SUMMARY OF REVISIONS
IMPOSED AGREEMENT IN ACCORDANCE
WITH THE PROVISIONS OF PUBLIC LAW 102-29
JULY 29, 1991

Cover:
Added as explanation of document.

Page 1:
Title: Revised to reflect "Imposed Agreement Pursuant to
Public Law 102-29 July 29, 1991." Also, introductory
paragraph added.

Article I, Section 1: "...Settlement imposed pursuant to
Public Law 102-29 (hereinafter referred to as "Settlement")"
changed to "...Agreement imposed pursuant to Public Law 102-
29, effective July 29, 1991, (hereinafter referred to as
"Agreement")..." Note: The term "Agreement" has been
substituted for "Settlement" throughout the entire Imposed
Agreement.

Page 3:
Article II, Sections 2 and 3: Sub-clause (b) changed from
"one-half of the amount" to "the amount."

Pages 3 and 4:
Article II, Sections 1, 2, 3 and 4: References to Section 7
removed.

Page 4:
Article II: Section 7 removed by Special Board determination
No. 1 dated October 16, 1991. Section 8 renumbered as Section
7.

Page 19:
Article IV, first paragraph: "...commencing on or after the
date of this Settlement" changed to: "...commencing on or
after July 1, 1991."

Page 21:
Article VI, Section 2, first line: "...intention..." changed
to: "...intent..."

Article VI: Savings Clause added pursuant to Special Board
Article VIII: Second paragraph revised pursuant to Special Board determination No. 4 dated October 16, 1991.

Article VIII: Savings Clause added pursuant to Special Board determination No. 2 dated October 16, 1991.

Page 23:
Article IX: Savings Clause added pursuant to Special Board determination No. 2 dated October 16, 1991.

Page 24:
Article X: "Note: ..." added pursuant to Special Board determination No. 3 dated October 16, 1991.

Article X: Savings Clause added pursuant to Special Board determination No. 2 dated October 16, 1991.

Article XI: Savings Clause added pursuant to Special Board determination No. 2 dated October 16, 1991.

Article XII, Section 1: Changed to conform to language of Special Board determination No. 5 dated October 16, 1991, indicating that "The protection of the Interstate Commerce Act will continue to apply to all such combinations or realignments."

Article XII: Savings Clause added pursuant to Special Board determination No. 2 dated October 16, 1991.

Page 25:
Article XIII, paragraph (c): Language changed to conform with Arbitration decision relative to Issue No. 1, Sub-Question No. 5, i.e., "regional or system-wide gangs would also, logically, fall within a Section 11 arbitrator's jurisdiction" changed to read: "...regional or system-wide gangs are also within the arbitrator's jurisdiction."

Article XIII: Savings Clause added pursuant to Special Board determination No. 2 dated October 16, 1991.

Page 26:
Article XIV: First paragraph changed to reflect, "The recommendations ...were imposed...," instead of "The parties hereby adopt..."
February 21, 1992

Circular
No. 95

TO ALL GRAND LODGE OFFICERS
AND GENERAL CHAIRMEN IN THE
UNITED STATES

Re: Imposed Agreement in accordance with
the provisions of Public Law 102-29

Dear Sirs and Brothers:

As you are aware, at 12:01 a.m., EST, July 29, 1991, the recommendations of Presidential Emergency Board No. 219 (PEB 219) as interpreted, clarified and modified by the Special Board (SB 102-29) pursuant to Public Law 102-29 (PL 102-29) became imposed upon the parties by operation of law.

Enclosed for your information and reference is a copy of the document which represents the "Imposed Agreement" terms necessary to implement the report and recommendations of PEB 219 as clarified and modified by SB 102-29. In order to avoid any confusion it is recommended that you discard the previous "Agreement", which was distributed to you with Circular No. 56 dated July 29, 1991, and substitute the enclosed Imposed Agreement.

It is important to note that this Imposed Agreement is based upon the provisions of PL 102-29 signed by the President on April 18, 1991, which declares that the report and recommendations of PEB 219 as clarified and modified by SB 102-29 shall be binding, effective July 29, 1991, on the participating carriers represented by the National Carriers' Conference Committee of the National Railway Labor Conference and certain of their employees represented by the Brotherhood of Maintenance of Way Employes.

12050 Woodward Avenue
Detroit, MI 48203-3596
Telephone 313 868-0490
President's Dept.
FAX 313 868-5122
Secretary-Treasurer's Dept.
FAX 313 868-0602

Brotherhood of Maintenance of Way Employes
Affiliated with the A.F.L.-C.I.O. and C.L.C.
Additionally, the Imposed Agreement reflects the subsequent determinations made by SB 102-29 on October 16, 1991 concerning Cost-of-Living payments, Savings Clauses, Alternative Workweek & Rest Days, Work Site Reporting, Combining or Realigning Seniority Districts, Regional and System-Wide Gangs, Sub-Contracting and Moratorium provisions. The Imposed Agreement also includes revisions to the provisions of Article XIII - Regional and System-Wide Gangs to reflect the November 5, 1991 arbitration decision which determined that all subject matters contained in a carriers' 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 and that BMWE counterproposals, that are subject matter related to a carrier proposal regarding the establishment of regional or system-wide gangs are also within the arbitrator's jurisdiction.

While the enclosed document does not represent an agreement between the parties, the parties have agreed in principle that it represents the terms necessary to implement the report and recommendations of PEB 219 as clarified and modified by SB 102-29 and that the parties will be bound thereto as if arrived at by agreement pursuant to PL 102-29. Therefore, although both parties previously distributed their respective interpretations of the application of PEB 219 immediately following the July 29, 1991 effective date, the enclosed document supersedes all previous interpretations, including the carriers, and you should be governed accordingly. A summary list of revisions made to the original interpretation of the application which was distributed on July 29, 1991 is also enclosed to assist you in identifying the changes made in the enclosed document.

In Solidarity,

[Signature]
President

cc: Mr. W. E. LaRue
Mr. A. Passaretti
Mr. G. D. Housch
Mr. G. Schneider
Mr. R. Bowden
Mr. J. J. Krukk
All System Officers
Grand Lodge Appointees
Page 28:
Article XVII: First paragraph, first sentence: Words 
"...substantially unchanged." added at end. Second sentence: 
"However,..." added at beginning. Also, added second 
paragraph from Special Board determination No. 7 dated October 
16, 1991, which provided that "The establishment of the 
Interpretation Committee is to avoid a carrier taking a 
position which is contrary to the spirit and intent of the PEB 
219 recommendations. Since the union's right to make 
proposals regarding subcontracting was referred to local 
handling under the peaceful procedures of the Railway Labor 
Act, there is no right on the part of any carrier to make 
offsetting proposals."

Page 29:
Article XVIII, first paragraph, first sentence: Words 
"between the various carriers and BMWE" removed.

Article XIX, Section 2, first sentence: Wording "...disputes 
growing out of the notices served upon the carriers listed in 
Exhibit A by the Brotherhood of Maintenance of Way Employes 
("BMWE") dated on or about March 15, 1984 and May 25, 1988 and 
proposals served on or about March 20, 1984 and March 8, 1989 
by the carriers..." changed to: "...disputes growing out of the 
notices served by the Brotherhood of Maintenance of Way 
Employes ("BMWE") upon the carriers listed in Exhibit A dated 
on or about April 2, 1984 and June 10, 1988 and proposals 
served on or about April 9, 1984 and March 8, 1989 by the 
carriers..."

EXHIBIT A:
Two are included. One, as accepted and adopted by the 
carriers, includes Conrail. One, as accepted and adopted by 
the BMWE, excludes Conrail.

Additionally, there are thirteen (13) unsigned Letters of 
Understanding concerning the Imposed Agreement all of which the 
parties agree to in principle and are applicable; along with Letter 
of Understanding No. 14 dated February 6, 1992 which confirms the 
parties' respective positions relative to Consolidated Rail 
Corporation as omitted or included in the parties' respective 
Exhibit A's. Also included is a copy of the September 26, 1991 
Letter of Understanding wherein the parties agreed to defer 
establishment of the Select Committee.
IMPOSED AGREEMENT IN ACCORDANCE WITH THE
PROVISIONS OF PUBLIC LAW 102-29
JULY 29, 1991

The attached document represents the Imposed Agreement terms necessary to implement the report and recommendations of Presidential Emergency Board No. 219, dated January 15, 1991, as clarified and modified by Special Board No. 102-29.

This Imposed Agreement is based upon the provisions of Public Law 102-29, signed by the President on April 18, 1991, which declares that the report and recommendations of Presidential Emergency Board No. 219 as clarified and modified by Special Board 102-29 shall be binding effective July 29, 1991, on the participating carriers represented by the National Carriers’ Conference Committee of the National Railway Labor Conference and certain of their employees represented by the Brotherhood of Maintenance of Way Employes.

Mac A. Fleming, President
Brotherhood of Maintenance of Way Employes

C. I. Hopkins, Jr., Chairman
National Carriers' Conference Committee
IMPOSED AGREEMENT
PURSUANT TO PUBLIC LAW 102-29
JULY 29, 1991

Between the participating carriers listed in Exhibit A attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the Brotherhood of Maintenance of Way Employes.

