MEDIATION AGREEMENT

This Agreement made as of December 1, 1941, by and between the participating carriers listed in Appendices (A), (B), and (C), attached hereto and made a part hereof, and the Fourteen Cooperating Railroad Labor Organizations signatory hereto representing the employees as shown and described on said Appendices, WITNESSETH:

RECITALS

On or about June 9, 1941, by notices duly served under the Railway Labor Act certain carriers proposed changes in working conditions agreements. On or about June 10, 1941, by notices likewise duly served under the Railway Labor Act the employees proposed increases in wages of thirty cents (30¢) per hour subject to the provision that no employee shall receive less than seventy cents (70¢) per hour.

After failure to reach an agreement under the negotiation and mediation processes of the Railway Labor Act, the President of the United States, on September 10, 1941, pursuant to Section 10 of the Railway Labor Act, appointed an Emergency Fact-Finding Board composed of Wayne L. Morse, Chairman, Thomas Reed Powell, James C. Bonbright, Joseph H. Willits, and Huston Thompson, to investigate and report concerning the dispute. This Emergency Board on November 5, 1941, filed its report with the President, but the recommendations contained therein were not accepted by the Labor Organizations. Thereafter the Emergency Board was reconvened by the President for the purpose of using its good offices in an effort to bring about a settlement of the dispute to the end that there should be no interruption in the railroad transportation of the country. With the approval of the President the Board carried on mediation proceedings during the course of which it set forth the principles which should constitute a mediation agreement.
AGREEMENTS

Now, therefore, it is agreed:

Section (1) That effective December 1, 1941, all hourly, daily, weekly, monthly and piece-work rates of pay for employees covered by this agreement will be increased in the amount of ten cents (10%) per hour applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this section shall be applied as follows:

(a) Hourly Rates -
Add ten cents (10%) to the existing hourly rates of pay.

(b) Daily Rates -
Add to the existing daily rate an amount equivalent to the number of hours comprehended by the daily rate multiplied by ten cents (10%).

(c) Weekly Rates -
Add to the existing weekly rate an amount equivalent to the number of hours comprehended by the weekly rate multiplied by ten cents (10%).

(d) Monthly Rates -
Add to the existing monthly rate an amount equivalent to the number of hours comprehended by the monthly rate multiplied by ten cents (10%).

(e) Piece Work -
Where piece work rates of pay are in effect on railroads having special rules as to the application of any increase or decrease in such rates, such rules shall
apply. In the absence of any definite rule governing, the equivalent of ten cents (10¢) per hour shall be added to the unit of compensation

(f) Red Caps - Rates of pay or guarantees for Red Caps will be increased ten cents (10¢) per hour, and this amount will be multiplied by the number of hours paid for, and this sum will be added to the earnings of Red Caps regardless of the method of determining their earnings, with the understanding that their basic minimum hourly rate or hourly guarantee shall be not less than forty-six cents (46¢).

(g) Minimum Daily Increase - The increases in rates of pay described in paragraphs (a) to (f), both inclusive, shall be not less than eighty cents (80¢) per day for each full time day of eight (8) hours required to be paid for by the rules agreement. In instances where under existing rules agreements an employee is worked less than eight (8) hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.

Section (2) A minimum rate of forty-six (46¢) per hour is established and all piece-work, daily, weekly or monthly rates of pay after the increases provided for in section (1) have been applied, will be adjusted whenever necessary, to give effect to this minimum. From this minimum it is permissible to make deductions provided for by the Fair Labor Standards Act, for the reasonable cost of any board, lodging or other facilities furnished the employees, to the extent such deductions were being made as of August 31, 1941.
Section (3) Increases in wages provided for in sections (1) and (2) shall be computed in accordance with the wage or working conditions agreement in effect between each carrier and each labor organization of employees, and in instances where fixed daily, weekly or monthly rates are paid for all service rendered, the increases in wages shall be applied in such manner as will give effect to the number of hours used in fixing said rates and to the equivalent hours for special allowances included in said rates. Special allowances not included in said rates will not be increased.

