, receiving in exchange new, upgraded or rebuilt parts, but does not include the purchase of new equipment or component parts. As to the purchase of component parts which a carrier had been manufacturing to a significant extent, such purchases will be subject to the terms and conditions of this Article II.

Section 2 - Advance Notice - Submission of Data - Conference

If the carrier decides that in the light of the criteria specified above it is necessary to subcontract work of a type currently performed by the employees, it shall give the General Chairman of the craft or crafts involved notice of intent to contract out and the reasons therefor, together with supporting data sufficient to enable the General Chairman to determine whether the contract is consistent with the criteria set forth above.

Advance notice shall not be required concerning minor transactions. A minor transaction is defined for purposes of notice as an item of repair requiring eight man-hours or less to perform (unless the parties agree on a different definition) and which occurs at a location where mechanics of the affected craft, specialized equipment, spare units or parts are not available or cannot be made available within a reasonable time.

The General Chairman or his designated representative will notify the carrier within ten days from the postmarked date of the notice of any desire to discuss the proposed action. Upon receipt of such notice the carrier shall give such representative of the organization at least ten days advance notice of a conference to discuss the proposed action.

If no agreement is reached at the conference following the notification, either party may submit a demand for an expedited arbitration within five working days of the conference. Except in emergencies, the carrier shall not consummate a binding subcontract until the expedited procedures have been implemented and the arbitrator has determined that the subcontract is permissible, unless the parties agree otherwise. For this purpose, an "emergency" means an unforeseen combination of circumstances, or the resulting state, which calls for prompt or immediate action involving safety of the public, employees, and carriers' property or avoidance of unnecessary delay to carriers' operations.

Section 3 - Request for Information When No Advance Notice Given

If the General Chairman of a craft requests the reasons and supporting data for the subcontracting of work for which no notice of intent has been given, in order to determine whether the contract is consistent with the criteria set forth above, such information shall be furnished him promptly. If a conference is requested by the General Chairman or his designated representative, it shall be arranged at a mutually acceptable time and place. Any dispute as to whether the contract is consistent with the criteria set forth in Section 1 may be processed to a conclusion as hereinafter provided.

Disputes concerning a carrier's alleged failure to provide notice of intent or to provide sufficient supporting data in a timely manner in order that the general chairman may reasonably determine whether the criteria for subcontracting have been met, also may be submitted to a member

of the arbitration panel, but not necessarily on an expedited basis. In the event the parties are unable to agree on a schedule for resolving such a dispute, the arbitrator shall establish the schedule.

Section 4 – Establishment of Subcontracting Expedited Arbitration Panels

The parties shall establish expedited panels of neutral arbitrators at strategic locations throughout the United States, either by carrier or region. Each such panel shall have exclusive jurisdiction of disputes on the carrier's system or in the applicable geographical region, as the case may be, under the provisions of Article II, Subcontracting, as amended by this Imposed Agreement. The members of each of those panels shall hear cases or a group of cases on a rotating basis. Arbitrators appointed to said panels shall serve for terms of two years provided they adhere to the prescribed time requirements concerning their responsibilities. These arbitrators shall be compensated for their services directly by the parties.

Section 5 – Consist

Six neutral arbitrators shall be selected for each subcontracting expedited arbitration panel, unless the parties shall agree to a different number.

Section 6 – Location

Hearings and other meetings of arbitrators from the subcontracting expedited arbitration panels shall be at strategic locations.

Section 7 – Referees

If the parties are unable to agree on the selection of all of the arbitrators making up a panel within 30 days from the date the parties establish a panel of neutral arbitrators, the NMB shall be requested to supply a list of 12 arbitrators within 5 days after the receipt of such request. By alternate striking of names, the parties shall reduce the list to six arbitrators who shall constitute the panel. Neither party shall oppose or make any objection to the NMB concerning a request for such a panel.

Section 8 – Filling Vacancies

Vacancies for subcontracting expedited arbitration panels shall be filled by following the same procedures as contained in Section 7 above.

Section 9 – Content of Presentations

The arbitrator shall not consider any evidence not exchanged by the parties at least 48 hours before the commencement of the hearing. Other rules governing the scope and content of the presentations to the Panels shall be established by further agreement of the parties or by the arbitrator if the parties fail to reach an agreement.