ARTICLE I - WAGES

Section 1 - Lump Sum Payment

Each employee subject to this Agreement imposed pursuant to Public Law No. 102-29, effective July 29, 1991, (hereinafter referred to as "Agreement") who qualified for an annual vacation in the calendar year 1991 will be paid $2,000 within 60 days of the date of this Agreement. Those employees who during the calendar year 1990 failed to qualify for an annual vacation in the calendar year 1991 will be paid a proportional share of that amount, based on the percentage of the qualifying period satisfied. This Section shall be applicable solely to those employees subject to this Agreement who have an employment relationship as of the date of this Agreement or who have retired or died subsequent to January 1, 1990. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

Section 2 - First General Wage Increase

Effective July 1, 1991, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 1991 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 2 shall be applied as follows:

(a) **Hourly Rates** -
Add 3 percent to the existing hourly rates of pay.

(b) **Daily Rates** -
Add 3 percent to the existing daily rates of pay.

(c) **Weekly Rates** -
Add 3 percent to the existing weekly rates of pay.
(d) **Monthly Rates -**

Add 3 percent to the existing monthly rates of pay.

(e) **Disposition of Fractions -**

Rates of pay resulting from application of paragraphs (a) through (d) above which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) **Piece Work -**

Adjustment of piece-work rates of pay shall be based on the amount of increase applicable to the basic hourly rates for the class of work performed. Where piece-work rates of pay are in effect on carriers having special rules as to the application of any increase, or decrease, in such rates, such rules shall apply.

(g) **Deductions -**

Insofar as concerns deductions, which may be made from the rates resulting from the increase herein granted, under Section 3 (m) of the Fair Labor Standards Act of 1938, they may continue to be made to the extent that such deductions were being legally made as of August 31, 1941.

(h) **Application of Wage Increase -**

The increase in wages provided for in this Section 2 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

**Section 3 - Second General Wage Increase**

Effective July 1, 1993, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 1993 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 2 hereof.

**Section 4 - Third General Wage Increase**

Effective July 1, 1994, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 1994 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect
to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 2 hereof.

ARTICLE II - COST-OF-LIVING PAYMENTS


Section 1 - First Lump Sum Cost-of-Living Payment

Subject to Section 6, employees with 2,000 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce Commission as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period April 1, 1991 through March 31, 1992, will receive a lump sum payment on July 1, 1992 of $960.00.

Section 2 - Second Lump Sum Cost-of-Living Payment

Subject to Section 6, employees with 1,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period April 1, 1992 through September 30, 1992, will receive a lump sum payment on January 1, 1993 equal to the difference between (i) $960.00, and (ii) the lesser of $480.00 and one quarter of the amount, if any, by which the carriers’ 1993 payment rate for foreign-to-occupation health benefits under the Railroad Employees National Health and Welfare Plan (the “Plan”) exceeds the sum of (a) the amount of such payment rate for 1992 and (b) the amount per covered employee that will be taken during 1993 from that certain special account maintained at The Travelers Insurance Company known as the “Special Account Held in Connection with the Amount for the Close-Out Period” (the “Special Account”) to pay or provide for Plan foreign-to-occupation health benefits.

Section 3 - Third Lump Sum Cost-of-Living Payment

Subject to Section 6, employees with 2,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period October 1, 1992 through September 30, 1993, will receive a lump sum payment on January 1, 1994 equal to the difference between (i) $988.00, and (ii) the lesser of $494.00 and one quarter of the amount, if any, by which the carriers’ 1994 payment rate for foreign-to-occupation health benefits under the Plan exceeds the sum of (a) the amount of such payment rate for 1993 and (b) the amount per covered employee that will be taken during 1994 from the Special Account to pay or provide for Plan foreign-to-occupation health benefits.
Section 4 - Fourth Lump Sum Cost-of-Living Payment

Subject to Section 6, employees with 2,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period October 1, 1993 through September 30, 1994, will receive a lump sum payment on January 1, 1995 equal to the difference between (i) $685.00, and (ii) the lesser of $343.00 and one quarter of the amount, if any, by which the carriers' 1995 payment rate for foreign-to-occupation health benefits under the Plan exceeds the amount of such payment rate for 1994.

Section 5 - Definition of Payment Rate for Foreign-to-Occupation Health Benefits

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

Section 6 - Employees Working Less Than Full-Time

For employees who have fewer straight time hours (as defined) paid for in any of the respective periods described in Sections 1 through 4 than the minimum number set forth therein, the dollar amounts specified in Section 1 and in clause (i) of Sections 2 through 4 thereof shall be adjusted by multiplying such amounts by the number of straight time hours (including vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) for which the employee was paid during such period divided by the defined minimum hours. For any such employee, the dollar amounts described in clause (ii) of Sections 2 through 4 shall not exceed one-half of the dollar amounts specified in clause (i) thereof, as adjusted pursuant to this Section.

Section 7 - Eligibility for Receipt of Lump Sum Payments

The lump sum cost-of-living payments provided for in this Article will be payable to each employee subject to this Agreement imposed pursuant to Public Law 102-29 who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable base period used to determine the amount of such payments. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.
PART B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 1995

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

(a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 1995 based, subject to paragraph (d), on the BLS CPI for September 1994 as compared with the BLS CPI for March 1995. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

<table>
<thead>
<tr>
<th>Measurement Periods</th>
<th>Effective Date of Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Month</td>
<td>Measurement Month</td>
</tr>
<tr>
<td>September 1994</td>
<td>March 1995</td>
</tr>
</tbody>
</table>

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

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.

(c) The amount of the cost-of-living allowance, if any, that will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(d)(i) Cap. In calculations under paragraph (e), the maximum increase in the BLS CPI that will be taken into account will be as follows:

<table>
<thead>
<tr>
<th>Effective Date of Adjustment</th>
<th>Maximum CPI Increase That May Be Taken Into Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 1995</td>
<td>3% of September 1994 CPI</td>
</tr>
<tr>
<td>January 1, 1996</td>
<td>6% of September 1994, less the increase from September 1994 to March 1995</td>
</tr>
</tbody>
</table>
Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule will be applicable to periods subsequent to those specified above during which this Article is in effect.

(iii) Limitation. In calculations under paragraph (e), only fifty (50) percent of the increase in the BLS CPI in any measurement period shall be considered.

(iii) If the increase in the BLS CPI from the base month of September 1994 to the measurement month of March 1995 exceeds 3% of the September base index, the measurement period that will be used for determining the cost-of-living adjustment to be effective the following January will be the 12-month period from such base month of September; the increase in the index that will be taken into account will be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account will be 6% of such September base index less the 3% mentioned in the preceding clause, to which will be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living allowance which will have become effective July 1, 1995 during such measurement period.

(iv) Any increase in the BLS CPI from the base month of September 1994 to the measurement month of September 1995 in excess of 6% of the September 1994 base index will not be taken into account in the determination of subsequent cost-of-living adjustments.

(v) The procedure specified in subparagraphs (iii) and (iv) will be applicable to all subsequent periods during which this Article is in effect.

(e) Formula. The number of points change in the BLS CPI during a measurement period, as limited by paragraph (d), will be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion will not be counted.)

The cost-of-living allowance in effect on December 31, 1995 will be adjusted (increased or decreased) effective January 1, 1996 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), in the BLS CPI during the applicable measurement period. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount of the cost-of-living allowance in effect on December 31, 1995 if the BLS CPI will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom if the index will have been lower at the end than at the beginning of the measurement period, but only to the extent the allowance remains at zero or above. The same procedure will be followed in applying subsequent adjustments.
(f) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W Index during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W Index during such measurement period.

Section 2 - Application of Section 1 Cost-of-Living Allowance

The cost-of-living allowance provided for by Section 1 of Part B of this Article will be payable as provided in Section 3 and will not become part of basic rates of pay. Such allowance and the adjustments thereto will be applied as follows:

(a) Hourly Rates - Add the amount of the cost-of-living allowance to the hourly rate of pay produced by application of Article I.

(b) Daily Rates - Determine the equivalent hourly rate by dividing the established daily rate by the number of hours comprehend by the daily rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehend by the daily rate shall be added to the daily rate produced by application of Article I.

(c) Weekly Rates - Determine the equivalent hourly rate by dividing the established weekly rate by the number of hours comprehend by the weekly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehend by the weekly rate shall be added to the weekly rate produced by application of Article I.

(d) Monthly Rates - Determine the equivalent hourly rate by dividing the established monthly rate by the number of hours comprehend by the monthly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehend by the monthly rate shall be added to the monthly rate produced by application of Article I.

(e) Piece Work - Adjustment of piece-work rates of pay shall be based on the amount of increase applicable to the basic hourly rate for the class of work performed. Where piece-work rates of pay are in effect on carriers 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 the hourly amount of the cost-of-living allowance shall be added to the established unit piece-work price.

(f) Minimum Daily Increases - The increase in rates of pay described in paragraphs (a) through (e), inclusive, shall be not less than eight times the applicable increase per hour for each full time day of eight hours,
required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.

Section 3 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance payable to each employee effective July 1, 1995 shall be equal to the difference between (i) the cost-of-living allowance in effect on that date pursuant to Section 1 of this Part, and (ii) the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers’ 1995 payment rate for foreign-to-occupation health benefits under the Plan over such payment rate for 1994, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, but not more than one-half of the amount specified in clause (i) above. For the purpose of the foregoing calculation, the amount of any increase described in clause (ii) that has been taken into account in determining the amount received by the employee as a lump sum payment on January 1, 1995 shall not be taken into account.

(b) The cost-of-living allowance payable to each employee effective January 1, 1996, shall be equal to the difference between (i) the cost-of-living allowance in effect on that date pursuant to Section 1 of this Part, and (ii) the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers’ 1996 payment rate for foreign-to-occupation health benefits under the Plan over the amount of such payment rate for 1995, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, but not more than one-half of the amount specified in clause (i) above.

(c) The procedure specified in paragraph (b) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.

