Synthesis of Certain Rules Applicable to Norfolk and Western Railway Agreement from the 1986, 1992 and 1996 National Agreements
APPENDIX "__"

The following represents a synthesis in one document, for the convenience of the parties, of certain commonly referred to rules in the October 17, 1986, February 6, 1992 and September 26, 1996 National Agreements, with appropriate source identifications.

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 national provision, the terms of the appropriate national agreement shall govern.

OCTOBER 17, 1986 NATIONAL AGREEMENT

"ARTICLE III - RATE PROGRESSION - NEW HIRES"

Article XI of the December 11, 1981 National Agreement and all other local rules governing entry rates are eliminated and the following provisions are applicable:

Section 1 - Service First 60-Months

Employees entering service on and after the effective date of this Article on positions covered by an agreement with the organization signatory hereto shall be paid as follows for all service performed within the first sixty (60) calendar months of service:

(a) For the first twelve (12) calendar months of employment, new employees shall be paid 75% of the applicable rates of pay (including COLA).

(b) For the second twelve (12) calendar months of employment, such employees shall be paid 80% of the applicable rates of pay (including COLA).

(c) For the third twelve (12) calendar months of employment, such employees shall be paid 85% of the applicable rates of pay (including COLA).

(d) For the fourth twelve (12) calendar months of employment, such employees shall be paid 90% of the applicable rates of pay (including COLA).

(e) For the fifth twelve (12) calendar months of employment, such employees shall be paid 95% of the applicable rates of pay (including COLA).

- 1 -
(f) Employees who have had an employment relationship with the carrier and are rehired will be paid at established rates after completion of a total of sixty (60) months' combined service.

(g) Service in a craft not represented by the organization signatory hereto shall not be considered in determining periods of employment under this rule.

(h) Employees who have had a previous employment relationship with a carrier in a craft represented by the organization signatory hereto and are subsequently hired by another carrier shall be covered by this Article, as amended. However, such employees will receive credit toward completion of the sixty (60) month period for any month in which compensated service was performed in such craft provided that such compensated service last occurred within one year from the date of subsequent employment.

(i) Any calendar month in which an employee does not render compensated service due to furlough, voluntary absence, suspension, or dismissal shall not count toward completion of the sixty (60) month period.

Section 2 - Preservation of Lower Rates

Agreements which provide for training or other reduced rates that are lower than those provided for in Section 1 are preserved. If such agreements provide for payment at the lower rate for less than the first sixty (60) months of actual service, Section 1 of this Article will be applicable during any portion of that period in which such lower rate is not applicable.

Section 3 - Savings Provision

This Article shall become effective 15 days after the date of this Agreement except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representative on or before such effective date."

(See subsequent amendment in Article VII of the February 6, 1992 Imposed Agreement)

"ARTICLE IV - TERMINATION OF SENIORITY

The seniority of any employee whose seniority under an agreement with B.M.W.E is established after the date of this Agreement 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. employee protection order or an employee protection agreement or arrangement.
This Article shall become effective 15 days after the date of this Agreement except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representative on or before such effective date."

"ARTICLE VII - SENIORITY RETENTION"

Section 1

Effective October 17, 1986, all employees promoted subsequent thereto to official, supervisory, or excepted positions from crafts or classes represented by BMWE 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.

Section 2

Employees promoted prior to October 17, 1986, to official, supervisory, or excepted positions from crafts or classes represented by BMWE 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.

Section 3

This Article shall become effective on the date of this Agreement except on such carriers where the organization representative may elect to preserve existing rules pertaining to employees retaining seniority after promotion to an official, supervisory, or excepted position and so notifies the authorized carrier representative within thirty (30) days following the date of this Agreement."

FEBRUARY 6, 1992 IMPOSED AGREEMENT

"ARTICLE VII - RATE PROGRESSION - NEW HIRES"

(a) Article III of the October 17, 1986 National Agreement is amended by adding the following provision to Section 1:

(j) This Section shall not apply to foremen, mechanics and production gang members operating heavy, self-propelled equipment that requires skill and experience. Generally speaking, those excluded would occupy
the highest rated positions, while those included would occupy lower rated positions. This Section shall continue to apply, however, to a production gang employee who operates machines that require less skill and experience, such as non self-propelled, hand-held, or portable machines.

(b) If the parties on a carrier are unable to agree as to whether a particular production gang assignment is subject to Article III, Section 1 (j) of the October 17, 1986 National Agreement, it may be referred to the Interpretation Committee established under Article XVIII of this Agreement."