Section 10 – Procedure at Board Meetings

Upon receipt of a demand under Section 2 of this Article, the arbitrator shall schedule a hearing within three working days and conduct a hearing within five working days thereafter. The arbitrator shall conclude the hearing not more than 48 hours after it has commenced. The arbitrator shall issue an oral or written decision within two working days of the conclusion of the hearing. An oral decision shall be supplemented by a written one within two weeks of the conclusion of the hearing unless the parties waive that time requirement. Any of these time limits may be extended by mutual agreement of the parties. Procedural rules governing the record and hearings before the Panels shall be determined by further agreement of the parties or by the arbitrator if the parties fail to reach an agreement.

Section 11 – Remedy

(a) If there is a claim for wage loss on behalf of a named claimant, arising out of an alleged violation of this Article, which is sustained, the arbitrator's decision shall not exceed wages lost and other benefits necessary to make the employee whole.

(b) If the arbitrator finds that the carrier violated the advance notice requirements of Section 2 [in non-emergency situations], the arbitrator shall award an amount equal to that produced by multiplying 50% of the man-hours billed by the contractor by the weighted average of the straight-time hourly rates of pay of the employees of the carrier who would have done the work, provided however that where the carrier is found to have both failed to consult and wrongfully contracted out work, the multiplier shall be 10% rather than 50%. The amounts awarded in accordance with this paragraph shall be divided equally among the claimants, or otherwise distributed upon an equitable basis, as determined by the arbitrator.

Section 12 – Final and Binding Character

Decisions of the Board shall be final and binding upon the parties to the dispute. In the event an Award is in favor of an employee or employees, it shall specify a date on or before which there shall be compliance with the Award. In the event an Award is in favor of a carrier the Award shall include an order to the employee or employees stating such determination. The carrier agrees to apply the decision of an arbitrator in a case arising on the carrier's property which sustains a grievance to all substantially similar situations and the Organization agrees not to bring any grievance which is substantially similar to a grievance denied on the carrier's property by the decision of the arbitrator.

Decisions of arbitrators rendered under this Article shall be subject to judicial enforcement and review in the same manner and subject to the same provisions which apply to awards of the National Railroad Adjustment Board.

Section 13 – Disputes Referred to Other Boards

Disputes arising under Article I, Employee Protection, Article III, Assignment of Work – Use of Supervisors, Article IV, Outlying Points, and Article V, Coupling, Inspection and Testing shall not be subject to the jurisdiction of any Subcontracting Expedited Arbitration Panel.

Disputes under Article II need not be progressed in the “usual manner” as required under Section 3 of the Railway Labor Act, but can be handled directly with the highest officer in the interest of expeditious handling. This Article sets up special time limits to govern the handling of cases before the expedited arbitration panels, thus providing special procedures which are intended to supersede the provisions of the standard Time Limit Rule. Therefore, such disputes being processed to a conclusion through the expedited arbitration panels are not subject to the provisions of the standard Time Limit Rule.

If there should be any claims filed for wage loss on behalf of a named claimant arising out of alleged violations of Article II – Subcontracting, such claims for wage loss should be filed promptly and within sixty days of the filing of the alleged violation of Article II – Subcontracting, with the same carrier officer as to whom such violation of Article II was directed by the General Chairman of the craft or crafts involved, or his representative. If such claim is a continuous one, it cannot begin to run prior to the date the claim is presented.

Failure to handle as set forth in the preceding paragraph shall not be considered as a precedent or waiver of the contentions of the carriers or employees as to other similar claims.

* * * *

Article VI of the September 25, 1964 Agreement, as amended, is further amended to delete (a) all references to Article II – Subcontracting, and (b) Section 14 – Remedy (and to renumber the subsequent sections accordingly).

This refers to Article VI, Subcontracting, of the Imposed Agreement of this date and will confirm our understanding that Electrical Power Purchase Agreements (EPPAs) and similar arrangements are within the scope of the September 25, 1964 Agreement, as amended.

* * *

July 31, 1992
SL #11



INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS DISTRICT LODGE NO. 19

936 SOUTH MEADOW LANE • PALMYRA, PA 17078-8835
PHONE (717) 469-0316 • FAX (717) 469-0317

OFFICE OF:
BRIAN K. ORWAN
General Chairman
bkorwan@verizon.net

May 25, 2011

Ms. Mary Kay Conley
Director Labor Relations and Human Resources
Indiana Harbor Belt Railroad
2721 161st Street
Hammond, IN 46323-1099

JOE R. DUNCAN
President
Directing General Chairman
P. O. Box 279
9502 Petros Highway
Petros, TN 37845
Phone (423) 324-6733
Fax (423) 324-6729
iam@highland.net

Dear Ms. Conley:

This confirms our understanding with respect to the new IHB/IAMAW Agreement effective July 1, 2011, that the Carrier will provide meals when performing emergency road work, road repair, and/or shop services.