(d) The definition of the carriers’ payment rate for foreign-to-occupation health benefits under the Plan set forth in Section 5 of Part A shall apply with respect to any year covered by this Section.

(e) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 4 - Continuation of Part B

The arrangements set forth in Part B of this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.
ARTICLE III - HEALTH AND WELFARE PLAN AND EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN

Part A - Health and Welfare Plan

Section 1 - Continuation of Plan

The Railroad Employees National Health and Welfare Plan (the "Plan"), modified as provided in this Part, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to the Plan will be offset by the expeditious use of such amounts as may at any time be in Special Account A or in one or more special accounts or funds maintained by any insurer, third party administrator or other entity in connection with the Plan and by the use of funds held in trust that are not otherwise needed to pay claims, premiums, or administrative expenses that are payable from funds held in trust; provided, however, that such amounts as may at any time be in that certain special account maintained at The Travelers Insurance Company, known as the "Special Account Held in Connection with the Amount for the Close-Out Period," relating to the obligations of the Plan to pay, among other things, benefits incurred but not paid at the time of termination of the Plan in the event such termination should occur, shall be used to pay or provide for Plan benefits as follows: one-third of the balance in such special account as of January 1, 1992, shall be used to pay or provide for benefits that become due and payable during 1992. One-half of the balance in such special account as of January 1, 1993, shall be used to pay or provide for benefits that become due and payable during 1993. All of the balance in such special account in excess of $25 million as of January 1, 1994, shall be used to pay or provide for benefits that become due and payable during 1994. The $25 million referred to in the preceding sentence shall be maintained by the Plan as a cash reserve to protect against adverse claims experience from year to year.

In the event that a carrier participating in the Plan defaults for any reason, including but not limited to bankruptcy, on its obligation to contribute to the Plan, and the carrier's participation in the Plan terminates, the carriers remaining in the Plan shall be liable for any Plan contribution that was required of the terminating carrier prior to the effective date of its termination, but not paid by it. The remaining carriers shall be obligated to make up in a timely fashion such unpaid contribution of the terminating carrier in pro rata amounts based upon their shares of Plan contributions for the month immediately prior to such default.

Section 2 - Change to Self-Insurance

Except for life insurance, accidental death and dismemberment insurance, and all benefits for residents of Canada, the Plan will be wholly self-insured and administered, under an administrative services only arrangement, by an insurance company or third party administrator.

Section 3 - Joint Plan Committee

The Joint Policyholder Committee shall be renamed the Joint Plan Committee. This change in name shall not in any way change the functions and
responsibilities of the Committee.

A neutral shall be retained by and at the expense of the Plan for the duration of this Agreement to consider and vote on any matter brought before the Joint Plan Committee (formerly the Joint Policyholder Committee), arising out of the interpretation, application or administration (including investment policy) of the Plan, but only if the Committee is deadlocked with respect to the matter. A deadlock shall occur whenever the carrier members of the Committee, who shall have a total of one vote regardless of their number, and the organization members of the Committee, who shall also have a total of one vote regardless of their number, do not resolve a matter by a vote of two to nil and either side declares a deadlock.

If the members of the Joint Plan Committee cannot agree upon a neutral within 30 days of the date this Agreement becomes effective, either side may request the National Mediation Board to provide a list of seven persons from which the neutral shall be selected by the procedure of alternate striking. Joint Plan Committee members and the neutral shall, to the extent required by ERISA, be bonded at the expense of the Plan. The Joint Plan Committee shall have the power to create such subcommittees as it deems appropriate and to choose a neutral chairman for such subcommittees, if desired.

Section 4 - Managed Care

Managed care networks that meet standards developed by the Joint Plan Committee, or a subcommittee thereof, concerning quality of care, access to health care providers, and cost-effectiveness, shall be established wherever feasible as soon as practicable. Until a managed care network is established in a given geographical area, individuals in that area who are covered by the Plan will have the comprehensive health care benefit coverage described in Section 5 of this Part A. Each employee in a given geographical area who is a Plan participant at the time a managed care network is established in that area will be enrolled in the network (along with his or her covered dependents) unless the employee provides timely written notice to his or her employer of an election to have (along with his or her covered dependents) the comprehensive health care benefit coverage rather than to be enrolled in the network. Any such employee who provides such timely written notice shall have an annual opportunity to revoke his or her election by providing a written notice of revocation to his or her employer at least sixty days prior to January 1 of the calendar year for which such revocation shall first become effective. Similarly, each employee in a given geographical area who is a Plan participant at the time a managed care network is established in that area and is thereafter enrolled in the network (along with his or her covered dependents) shall have an annual opportunity to elect to have (along with his or her covered dependents) the comprehensive health care benefit coverage rather than continue to be enrolled in the network. This election may be made by such an employee by providing written notice thereof to his or her employer at least sixty days prior to January 1 of the calendar year for which the election shall first become effective. Each employee hired after a managed care network is established in his or her geographic area (and his or her covered dependents) will be enrolled in the network and may not thereafter elect to be covered by the comprehensive benefits until the January 1 which falls on or after the first anniversary of his or her initial date of eligibility for
Plan coverage. Employees who return to eligibility for Plan coverage within 24 months of loss of eligibility for Plan coverage and whose employment relationship has not terminated at any time prior to such return will be enrolled in the program of Plan benefits in which they were enrolled when their eligibility for Plan coverage was lost, and shall thereafter have the same rights of election as other employees whose eligibility for Plan coverage was not lost.

Covered individuals enrolled in a managed care network will have a point of service option allowing them to choose an out-of-network provider to perform any covered health care service that they need. The benefits provided by the Plan when a service is performed by an in-network provider and the benefits provided by the Plan when the service is performed by an out-of-network provider will be as described in the table below:

<table>
<thead>
<tr>
<th>PLAN FEATURE</th>
<th>IN-NETWORK</th>
<th>OUT-OF-NETWORK*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Physician Required</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Annual Deductible</td>
<td></td>
<td>$100</td>
</tr>
<tr>
<td>Individual</td>
<td>None</td>
<td>$300</td>
</tr>
<tr>
<td>Family</td>
<td>None</td>
<td>Deductible applies to all covered expenses</td>
</tr>
<tr>
<td>Plan/Employee Coinsurance</td>
<td>100%/0%</td>
<td>75%/25%</td>
</tr>
<tr>
<td>Annual Out-of-Pocket Maximum (exclusive of deductible)</td>
<td></td>
<td>$1,500</td>
</tr>
<tr>
<td>Individual</td>
<td>None</td>
<td>$3,000</td>
</tr>
<tr>
<td>Family</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Maximum Lifetime Benefit</td>
<td>None</td>
<td>$1,000,000 ($5,000 annual restoration)</td>
</tr>
<tr>
<td>Special Maximum Lifetime Benefit for Mental Health</td>
<td>None</td>
<td>$100,000 lifetime ($500 annual restoration)</td>
</tr>
<tr>
<td>Hospital Charges (inpatient and outpatient)</td>
<td>100%</td>
<td>75%*</td>
</tr>
<tr>
<td>Ambulatory Surgery</td>
<td>100%</td>
<td>75%*</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>100% after $15 employee copayment</td>
<td>75%</td>
</tr>
</tbody>
</table>
Inpatient Mental Health & Substance Abuse

<table>
<thead>
<tr>
<th>Benefit</th>
<th>100% after $15 employee copayment per visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>100%</td>
</tr>
<tr>
<td>Alternative Care</td>
<td>100%</td>
</tr>
<tr>
<td>Residential Treatment</td>
<td></td>
</tr>
<tr>
<td>Center Inpatient or Partial Hospitalization/Day Treatment</td>
<td>75%**</td>
</tr>
</tbody>
</table>

Outpatient Mental Health & Substance Abuse

Physician Services

<table>
<thead>
<tr>
<th>Service</th>
<th>100% after $15 employee copayment per visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgery/Anesthesia</td>
<td></td>
</tr>
<tr>
<td>Hospital Visits</td>
<td>100%</td>
</tr>
<tr>
<td>Office Visits</td>
<td>100%</td>
</tr>
<tr>
<td>Diagnostic Tests</td>
<td></td>
</tr>
<tr>
<td>Routine Physical</td>
<td>100%</td>
</tr>
<tr>
<td>Well Baby Care</td>
<td></td>
</tr>
</tbody>
</table>

Skilled Nursing Facility Care

<table>
<thead>
<tr>
<th>Service</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospice Care</td>
<td></td>
</tr>
<tr>
<td>Home Health Care</td>
<td></td>
</tr>
<tr>
<td>Temporomandibular Joint Syndrome</td>
<td></td>
</tr>
<tr>
<td>Birth Center</td>
<td></td>
</tr>
<tr>
<td>Prescription Drugs (other than by mail order)</td>
<td>100% after $5 employee copayment for brand name ($3 for generic)</td>
</tr>
</tbody>
</table>

75%*  
75%**
Mail Order Prescription Drugs (60-90 day supply of maintenance drugs only) 100% after $5 employee copayment 100% (not subject to regular deductible) after $5 employee co-payment (not counted toward regular deductible)**

Claim System Paperless Forms Required

Approval by Utilization Review/Large Case Management Physician-initiated; included in network management Required. If approval not given, benefits reduced by 20% (except for mental health and substance abuse care where benefits reduced by 50%) both before and after annual out-of-pocket maximum is reached, and amount of reduction is not counted toward that maximum.

† The medically necessary health care services for which out-of-network benefits will be paid are those listed in subparagraphs 1 through 7 of Part A, Section 5, of this Agreement.

* Benefits reduced by 20% if care is not approved by utilization review program.

† Benefits reduced by 50% if care is not approved by utilization review program.