(See subsequent amendment in Article IV of the September 26, 1996 National Agreement)

"ARTICLE VIII - WORK SITE REPORTING

Paid time for production crews* that work away from home shall start and end at the reporting site designated by the appropriate supervisor by the end of the previous day, provided the reporting site is accessible by automobile and has adequate off-highway parking. If a new highway site is more than 15 minutes travel time via the most direct highway route from the previous reporting site, paid time shall begin after fifteen minutes of travel time to the new reporting site from the carrier-designated lodging site for it, and from the new reporting site to the carrier-designated lodging site for it, on the first day only of such change in the reporting site.

In order that there shall be no duplication, time paid for in accordance with this Article shall not be included in determining compensation that may otherwise be due an employee for travel time under the Award of Arbitration Board No. 298, as amended, or similar provisions.

* Production crews include all supporting BMWE employees who are assigned to work with, or as part of, a production crew."

(See subsequent amendment in Article XVII of the September 26, 1996 National Agreement)

"ARTICLE X - ALTERNATIVE WORK WEEK AND REST DAYS

(a) Production crews* may be established consisting of five (5) eight (8) hour days followed by two (2) consecutive rest days. One of those rest days shall be either a Saturday or a Sunday, and both weekend days shall be designated as rest days where there is no need for weekend work.
(b) Production crews* may be established consisting of four (4) ten (10) hour days, followed by three (3) consecutive rest days, in lieu of five (5) eight (8) hour days. The rest days of such compressed work week will include either Saturday or Sunday. However, where there is no carrier need for weekend work, production crews will be given both weekend days as rest days.

Note: * - Production crews include locally based supporting BMWE forces whose assignment is associated with that of a production crew to the extent that a different work week or rest days for such crews, on the one hand, and such supporting forces, on the other, would delay the work or otherwise interfere with its orderly progress."

"ARTICLE XI - INTRA-CRAFT WORK JURISDICTION"

Employees will be allowed to perform incidental tasks which are directly related to the service being performed and which they are capable of performing, provided the tasks are within the jurisdiction of the BMWE. Compensation shall be at the applicable rate for the employee performing the service and shall not constitute a basis for any time claims by other employees. This provision is not intended to alter the establishment and manning of work forces accomplished in accordance with existing assignment, seniority, scope and classification rules."

"ARTICLE XII - COMBINING OR REALIGNING SENIORITY DISTRICTS"

Section 1 - Notice

A carrier shall give at least thirty (30) days written notice to the affected employees and their bargaining representative of its desire to combine or realign seniority districts, including all carriers under common control, specifying the nature of the intended changes. The protection of the Interstate Commerce Act will continue to apply to all such combinations or realignments.

Section 2 - Arbitration

If the parties are unable to reach agreement within ninety (90) calendar days from the serving of the original notice, either party may submit the matter to final and binding arbitration in accordance with the terms of Article XVI."
territory (including all carriers under common control) to perform work that is programmed during any work season for more than one seniority district. The notice shall specify the terms and conditions the carrier proposes to apply.

(b) If the parties are unable to reach agreement concerning the changes proposed by the carrier within thirty (30) calendar days from the serving of the original notice, either party may submit the matter to final and binding arbitration in accordance with Article XVI.

(c) All subject matters contained in a carrier's proposal to establish regional or system-wide gangs, including the issue of how seniority rights of affected employees will be established, are subject to the expedited arbitration procedures provided for in Article XVI. BMWE counterproposals, that are subject matter related to a carrier's proposals regarding the establishment of regional or system-wide gangs are also within the arbitrator's jurisdiction."

(See subsequent amendments in Article XVI of the September 26, 1996 National Agreement)

"ARTICLE XVI - ARBITRATION PROCEDURES - STARTING TIMES, COMBINING OR REALIGNING SENIORITY DISTRICTS, AND REGIONAL AND SYSTEM WIDE GANGS

Section 1 - Selection of Neutral Arbitrator

Should the parties fail to agree on selection of a neutral arbitrator within five (5) calendar days from the submission to arbitration, either party may request the National Mediation Board to supply a list of at least five (5) potential arbitrators, from which the parties shall choose the arbitrator by alternately striking names from the list. Neither party shall oppose or make any objection to the NMB concerning a request for such a panel.

Section 2 - Fees and Expenses

The fees and expenses of the neutral arbitrator should be borne equally by the parties, and all other expenses shall be paid for by the party incurring them.

Section 3 - Hearings

The arbitrator shall conduct a hearing within thirty (30) calendar days from the date on which the dispute is assigned to him or her. Each party shall deliver all statements of fact, supporting evidence and other relevant information in writing to the arbitrator and to the other party, no later than five (5) working days prior to the date of the hearing. The arbitrator shall not accept oral testimony at the hearing, and no transcript of the
hearing shall be made. Each party, however, may present oral arguments at the hearing through its counsel or other designated representative.