Consistent with the provisions of Rules 4 & 5:

- (a) If an employee is required to work four (4) hours or more overtime continuous with straight time duty, a meal will be furnished.
- (b) If an employee is called during off hours and/or day of rest and expected to report for duty within one (1) hour and required to work four (4) hours or more, a meal will be furnished during work hours.
- (c) A meal can be obtained at an establishment that the Carrier has an account.
- (d) A meal can be purchased and paid for at the establishment of the employee's choice and submit necessary document to recover the expense. Expenses for meals purchased by the employee will be limited to amount set forth by the IHB Travel and Business Expense Reimbursement Policy.
- (e) In lieu of obtaining a meal, an employee may submit fifty (50) minutes at the overtime rate of pay in lieu of such meal. The decision in bypassing a meal will be at the discretion of the Carrier with the concurrence of the employees involved.

This Letter of Understanding abrogates all past practices pertaining to Carrier providing and/or reimbursing IAM&AW Employee(s) for meals during the Employee's normally assigned hours of service. This provision does not apply to those Employees who on occasion and at the Carrier's request may be required to attend training seminars, specialized training classes, etc.

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

Very truly yours,

Brian K. Orwan
General Chairman

I agree:

Mary Kay Conley, Director Labor Relations and Human Resources
Indiana Harbor Belt Railroad



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May 25, 2011

OFFICE OF:
BRIAN K. ORWAN
General Chairman
bkorwan@verizon.net

Ms. Mary Kay Conley
Director Labor Relations and Human Resources
Indiana Harbor Belt Railroad
2721 161st Street
Hammond, IN 46323-1099

Dear Ms. Conley:

This will confirm our understanding relative to IAMAW employees who are required to possess a Commercial Drivers License (CDL) in order to perform their assigned duties for the IHB RR.

The Commercial Motor Vehicle Safety Act of 1986 (CMVSA) requires that a CDL License be obtained by any individual operating the following type vehicles:

- (a) Any combination of vehicles with a Gross Combination Weight Rating (GCWR) of 26,001 or more pounds, providing the Gross Vehicle Weight Rating (GVWR) of the vehicle being towed is in excess of 10,000 pounds.
- (b) Any single vehicle with a GVWR of 26,001 or more pounds, or any such vehicle towing another not in excess of 10,000 pounds.
- (c) Any vehicle, regardless of size, designed to transport 16 or more persons, including the driver.
- (d) Any vehicle required by federal regulations to be placarded while transporting hazardous materials.

As agreed, the Carrier will reimburse any IAM&AW employees employed by the Carrier and required to possess a CDL License up to the amount of the Licensing Fee assessed by the appropriate State Drivers Licensing Authority when the employee submits a proper receipt.

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

Very truly yours,

Brian K. Orwan
General Chairman

I agree:

Mary Kay Conley, Director Labor Relations and Human Resources
Indiana Harbor Belt Railroad

JOE R. DUNCAN
President
Directing General Chairman
P. O. Box 279
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May 25, 2011

Ms. Mary Kay Conley
Director Labor Relations and Human Resources
Indiana Harbor Belt Railroad
2721 161st Street
Hammond, IN 46323-1099

Dear Ms. Conley:

This confirms our understanding with respect to the new IHB/IAMAW Agreement effective July 1, 2011, specifically with respect to Rule 37 regarding Welding and Cutting:

- (a) The burning of bolster and brake slot cracks only will be handled by IHB employees represented by the International Brotherhood of Boilermakers.
- (b) All other truck frame welding and cutting will be the sole responsibility of the IAMAW.

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

Very truly yours,

Brian K. Orwan
General Chairman

I agree:

Mary Kay Conley, Director Labor Relations and Human Resources
Indiana Harbor Belt Railroad

JOE R. DUNCAN
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May 25, 2011

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Dear Ms. Conley:

This refers to the new IHB/IAMAW Agreement effective July 1, 2011, which is applicable to shop craft employees who are represented by the International Association of Machinists & Aerospace Workers and employed by the Indiana Harbor Belt Railroad.

In connection with this new agreement, it is agreed that we will hold open the issue of application of existing memorandum agreements and understandings, for a period of six months following the date the new agreement is signed to allow the parties time for extra review of any previously undiscovered local agreements and understandings. The parties commit to expeditiously begin this review process.

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

Very truly yours,

Brian K. Orwan
General Chairman

I agree:

Mary Kay Conley, Director Labor Relations and Human Resources
Indiana Harbor Belt Railroad