** Benefits not generally subject to utilization review program but may be reviewable in specific circumstances with advance notice to the employee; in such cases, benefits reduced by 20% if care not approved by utilization review program.

At any time after the expiration of two years from the effective date of implementation of the first managed care network, either the carriers or the organizations may bring before the Joint Plan Committee for consideration a proposal to change the Plan's in-network or out-of-network benefits for the purpose of promoting an increase in the use of in-network providers by Plan participants.

Section 5 - Comprehensive Health Care Benefits

The comprehensive health care benefits provided under the Plan in geographical areas where managed care networks are not available to Plan participants and their dependents, and in cases where a Plan participant has elected to be covered, along with his or her dependents, by such comprehensive benefits rather than to be enrolled in a managed care network, shall be as described below. Terms used in such description shall have the same meaning as they have in the Plan.
After satisfaction of an annual deductible of $100 per covered individual or $300 per family unit of three or more, the Plan will pay 85%, and the covered individual 15%, of certain health care expenses, up to an annual out-of-pocket maximum (which shall not include the deductible) of $1,500 per covered individual or $3,000 per family. The expenses counted toward the $3,000 annual family out-of-pocket maximum will include those, which are otherwise eligible, incurred on behalf of a covered employee and each of his or her covered dependents regardless of whether the employee or dependent has reached the $1,500 individual annual out-of-pocket maximum. Once the applicable annual out-of-pocket maximum has been reached, the Plan will pay 100% of such reasonable charges up to an overall lifetime maximum of $1 million per covered individual, restorable at a rate of $5,000 per year; provided, however, that there shall be a separate lifetime maximum of $100,000 per covered individual, restorable at a rate of $500 per year, for Plan benefits for the treatment of mental and/or nervous conditions and substance abuse. (Benefits counted for purposes of determining whether or not a lifetime maximum has been reached are all benefits paid under the Plan as amended by this Agreement and all Major Medical Expense Benefits paid under the Plan prior to such amendments.) The Plan will pay 85% of the reasonable charges for medically necessary health care services as follows:

1. All expenses that are "Covered Expenses" (as defined in the Plan) at any time under the current major medical expense benefits provisions of the Plan, and not within any exclusion from or limitation upon them, except that the exclusion for treatment of polio will be removed.

2. Expenses for mammograms described in American Cancer Society guidelines, childhood disease immunization, pap smears and colorectal cancer screening.

3. Donor expense benefits as now defined.

4. Jaw joint disorder benefits as now defined, and subject to the current exclusions from and limitation on them, except that the $50 separate lifetime cash deductible will be removed.

5. Home health care expense benefits as now defined, subject to the current exclusions from and limitation on them, except that the exclusion that governs if polio benefits are payable will be removed.

6. Treatment center expense benefits, subject to the current exclusions from and limitation on them, except that
   a. the separate $100 cash deductible per confinement will be removed in connection with benefits for transportation to a treatment center, and
   b. the separate $100 cash deductible per benefit period and the $40 maximum limitation on benefits per episode of treatment — all with regard to outpatient benefits — will be removed.

7. Expenses for the services of psychologists if benefits would be paid for such services had they been rendered by a physician.
The Plan will provide the same benefits to all employees eligible for Plan coverage, including those in their first year of such eligibility and those eligible for extended Plan coverage because of disability.

The Plan’s comprehensive health care benefits will include, where permissible under applicable law, a mail order prescription drug benefit that will reimburse a covered individual, after he or she pays $5.00 per prescription, 100% of the cost of prescriptions covering a 60-to-90 day supply of maintenance drugs for such individual. This benefit will not be subject to, and the covered individual’s $5.00 co-payment will not be counted against, the Plan’s regular $100/$300 deductible and will be included only upon execution of appropriate contracts with vendors.

Section 6 - Strengthened Utilization Review and Case Management

The Plan’s current utilization review/case management contractor, and any successor, shall henceforth require that its prior approval be secured for the following services to the extent that benefits with respect to them are payable under the Plan: (a) all non-emergency confinements, and all lengths of stay, in any facility, (b) all home health care, and (c) all in-patient and out-patient procedures and treatment, except for any care where, pursuant to standards developed by the Joint Plan Committee, prior approval is not feasible or would not be cost-efficient. Approval may be withheld if the utilization review/case management contractor determines that a less intensive or more appropriate diagnostic or treatment alternative could be used.

If an individual covered by the Plan incurs expenses without the requisite approval of the Plan’s utilization review/case management contractor, such benefits as the Plan would otherwise pay will be reduced by one-fifth; provided, however, that if such unapproved expenses are incurred for the treatment of mental or nervous conditions or substance abuse, such benefits as the Plan would otherwise pay will be reduced by one-half. These reductions will continue to apply after the out-of-pocket maximum is reached, i.e., the 100% benefit will become 80% (or 50%, as the case may be) if approval by the utilization review/case management contractor is not obtained.

When there is disagreement between an attending physician and the utilization review/case management contractor, the patient and/or attending physician, after all opportunities for appeal have been exhausted within the utilization review/case management contractor’s organization, shall be afforded an opportunity to obtain a review (including if necessary, an examination) by an independent specialist physician. This independent physician, who shall be conveniently located and board certified in the appropriate specialty, shall be designated by a physician appointed for this purpose by the Joint Plan Committee. Neither physician may be an employee of or under contract to the utilization review/case management contractor. In the event of an appeal to a specialist described above, the utilization review/case management contractor shall bear the burden of convincing the specialist that the utilization review/case management contractor’s determination was correct.
Section 7 - Coordination of Benefits

The Plan's coordination of benefit rules shall be changed so that the Plan will pay no benefit to any covered individual that would cause the sum of the benefits paid by the Plan and by any other plan with which the Plan coordinates benefits to exceed (a) the maximum benefit available under the more generous of the Plan and such other plan, or (b) with respect only to spouses who are both covered as employees under the Plan (and the Dependents of such spouses), and to spouses one of whom is covered as an employee under the Plan and the other as a retired railroad employee under the Railroad Employees National Early Retirement Major Medical Benefit Plan (and the Dependents of such spouses), 100% of the reasonable charges for services the expense of which is covered by the Plan.

Section 8 - Medicare Part B Premiums

Active employees currently covered by Medicare Part B and those who elect to enroll in Medicare Part B when they become eligible shall not be reimbursed for premiums they pay for such Part B Medicare participation unless Medicare is their primary payer of medical benefits.

Section 9 - Solicitation of Bids

As promptly as practicable, the Joint Plan Committee will solicit bids from qualified entities for the performance of (a) all managed care functions under the Plan, including without limitation the establishing and/or arranging for the use by individuals covered by the Plan of managed networks of health care providers in those geographical areas where it is feasible to do so, and (b) all utilization review/case management functions under the Plan, including specialized utilization review/case management functions for mental health and substance abuse to assure expert determination of medical necessity and appropriateness of treatment and provider. The Committee will select one or more contractors, from among those that the Committee determines are likely to provide high-quality, cost-effective services, to perform such functions on behalf of the Plan. In the meantime, the Plan's current utilization review/case management contractor will continue to perform those functions. Hospital associations shall be incorporated into the managed care networks wherever appropriate.

Upon the expiration of three years from the effective date of this Agreement, the Joint Plan Committee will solicit bids for all of the services involved in the administration of the Plan, including the utilization review/case management and/or managed care functions, unless the Committee unanimously determines not to seek bids for any one or more of the services involved in the administration of the Plan.

Part B - Early Retirement Major Medical Benefit Plan

Section 1 - Continuation of Plan

The Railroad Employees Early Retirement Major Medical Benefit Plan ("ERMA"), modified as provided in this Part, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to ERMA will be
offset by the expeditious use of such amounts as may at any time be in one or more special accounts or funds maintained by any insurer, third party administrator or other entity in connection with ERMA and by the use of funds held in trust that are not otherwise needed to pay claims, premiums, or administrative expenses that are payable from funds held in trust; provided, however, that such amounts as may at any time be in the special account maintained at The Travelers Insurance Company in connection with the obligations of ERMA to pay benefits incurred but not paid at the time of termination of ERMA, in the event such termination should occur, shall be used to pay or provide for Plan benefits as follows: one-third of the balance in such special account as of January 1, 1992, shall be used to pay or provide for benefits that become due and payable during 1992. One-half of the balance in such special account as of January 1, 1993, shall be used to pay or provide for benefits that become due and payable during 1993. All of the balance in such special account in excess of $1 million as of January 1, 1994, shall be used to pay or provide for benefits that become due and payable during 1994. The $1 million referred to in the preceding sentence shall be maintained by the Plan as a cash reserve to protect against adverse claims experience from year to year.

Section 2 - Change to Self-Insurance

ERMA will be wholly self-insured. It will be administered, under an administrative services only arrangement, by an insurance company or third party administrator.

Section 3 - Coordination of Benefits

ERMA’s coordination of benefit rules shall be changed so that ERMA will pay no benefit to any covered individual that would cause the sum of the benefits paid by ERMA and by any other plan with which ERMA coordinates benefits to exceed (a) the maximum benefit available under the more generous of ERMA and such other plan, or (b) with respect only to spouses who are both covered as retired railroad employees under ERMA (and the Dependents of such spouses), and to spouses one of whom is covered as a retired railroad employee under ERMA and the other as an employee under the Railroad Employees National Health and Welfare Plan (and the Dependents of such spouses), 100% of the reasonable charges for services the expense of which is covered by ERMA.