Section 4 - Written Decision

The arbitrator shall render a written decision, which shall be final and binding, within thirty (30) calendar days from the date of the hearing."

"ARTICLE XVIII - INTERPRETATION COMMITTEE

Disputes arising over the application or interpretation of this Agreement will be referred to a joint Interpretation Committee consisting of an equal number of representatives of both parties. The committee's jurisdiction shall not overlap those areas where other recommendations have provided for a specific dispute resolution mechanism.

Within ninety days of the effective date of the Agreement, the parties shall select a neutral person to serve with the committee, as needed. If the parties fail to agree upon such a neutral person, either party may request a list from the NMB of five potential arbitrators from which the parties should choose the arbitrator by alternately striking names from the list.

If a dispute is not resolved within sixty days of its submission to the committee, it may be referred to the neutral by either party for final and binding disposition. The fees and expenses of the arbitrator shall be borne equally by the parties."

SEPTEMBER 26, 1996 NATIONAL AGREEMENT

"ARTICLE IV - RATE PROGRESSION

Section 1

Article III of the October 17, 1986 National Agreement (as amended), including all applicable Side Letters, and all other local rules governing entry rates are amended to provide that covered employees shall be paid at 90 percent of the applicable rates of pay (including COLA) for the first twelve (12) calendar months of employment and shall be paid at 95 percent of the applicable rates of pay (including COLA) for the second twelve (12) calendar months of employment for all service performed on positions covered by an agreement with the organization.
Section 2

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

Section 3

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

"ARTICLE VIII - VACATIONS"

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

"ARTICLE XI - SECTION 10901 TRANSACTIONS"

Section 1

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

Section 2

The selling carrier shall provide affected employees priority employment rights for other positions on the seller, both within craft and in other crafts where qualified. For access to positions within craft, the parties shall, at the request of the organization, develop a system seniority roster for use in such transactions in the same manner as that provided in the UTU and BLE national settlements. In addition, employees securing positions on the selling carrier which require a change in residence shall be eligible for up to $5,000 in relocation allowance, again in the same manner as provided in the UTU and BLE settlements.
Section 3

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

"ARTICLE XIV - TRAVEL ALLOWANCE

Section 1

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

<table>
<thead>
<tr>
<th>Miles Range</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 100 miles</td>
<td>$0.00</td>
</tr>
<tr>
<td>101 to 200 miles</td>
<td>$25.00</td>
</tr>
<tr>
<td>201 to 300 miles</td>
<td>$50.00</td>
</tr>
<tr>
<td>301 to 400 miles</td>
<td>$75.00</td>
</tr>
<tr>
<td>401 to 500 miles</td>
<td>$100.00</td>
</tr>
</tbody>
</table>

Additional $25.00 payments for each 100 mile increments.

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

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

Section 2

For employees required to work over 400 miles from their residences the carrier shall provide, and these employees shall have the option of electing, an air travel transportation package to enable these employees to return to their families once every three weeks. Ground transportation from the work site to the away from home airport shall be provided by each carrier, and on the return trip the carrier shall provide ground transportation from the away from home airport to the lodging site. In dealing with programmed work, the employees and carrier may know how long the employees will be required to work beyond the 400 mile range, and the employer can require the employees to give advanced notice of their intention to elect the air transportation option so that the carrier may take advantage of discounted air fares. Employees must
make themselves available for work on at least ninety percent of the regularly scheduled work days during the three week period. And, they will not qualify for the travel allowance set forth in Section 1 during the three week period. Irrespective of the customary meal and lodging entitlement that employees have under their local agreements, when employees elect the air transportation option, they shall be entitled to meals and lodging during the two away-from-home weekends in the three-week cycle and they shall not be entitled to meals and lodging during the third weekend upon which they return home by air transportation.

Section 3

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

Section 4

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

"ARTICLE XV - SUBCONTRACTING

Section 1

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

Section 2

Existing rules concerning contracting out applicable to employees covered by this Agreement will remain in full effect."
"ARTICLE XVI - PRODUCTION GANGS

Section 1

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

Section 2

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

Section 3

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

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

(b) An individual who bids and is subsequently assigned to work on a regional and system-wide production gang established by a covered carrier may be held to that gang for a period of no more than 30 days. After such time, the employee will be entitled to bid for other jobs with the carrier, subject to the limitation that no more than ten percent of a gang may bid off during a one week period.
Section 4

Each employee assigned to a regional or system-wide production gang established by a covered carrier under this Article who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five percent of his or her compensation earned during the calendar year on that gang. Such compensation shall not exceed $1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the carrier disbands the gang in less than six months, the carrier will be responsible for payment of the production incentive earned as of that date.

Section 5

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

Section 6

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

Section 7

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

"ARTICLE XVII - WORK SITE REPORTING

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