Section (4) The compensation of employees covered by this agreement will be increased retroactively for the period from September 1, 1941 to November 30, 1941, both inclusive, at the rate of nine cents (9½) per hour, except that in instances where employees were paid rates less than thirty-six cents (36½) per hour they shall be paid in addition thereto such amounts as may be necessary to make effective a straight time rate of forty-five (45½) per hour during this period. Overtime hours will be computed in accordance with provisions of the individual schedules for all overtime hours paid for. Deductions or allowances, under the Fair Labor Standards Act, made during this period, for the reasonable cost of board, lodging or other facilities, furnished the employees, shall be unaffected by this Section (4) and shall be retained as a credit by the carrier in computing retroactive payments required by this Section (4).

Section (5) All notices of changes in working conditions agreements served upon the labor organizations by certain carriers on or about June 9, 1941, are withdrawn. Neither the carriers nor the employees will hereafter initiate a regional or national concerted movement to revise rules agreements for a moratorium period of eighteen (18) months from December 1, 1941. This not to include wage rates.

Section (6) 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 Committees 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.

Section (7) This mediation agreement is subject to approval of court with respect to carriers in hands of receivers or trustees and to confirmation as may be required by the labor organizations signatory hereto.

Section (8) This Agreement is in settlement of the disputes described in the Recitals herein and shall be construed as a separate agreement by and on behalf of each carrier party hereto and its employees represented by each labor organization as heretofore stated; and shall be effective as of December 1, 1941, and remain in effect until changed or modified in accordance with the provisions of the Railway Labor Act, amended.

SIGNED AT CHICAGO, ILLINOIS, This 15th Day of December, 1941

For the participating carriers listed in Appendix (A):

Chairman

For the employees represented by the participating labor organizations:

The Order of Railroad Telegraphers

By

President

International Association of Machinists

By

General Vice-President

[Signatures]
For the participating carriers listed in Appendix (B):

Chairman

For the employees represented by the participating labor organizations:

(Continued)

International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America.

By

International Vice-President

International Brotherhood of Blacksmiths, Drop Forgers and Helpers.

By

General President

Sheet Metal Workers' International Association.

By

General Vice-President

International Brotherhood of Electrical Workers.

By

Vice-President

Brotherhood Railway Carmen of America.

By

General President

International Brotherhood of Firemen, Oilers, Roundhouse and Railway Shop Laborers.

By

Vice-President
For the employees represented by the participating labor organizations:
(Continued)

Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express and Station Employees.

By
Grand President

Brotherhood of Maintenance of Way Employee.

By
President

Brotherhood of Railroad Signalmen of America.

By
Grand President

National Organization Masters, Mates and Pilots of America.

By
National President

National Marine Engineers' Beneficial Association.

By
National President

International Longshoremen's Association.

By
International President

Chairman
Fourteen Participating Labor Organizations.

WITNESSED:
The President's Emergency Board:

Chairman

Member

Member
Chicago, Illinois
December 15, 1941

Mr. B. M. Jewell, Chairman
Fourteen Cooperating Railroad
Labor Organizations
Morrison Hotel
Chicago, Illinois

Dear Sir:

This is to confirm our understanding and agreement in connection with Section (1-g) of the Wage Increase Agreement signed today, that where the hours of assignments for employees represented by you were reduced in connection with the Fair Labor Standards Act prior to December 1, 1941, the daily increase for these employees shall be not less than eighty cents (80¢), except as rules agreements permit the employee to be paid for less than eight (8) hours per day, in which event the second sentence of Section (1-g) will apply.

Yours truly,

Chairman
Carriers' Conference Committee
Representing Carriers listed in Appendix (A)

Chairman
Carriers' Conference Committee
Representing Carriers listed in Appendix (B)

Chairman
Carriers' Conference Committee
Representing Carriers listed in Appendix (C)