Section 4 - Strengthened Utilization Review and Case Management

ERMA’s current utilization review/case management contractor, and any successor, shall henceforth require that its prior approval be secured for the following services to the extent that benefits with respect to them are payable under ERMA: (a) all non-emergency confinements, and all lengths of stay, in any facility, (b) all home health care, and (c) all in-patient and out-patient procedures and treatment, except for any care where prior approval is not feasible or would not be cost-efficient. Approval may be withheld if the utilization review/case management contractor determines that a less intensive or more appropriate diagnostic or treatment alternative could be used.

If an individual covered by ERMA incurs expenses without the requisite approval of ERMA’s utilization review/case management contractor, such benefits
as ERMA would otherwise pay will be reduced by one-fifth; provided, however, that if such unapproved expenses are incurred for the treatment of mental or nervous conditions or substance abuse, such benefits as ERMA would otherwise pay will be reduced by one-half.

When there is disagreement between an attending physician and the utilization review/case management contractor, the patient and/or attending physician, after all opportunities for appeal have been exhausted within the utilization review/case management contractor’s organization, shall be afforded an opportunity to obtain a review (including if necessary, an examination) by an independent specialist physician. This independent physician, who shall be conveniently located and board certified in the appropriate specialty, shall be designated by a physician appointed for this purpose by mutual agreement between the Chairman of the Health and Welfare Committee, Cooperating Railway Labor Organization and of the National Carriers’ Conference Committee. Neither physician may be an employee of or under contract to the utilization review/case management contractor. In the event of an appeal to a specialist described above, the utilization review/case management contractor shall bear the burden of convincing the specialist that the utilization review/case management contractor’s determination was correct.

The standards developed by the Joint Plan Committee for determining whether or not prior approval is feasible and cost-efficient under the Health and Welfare Plan shall be applied by the National Carriers’ Conference Committee under ERMA, and the utilization review/case management contractor(s) selected by the Joint Plan Committee under the Health and Welfare Plan shall be selected by the National Carriers’ Conference Committee under ERMA.

Section 5 – Mail Order Prescription Drug Benefit

The Plan’s benefits will include, where permissible under applicable law, a mail order prescription drug benefit that will reimburse a covered individual, after he or she pays $5 per prescription, 100% of the cost of each prescription covering a 60-90 day supply of maintenance drugs for such individual. This benefit will not be subject to, and the covered individual’s $5.00 co-payment will not be counted against, the Plan’s regular $100 deductible, and will be included only upon execution of appropriate contracts with vendors.

Section 6 – Solicitation of Bids

As promptly as practicable, the National Carriers’ Conference Committee will solicit bids from qualified entities for the performance of all utilization review/case management functions under the Plan, including specialized utilization review/case management functions for mental health and substance abuse to assure expert determination of medical necessity and appropriateness of treatment and provider. The Committee will select one or more contractors, from among those that the Committee determines are likely to provide high-quality, cost-effective services, to perform such functions on behalf of the Plan. In the meantime, the Plan’s current utilization review/case management contractor will continue to perform those functions.
Upon the expiration of three years from the date of this Agreement, the National Carriers' Conference Committee will solicit bids for all of the services involved in the administration of the Plan, including the utilization review/case management function, unless the Committee determines not to seek bids for any one or more of the services involved in the administration of the Plan.

ARTICLE IV - SUPPLEMENTAL SICKNESS

The January 9, 1980 Supplemental Sickness Benefit Agreement, as amended effective January 1, 1982 (Sickness Agreement), shall be further amended as provided in Sections 1 through 4 of this Article, for periods of disability commencing on or after July 1, 1991.

Section 1 - Adjustment of Plan Benefits

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on January 1, 1982 under the terms of that Agreement.

(b) Section 4 of the Sickness Agreement shall be revised as follows:

<table>
<thead>
<tr>
<th>Class I Employees Earning</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>$13.33 or more</td>
<td>$2,319 or more</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class II Employees Earning</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12.24 or more but less than $13.33</td>
<td>Less than $2,319 but more than $2,130</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class III Employees Earning</th>
<th>Per Hour</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $12.24</td>
<td>Less than $2,130</td>
<td></td>
</tr>
</tbody>
</table>

Basic and Maximum Benefit Amount Per Month

<table>
<thead>
<tr>
<th>Basic</th>
<th>RUJA</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$890</td>
<td>$674</td>
</tr>
<tr>
<td>Class II</td>
<td>793</td>
<td>674</td>
</tr>
<tr>
<td>Class III</td>
<td>687</td>
<td>674</td>
</tr>
</tbody>
</table>

Combined Benefit Limit

<table>
<thead>
<tr>
<th>Classification</th>
<th>Maximum Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>$1578</td>
</tr>
<tr>
<td>Class II</td>
<td>$1572</td>
</tr>
<tr>
<td>Class III</td>
<td>$1459</td>
</tr>
</tbody>
</table>
Section 2 - Plan Benefits During Initial Registration Period

An employee who is eligible to receive Plan benefits during his initial RUIA registration period shall receive from the Plan, for the fifth through the fourteenth days of disability in that period, the Basic Benefit specified in the Plan plus an amount equal to the total RUIA benefit that would have been payable to him for days of sickness in that period but for application of the initial waiting period mandated by existing law.

Section 3 - Adjustment of Plan Benefits During Term of Agreement

Effective December 31, 1994, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

Section 4 - Administrative and Procedural Improvements

The parties have selected and established a subcommittee for the purpose of reviewing and making recommendations with respect to administrative and procedural improvements that would expedite the handling and disposition of Plan claims without affecting the integrity of the Plan. The parties shall consider the subcommittee's recommendations at the earliest opportunity and shall use their best efforts to reach agreement on implementing such recommendations.

ARTICLE V - EXPENSES AWAY FROM HOME

Section 1 - First Adjustment

Effective July 29, 1991, the allowances specified in the Award of Arbitration Board No. 298 (rendered September 30, 1967), as adjusted in various subsequent national agreements, shall be further adjusted as follows:

(a) The maximum reimbursement for actual reasonable lodging expense provided for in Article I, Section A(3) is increased from $13.75 per day to $17.00 per day;

(b) The meal allowances provided for in Article I, Sections B(1), B(2) and B(3) are increased from $3.25, $6.50, and $9.75 per day, respectively, to $4.00, $8.00, and $12.00 per day, respectively, and

(c) The maximum reimbursement for actual meals and lodging costs provided for in Article II, Section B is increased from $23.50 per day to $29.00 per day.

Section 2 - Second Adjustment

Effective December 1, 1994, the daily allowances specified in paragraphs (a), (b), and (c) of Section 1 above will be further adjusted to (a) $20.25; (b) $4.75, $9.50 and $14.50, respectively, and (c) $34.75.
Section 3 - Minimum Allowances

On carriers where expenses away from home are not determined by the allowances made pursuant to the Award of Arbitration Board No. 298, such allowances will not be less than those provided for in this Article.

ARTICLE VI - MEAL PERIOD

Section 1 - Regular Meal Period

Regular meal periods shall be observed at the work site or other convenient location between the beginning of the fourth hour and the beginning of the seventh hour computed from the assignment starting time, unless otherwise agreed upon by the carrier and the affected employees. The meal period shall not be less than thirty (30) minutes nor more than one (1) hour. Wash room facilities shall be provided where the job location requires a meal period to be observed at the work site.

Section 2 - When Regular Meal Period Not Observed

It is not the intent of this rule to allow the carriers to require employees to miss a meal period. Whenever the meal period cannot be observed within the prescribed time period because of unusual circumstances and is worked, affected employees shall be paid on a minute basis at the straight time rate and twenty (20) minutes in which to eat shall be granted at the first opportunity without deduction in pay.

Section 3 - Additional Meal Period

Employees required to render more than three (3) hours overtime service continuous with their regular assignment shall be accorded an additional meal period, the meal to be provided by the carrier. Subsequent meal periods, with meals provided by the carrier, shall be allowed at intervals of not more than six (6) hours computed from the end of the last meal period.

Section 4 - Preservation of Higher Payment

If an employee is currently entitled to a higher payment for working through a prescribed meal period, whether during a regular shift or on overtime, the current payment shall be preserved.

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

This Article shall become effective ten (10) 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 - 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.

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.

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

This Article shall become effective ten (10) 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 IX - STARTING TIME

Section 1 - Production Crews

The starting times for production crews* shall be between 4:00 a.m. and 11:00 a.m. and shall not be changed without thirty-six hours notice, except that forty-eight hours notice shall be given for a change which is greater than four hours. Starting times shall remain in effect for at least five consecutive days. The BMWE may contest the creation of new starting times through the arbitration procedure set forth in Article XVI. If a carrier wishes to start a crew so early that a convenient restaurant is not open, or end work so late that a meal cannot be obtained, it will be the responsibility of the carrier to provide a meal to those employees at the work site or other place appropriate, convenient and safe to its employees.

Section 2 - Alternative Flexible Starting Times

Other starting times may be agreed upon by the parties for production crews* or for regular assignments involving service which is affected by environmental conditions or governmental requirements or for work that must be coordinated with other operations in order to avoid substantial loss of right of way access time; however, no production crew* or regular assignment shall have a starting time between midnight and 4:00 a.m. If the parties fail to agree on such other starting times, the matter may be referred to arbitration in the manner described in Article XVI. Similar notice requirements regarding starting times, as described above, shall apply.

*/ Production crews include supporting BMWE forces who are directly involved. However, "directly involved" should be given the narrowest possible construction consistent with the efficient operation of the production crew.

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

This Article shall become effective ten (10) 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 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.

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

This Article shall become effective ten (10) 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 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.

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

This Article shall become effective ten (10) 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 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.

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

This Article shall become effective ten (10) 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 XIII - REGIONAL AND SYSTEM-WIDE GANGS

(a) A carrier shall give at least ninety (90) days written notice to the involved employee representative(s) of its intention to establish regional or system-wide gangs for the purpose of working over specified territory of the carrier or throughout its 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. BMEW 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.

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

This Article shall become effective ten (10) 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 XIV - WORK FORCE STABILIZATION

Adoption of Emergency Board Recommendations

The recommendations of Emergency Board No. 219 on Item 13, Work Force Stabilization, (pages 102-104 of its Report), as printed below, were imposed pursuant to Public Law No. 102-29.

Work Force Stabilization

Perhaps the most difficult issue presented is that of work force stabilization, and particularly how that relates to the Carriers' desire to establish efficient system-wide production gangs. The series of recommendations described below, the Board believes, offers the parties a singular opportunity to achieve their mutual goals.

A program should be established by each carrier effective at the beginning of the 1992 production season. The purpose of the program is to respond in some measure to the Organization's concern over seasonality of employment, which mainly affects production gangs, and the Carriers' desire to utilize such gang members to the fullest extent practicable. The Organization has stressed to the Board that its intention is not to have employees receive pay for not working but, rather, to provide bona fide work opportunities for its members.

Under this new scheme, each carrier will determine at the beginning of the production season the number and staffing of the gangs or crews that are to be covered. These gangs or crews are to be provided at least six (6) months' work in the calendar year or, if laid off by action of the carrier, paid a supplemental unemployment benefit for the remainder of the six-month period. The benefit level will be the same as that provided by the BMWE Supplemental Sickness Benefit program.

There are a number of obvious issues and concerns in developing and implementing this "guarantee" program and probably many more that are not obvious to this Board and that might not even be identified by the parties until they address the subject in a thoroughgoing way. For these reasons the Board recommends that there be established a Select Committee of the parties at the national level, with a neutral Chairman, to identify and resolve issues directly or by final and binding decisions by the neutral Chairman, if necessary. This will permit thoughtful deliberations on such matters as what gangs or crews are to be covered, whether a carrier should have added flexibility to enable it to provide more work opportunities to covered employees, whether there should be some commitment by the employee to remain on a covered crew for the duration of the production season, whether there should be provisions for forfeiture of the "guarantee" under certain conditions and other equally relevant questions that the parties may encounter.

Notwithstanding the current economic downturn and the competitive realities of the transportation marketplace, we are confident that the parties, with the assistance of the Select Committee, will be able to devise appropriate measures to be taken when economic adversity of any kind strikes a railroad. The Board, therefore, recommends further that the Committee, with the neutral chairman,
continue in existence to help ensure that the program is applied and utilized effectively and evolves to achieve its full potential. This program, in the Board's view, holds the promise of moderating seasonality of employment with little or no added cost to the Carriers. Of course, if it turns out to represent just an added cost burden to the carriers because of inability to utilize employees fully, the program cannot succeed. The parties, therefore, through their committee and assisted by the neutral, have the responsibility of fleshing out the program by incorporating features to assure that it serves its intended purpose. To this end we recommend that the Committee have maximum flexibility to establish conditions, adopt new rules, change old rules, and the like, with the neutral available to make binding decisions on any issue that the parties themselves cannot resolve.

ARTICLE XV - SELECT COMMITTEE

(a) Within sixty (60) days from the date of the Agreement, the parties shall establish a Select Committee to be comprised of an equal number of carrier and organization representatives. Within 15 days of its establishment, that Committee shall select a neutral to serve as Chairman. Absent agreement, the Committee shall promptly request appointment of such neutral by the National Mediation Board. The fees and expenses of the neutral shall be shared equally by the parties.

(b) The neutral Chairman shall convene the Committee promptly and assist the parties in attempting to resolve all issues before it, with due regard for the overall purposes of the program and the parties' needs and concerns. If the Committee fails to resolve all issues submitted to it within 120 days from the date of the Agreement, the neutral Chairman shall, no later that thirty (30) days thereafter, make final and binding determinations on all unresolved issues.

(c) The Committee shall have the authority to modify any applicable rules to the extent necessary to foster the overall objectives of reducing seasonality and minimizing under-utilization of employees.

(d) The Committee shall monitor implementation and application of this program on individual carriers in order to evaluate its effectiveness in meeting the parties' objectives and to make changes as necessary or desirable in light of the overall purposes of the program.

(e) The Committee shall retain jurisdiction to facilitate implementation and to resolve any issues that may arise, including those on individual carriers, striving to achieve uniformity to the extent practicable but accommodating relevant local considerations.

(f) The neutral Chairman shall be empowered to render final and binding decisions on any issues not resolved by the parties and, if he or she finds that the program is not effective in that it does not meet the goals described above, may cancel the program at any time after December 31, 1993.
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 XVII - SUBCONTRACTING

The special arrangements governing subcontracting that are contained in Article VIII of the October 17, 1986 National Agreement are continued substantially unchanged. However, if either the organization or carrier believes that the other party is not cooperating in an attempt to resolve the matter, that party may refer the matter to the Interpretation Committee described in Article XVIII, for prompt consideration and any action deemed appropriate that is consistent with the spirit and intent of the Agreement. This may include a requirement that an Advisory Fact-Finding panel be established immediately, regardless whether the conditions described for establishing such a panel have been met. The parties shall share equally the fees and expenses of any neutral arbitrator who may be utilized.

The establishment of the Interpretation Committee is to avoid a carrier taking a position which is contrary to the spirit and intent of the PEB 219 recommendations. Since the union’s right to make proposals regarding
subcontracting was referred to local handling under the peaceful procedures of
the Railway Labor Act, there is no right on the part of any carrier to make
offsetting proposals. If the theory regarding subcontracting rights as stated
by the organization is a carrier position, any dispute regarding the
interpretation of the subcontracting provisions recommended by PEB 219 shall be
referred to the Interpretation Committee. A carrier that fails to agree to such
a submission violates the Railway Labor Act with a loss of consequent protection.

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.

ARTICLE XIX - GENERAL PROVISIONS

Section 1 - Court Approval

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

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to fix the general level of
compensation during the period of the Agreement, and to settle the disputes
growing out of the notices served by the Brotherhood of Maintenance of Way
Employees ("BMWE") upon the carriers listed in Exhibit A dated on or about April
2, 1984 and June 10, 1988 and proposals served on or about April 9, 1984 and
March 8, 1989 by the carriers for concurrent handling therewith. This Agreement
shall be construed as a separate Agreement by and on behalf of each of said
carriers and their employees represented by the BMWE, and shall remain in effect
through December 31, 1994 and thereafter until changed or modified in accordance
with the provisions of the Railway Labor Act, as amended.

(b) Except as provided in Section 2(c) of this Article, no party to this
Agreement shall serve, prior to November 1, 1994 (not to become effective before
January 1, 1995), any notice or proposal for the purpose of changing the subject
matter of the provisions of this Agreement or which proposes matters covered by
the proposals of the parties cited in Section 2(a) of this Article, and any
proposals in pending notices relating to such subject matters are hereby
withdrawn.

(c) Proposals that may be pursued in accordance with the various Articles
of this Agreement are not affected by Section 2(b). Such proposals may be
progressed within, but not beyond, the specific procedures for peacefully
resolving disputes provided for in the relevant Article of the Agreement that
addresses such subject matters or in the Railway Labor Act, as amended.

(d) Except as provided in Section 2(c) of this Article, no party to this
Agreement shall serve or progress, prior to November 1, 1994 (not to become
effective before January 1, 1995), any notice or proposal which might properly
have been served when the last moratorium ended on July 1, 1988.
Mr. Mac A. Fleming  
President  
Brotherhood of Maintenance of Way Employees  
12050 Woodward Avenue  
Detroit, Michigan  48203-3596  

Dear Mr. Fleming:  

This refers to the $2,000 lump sum payment provided for in Article I,  
Section 1 of the Agreement imposed pursuant to Public Law No. 102-29.  

In the case of an employee who was recalled from reserve status and  
performed active military service during 1990 as a result of the Persian Gulf  
crisis, such employee will be credited with 40 hours of compensated service (48  
hours in the case of a monthly rated employee whose rate is predicated on an all-  
service performed basis) for each week of such military service for purposes of  
calculating eligibility for the lump sum amount provided he would otherwise have  
been in active service for the carrier.  

Very truly yours,  

C. I. Hopkins, Jr.
July 29, 1991

#2

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, Michigan 48203-3596

Dear Mr. Fleming:

This refers to the Lump Sum Payment provided for in Article I, Section 1 of the Agreement imposed pursuant to Public Law No. 102-29.

This confirms our understanding that days during the year 1990 for which employees in a furloughed status received compensation pursuant to guarantees in protective agreements or arrangements shall be included in determining qualifications for the Lump Sum Payment.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming
Mr. Mac A. Fleming  
President  
Brotherhood of Maintenance of Way Employes  
12050 Woodward Avenue  
Detroit, Michigan  48203-3596

Dear Mr. Fleming:

This refers to the increase in wages provided for in Section 2 of Article I of the Agreement imposed pursuant to Public Law No. 102-29.

It is understood that the retroactive portion of that wage increase will be paid within 60 days from the date of this Imposed Agreement. It is further understood that it shall be applied only to employees who have a current employment relationship under an agreement with the Brotherhood of Maintenance of Way Employes or who have retired or died subsequent to July 1, 1991.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming

July 29, 1991
July 29, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, Michigan 48203-3596

Dear Mr. Fleming:

This refers to the Lump Sum Payments provided in Articles I and II of the Agreement imposed pursuant to Public Law No. 102-29.

All of the lump sum payments provided for in Article II are based in part on the number of straight time hours paid for that are credited to an employee for a particular period. However, the number of straight time hours so credited does not include any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements.

The inclusion of the term "guarantees in protective agreements or arrangements" in Article II means that an employee receiving such a guarantee will have included in the straight time hours used in calculating his lump sum payments under this Article all such hours paid for under any protective agreement or allowance provided, however, that in order to receive credit for such hours an employee must not be voluntarily absent from work, meaning that hours are not counted if an employee does not accept calls to report for work.

It is understood that any lump sum payment provided in Articles I and II will not be used to offset, construct or increase guarantees in protective agreements or arrangements.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming
July 29, 1991

#5

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, Michigan  48203-3596

Dear Mr. Fleming:

This refers to the lump sum payments provided for in Article II of this Imposed Agreement.

Sections 1 to 4, inclusive, of Part A of Article II — Cost-of-Living Payments are structured so as to provide lump sum payments that are essentially based on the number of straight time hours credited to an employee during a specified 12-month base period. Section 7 provides that all of these lump sum payments are payable to an employee who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable base period used to determine the amount of such payment. Thus, for example, under Section 1 of Part A of Article II, except for an employee who has retired or died, the Imposed Agreement requires that an employee have an employment relationship as of July 1, 1992 in order to receive a lump sum payment which will be based essentially on the number of straight time hours credited to such employee during a period running from April 1, 1991 through March 31, 1992.

The intervals between the close of the measurement periods and the actual payments established in the 1985-86 National Agreements were in large part a convenience to the carriers in order that there be adequate time to make the necessary calculations.

In recognition of this, we again confirm the understanding that an individual having an employment relationship with a carrier on the last day of a particular measurement period will not be disqualified from receiving the lump sum (or portion thereof) provided for in the event his employment relationship is terminated following the last day of the measurement period but prior to the payment due date.

Yours very truly,

C. I. Hopkins, Jr.
July 29, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employees
12050 Woodward Avenue
Detroit, Michigan  48203-3596

Dear Mr. Fleming:

This refers to Article III Part A of the Agreement imposed pursuant to Public Law No. 102-29, dealing with the Railroad Employees National Health and Welfare Plan (the "Plan"), and in particular to one facet of the arrangements for funding the benefits provided for under the Plan.

It is understood that, insofar as carriers represented by the National Carriers' Conference Committee in connection with health and welfare matters but not in connection with wages and cost-of-living adjustments are concerned, the cost-of-living adjustments for 1993 and thereafter that may have already been agreed to by such carriers, or that may be agreed to in the future, shall be adjusted--unless the agreement involved, reached on an individual property basis, provides as a part of the wage settlement that the employees covered by it shall not share in any year-to-year increases in Plan costs--so that the employees covered by such agreements shall receive cost-of-living adjustments that are less (than they would otherwise receive) by an amount equal to the lesser of (i) one-quarter of the year-to-year increases in the carriers' payment rate for the foreign-to-occupation portion of health benefits under the Plan as defined in the Imposed Agreement referred to in the first paragraph of this letter and (ii) the amount pro-rated where appropriate, they would otherwise receive.

If the parties involved are unable to reach agreement on the specific manner of making the adjustments, or on any other terms and conditions regarding the adjustments, it is understood that such dispute shall be submitted, upon the written notice by either party, to arbitration by a neutral arbitrator within thirty (30) days after such notice is transmitted by one party to the other. Should the parties involved fail to agree on selection of a neutral arbitrator within five (5) calendar days from the date the dispute is submitted 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 alternatively striking names from the list. Neither party shall oppose or make any objection to the NMB concerning a request for such a panel. The fees and expenses of the neutral arbitrator should be borne equally
by the parties, and all other expenses should be paid for by the party incurring them. 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. The arbitrator must render a written decision, which shall be final and binding, within thirty (30) calendar days from the date of the hearing.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

__________________________
Mac A. Fleming
Mr. Mac A. Fleming  
President  
Brotherhood of Maintenance of Way Employees  
12050 Woodward Avenue  
Detroit, Michigan 48203-3596

Dear Mr. Fleming:

This refers to Section 4 of Article IV - Supplemental Sickness of the Agreement imposed pursuant to Public Law No. 102-29. The parties agree to accept the recommendations of the subcommittee referred to in that Section and intend to modify existing administrative procedures of the Supplemental Sickness Benefit Plan (Plan) within 60 days from the effective date of such Imposed Agreement, unless otherwise indicated, to provide as follows:

1. Plan benefits will commence for qualified employees after all certification requirements (i.e., claim application, employer certification, physician certification, and Railroad Unemployment Insurance eligibility) have been met and before the Railroad Retirement Board pays RUIA sickness benefits, providing the insurance company administering the Plan continues to have access to the Board's eligibility data base.

2. During the first thirty (30) days of a qualified disability, assuming all certification requirements have been met timely, Plan benefits will be paid covering the first fourteen (14) days of disability so that qualified disabled employees receive their first benefit checks on or about the thirtieth (30th) day of disability following their application for benefits. Benefit payments thereafter would follow the established thirty (30) day payment cycle.

3. Participating railroads, particularly those that have 500 or more employees enrolled in a Plan, will be urged to provide employee certification information through an established electronic certification process as promptly as possible.

Participating railroads that have had continuing difficulty in providing employee certification information on a timely basis will be urged to adopt procedures permitting employees to receive on-site employer certification of their eligibility. On-site employer certification procedures will be developed as reasonably promptly as possible, but not later than by May 1, 1992.
4. The hourly rates of pay used to define various Plan benefit amount classification will be automatically adjusted, during the moratorium periods of applicable national agreements, when rates of pay are adjusted for railroad employees covered by the Plan pursuant to such agreements. This modification will not change the benefits provided, but it will permit employer certification information to be provided more quickly.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming
July 29, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, Michigan 48203-3596

Dear Mr. Fleming:

This refers to Article VIII - Work Site Reporting of the Agreement imposed pursuant to Public Law No. 102-29.

This will affirm the carriers' commitment that in the application of such Article, the carrier will not change the headquarters of supporting BMWE forces, as that term is defined in Article VIII, for the purpose of avoiding payment of away-from-home expenses to such supporting forces.

Very truly yours,

C. I. Hopkins, Jr.
July 29, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, Michigan 48203-3596

Dear Mr. Fleming:

This refers to Article XIV - Work Force Stabilization, of the Agreement imposed pursuant to Public Law No. 102-29.

If, during a particular production season, there is insufficient scheduled production work to utilize fully a crew covered by Article XIV above, a carrier will not abolish or reduce section gang forces (or the equivalent on those properties where the term "section gang" is not used) in order to avoid payment of the supplemental unemployment benefits to such production crew members during that production season.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming
July 29, 1991

#10

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, Michigan 48203-3596

Dear Mr. Fleming:

This confirms our understanding with respect to the Agreement imposed pursuant to Public Law No. 102-29.

The parties exchanged various proposals and drafts antecedent to the various Articles that appear in this Imposed Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Imposed Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation. This shall not be construed to preclude any party from relying on the Proceedings and Report of Presidential Emergency Board 219 and/or the Proceedings and Reports of Special Board 102-29.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming
July 29, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, Michigan 48203-3596

Dear Mr. Fleming:

This refers to the eligibility of an employee, who was dismissed as of July 29, 1991, for the $2,000 lump sum payment provided for in Article I, Section 1 of the Agreement imposed pursuant to Public Law No. 102-29.

This confirms our understanding that entitlement to the $2,000 lump sum payment would depend upon the final outcome of the dismissed employee's claim for reinstatement through the claim and grievance procedure or ultimately in arbitration. Therefore, any applicable time limits for progressing claims for the $2,000 lump sum payment would not begin until after the dismissed employee's case was resolved through the claim and grievance procedure or arbitration.

Additionally, this will confirm our understanding that a dismissed employee who is subsequently reinstated without back pay or with only partial back pay may be entitled to the lump sum payment if reinstated with basic seniority unimpaired. However, such lump sum payment will be prorated on the basis of actual service performed during the base period prior to the employee's discharge, and/or back pay credited to the base period.

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

Yours very truly,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming
July 29, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employees
12050 Woodward Avenue
Detroit, MI 48203-3596

Dear Mr. Fleming:

This refers to our discussions concerning the various lump sum payments provided under Article II of the Agreement imposed pursuant to Public Law No. 102-29.

Essentially those provisions are structured in a manner that includes recognition of overtime hours in calculating the maximum amounts payable under those provisions, but includes only straight time hours paid for when determining the specific amount payable to an individual employee in any of the prescribed periods.

During our discussions, you pointed out the inequity that this application would have on a large number of BMWE represented employees whose work is seasonal rather than year round and who, during the period of the year they are actually employed, consistently work a relatively high number of overtime hours vis-a-vis straight time hours because such employees are assigned to gangs whose work is seasonal in nature.

This will confirm our understanding that for purposes of determining the amounts of lump sum payments provided in Article II of the Agreement imposed pursuant to Public Law No. 102-29 payable to employees otherwise eligible to receive such payments, whose work is seasonal in nature, overtime hours paid for shall be included on the basis of one hour for each overtime hour worked.

For purposes of determining what constitutes "seasonal employees" it is further agreed that the employees who work in eight (8) or less months in any of the time periods specified in Sections 1, 3 and 4 of Article II shall be considered seasonal employees for that particular period. For purposes of Section 2, a seasonal employee is one who works in four (4) or less months during the period covered by that section.
Please indicate your agreement by signing your name in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming
July 29, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employees
12050 Woodward Avenue
Detroit, MI 48203-3596

Dear Mr. Fleming:

This refers to Articles VI (Meal Period), VIII (Work Site Reporting), IX (Starting Time), X (Alternative Work Week and Rest Days), XI (Intra-Craft Work Jurisdiction), XII (Combining or Realigning Seniority Districts), and XIII (Regional and System-Wide Gangs) of the Agreement imposed pursuant to Public Law No. 102-29.

This will confirm our understanding that the carriers may exercise the savings clause prerogative set forth in each of the aforementioned Articles by notifying the authorized employee representative on or before December 15, 1991.

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

Yours very truly,

C. I. Hopkins, Jr.

I agree:

________________________________________
Mac A. Fleming
February 6, 1992

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employees
12050 Woodward Avenue
Detroit, MI 48203-3596

Dear Mr. Fleming:

This refers to our discussions concerning Exhibit A to the Imposed Agreement listing the railroads that are parties thereto.

Exhibit A as accepted and adopted by the Organization omits the Consolidated Rail Corporation whereas Exhibit A accepted and adopted by the carriers does include the Consolidated Rail Corporation. The difference is occasioned by the dispute between the parties as to whether that carrier and its BMWE represented employees are covered by and subject to the changes in the Railroad Employees National Health and Welfare Plan that became effective as the result of P.L. 102-29. That dispute currently is the subject of litigation and this confirms our understanding that the Imposed Agreement (including without limitation the reference in Article XIX, Section 2(a), to certain notices and proposals for concurrent handling), the letters attached to the Imposed Agreement, and the parties' respective Exhibit A's thereto are without prejudice to any party's position, and do not constitute any concession by any party with respect to its position, in the aforesaid dispute.

Our understanding of the parties' respective positions in the aforesaid dispute is as follows: The Organization's position is that, with respect to Consolidated Rail Corporation, the 1984 notices and proposals for concurrent handling referred to in Section 2(a) of Article XIX of the Imposed Agreement became invalid and of no force and effect following the service of the 1988 notices and proposals for concurrent handling. The carrier's position is that such 1984 notices and proposals for concurrent handling were not affected in any way by the service of the 1988 notices and proposals for concurrent handling.
Please indicate your agreement by signing your name in the space provided below.

I agree:

Mac A. Fleming

Your very truly,

C. I. Hopkins, Jr.
EXHIBIT A - As accepted and adopted by the carriers.

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES, DATED ON OR ABOUT APRIL 2, 1984, OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS PERTAINING TO THE HEALTH AND WELFARE PLAN TO THE EXTENT INDICATED IN PROPOSAL IDENTIFIED AS "APPENDIX B" THERETO, AND NOTICES DATED ON OR ABOUT JUNE 10, 1988 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE WITH THE PROPOSALS SET FORTH IN ATTACHMENT A THERETO, SERVED ON RAILROADS GENERALLY BY THE GENERAL CHAIRMAN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES, AND PROPOSALS SERVED BY THE CARRIERS ON OR ABOUT APRIL 9, 1984 AND MARCH 8, 1989 FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Maintenance of Way Employees.

Akron & Barberton Belt Railroad
Alton & Southern Railway
Atchison, Topeka & Santa Fe Railway

1 - Bessner and Lake Erie Railroad
Burlington Northern Railroad
Canadian National Railways:

1 - Great Lakes Region Lines in U.S.
1 - St. Lawrence Region Lines in U.S.
2 - Canadian Pacific Limited

CSX TRANSPORTATION:

Atlanta & West Point Rail Road
Western Ry. of Alabama
Baltimore and Ohio Railroad
Baltimore and Ohio Chicago Terminal RR.
Chesapeake and Ohio Railway
Clinchfield Railroad

Seaboard System Railroad:

Georgia Railroad (former)
Louisville and Nashville Railroad (former)

incl. C&EI and Monon

Seaboard Coast Line Railroad (former)

Western Maryland Railway Co.

2 - Chicago & Illinois Midland Railway
Chicago & North Western Trans. Co.
Colorado & Wyoming Railway

1 - Consolidated Rail Corporation
Davenport, Rock Island and Northwestern Ry.
Denver and Rio Grande Western Railroad

1 - Denver Union Terminal Railway
Duluth, Winnipeg & Pacific Railway
Houston Belt and Terminal Railway
Illinois Central Railroad
Kansas City Southern Railway
   Louisiana & Arkansas Railway
   Milwaukee (Soo Line)-KCS Joint Agency

1 - Kansas City Terminal Railway
3 - Lake Superior & Ishpeming Railroad
   Los Angeles Junction Railway
   Manufacturers Railway
1 - Meridian & Bigbee Railroad
1 - Minnesota & Manitoba Railway
   Missouri Pacific Railroad
   Galveston, Houston and Henderson Railroad

4 - Missouri-Kansas-Texas Railroad
2 - Monongahela Railway
1 - Montour Railroad
   New Orleans Public Belt Railroad
   Norfolk and Portsmouth Belt Line Railroad
   Norfolk and Western Railway
   Norfolk Southern Railway Company
   Alabama Great Southern Railroad
   New Orleans & Northeastern Railroad

1 - Atlantic and East Carolina Railway
1 - Carolina & Northwestern Railway
   Central of Georgia Railroad
   Cincinnati, New Orleans & Texas Pacific Ry.
   Georgia Northern Railway
   Georgia Southern and Florida Railway

1 - Interstate Railroad
1 - Live Oak, Perry and South Georgia Railroad
   New Orleans Terminal Co.
   St. Johns River Terminal Company
   Tennessee, Alabama & Georgia Railway
   Tennessee Railway
   Northern Indiana Commuter Transportation District
1 - Northwestern Pacific Company
   Peoria & Pekin Union Railway

2 - Pittsburgh & Lake Erie Railroad
2 - Pittsburgh, Chartiers & Youghiogheny Railway
   Port Terminal Railroad Association
   Portland Terminal Railroad Company
   Richmond, Fredericksburg & Potomac Railroad
   St. Louis Southwestern Railway
   Southern Pacific Transportation Co.:
     Eastern Lines
     Western Lines
   Terminal Railroad Association of St. Louis

1 - Texas Mexican Railway
   Union Pacific Railroad
   Western Pacific Railroad
   Wichita Terminal Association
   Yakima Valley Transportation Co.
NOTES:

1 - Authorization limited to Health and Welfare proposals.
2 - Excludes Wages and Rules.
3 - Excludes Health and Welfare.
4 - Includes Oklahoma, Kansas and Texas Railroad.

FOR THE CARRIERS: 

FOR THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES:

__________________________________________

Washington, D. C.
EXHIBIT A - As accepted and adopted by the Organization.

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS’ CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES, DATED ON OR ABOUT APRIL 2, 1984, OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS PERTAINING TO THE HEALTH AND WELFARE PLAN TO THE EXTENT INDICATED IN PROPOSAL IDENTIFIED AS “APPENDIX B” THERETO, AND NOTICES DATED ON OR ABOUT JUNE 10, 1986 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE WITH THE PROPOSALS SET FORTH IN ATTACHMENT A THERETO, SERVED ON RAILROADS GENERALLY BY THE GENERAL CHAIRMAN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES, AND PROPOSALS SERVED BY THE CARRIERS ON OR ABOUT APRIL 9, 1984 AND MARCH 8, 1989 FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Maintenance of Way Employees.

Akron & Barberton Belt Railroad
Alton & Southern Railroad
Atchison, Topeka & Santa Fe Railway
1 - Bessemer and Lake Erie Railroad
Burlington Northern Railroad
Canadian National Railways:
1 - Great Lakes Region Lines in U.S.
1 - St. Lawrence Region Lines in U.S.
2 - Canadian Pacific Limited
CSX TRANSPORTATION:
Atlanta & West Point Rail Road
Western Ry. of Alabama
Baltimore and Ohio Railroad
Baltimore and Ohio Chicago Terminal RR.
Chesapeake and Ohio Railway
Clinchfield Railroad
Seaboard System Railroad:
Georgia Railroad (former)
Louisville and Nashville Railroad (former)
incl. C&EI and Monon
Seaboard Coast Line Railroad (former)
Western Maryland Railway Co.
2 - Chicago & Illinois Midland Railway
Chicago & North Western Trans. Co.
Colorado & Wyoming Railway
Davenport, Rock Island and Northwestern Ry.
Denver and Rio Grande Western Railroad
1 - Denver Union Terminal Railway
Duluth, Winnipeg & Pacific Railway
Houston Belt and Terminal Railway
Illinois Central Railroad

...
Kansas City Southern Railway
    Louisiana & Arkansas Railway
    Milwaukee (Soo Line)-KCS Joint Agency
1 - Kansas City Terminal Railway
3 - Lake Superior & Ishpeming Railroad
    Los Angeles Junction Railway
    Manufacturers Railway
1 - Meridian & Bigbee Railroad
1 - Minnesota & Manitoba Railway
    Missouri Pacific Railroad
    Galveston, Houston and Henderson Railroad
4 - Missouri-Kansas-Texas Railroad
2 - Monongahela Railway
1 - Montour Railroad
    New Orleans Public Belt Railroad
    Norfolk and Portsmouth Belt Line Railroad
    Norfolk and Western Railway
    Norfolk Southern Railway Company
    Alabama Great Southern Railroad
    New Orleans & Northeastern Railroad
1 - Atlantic and East Carolina Railway
1 - Carolina & Northwestern Railway
    Central of Georgia Railroad
    Cincinnati, New Orleans & Texas Pacific Ry.
    Georgia Northern Railway
    Georgia Southern and Florida Railroad
1 - Interstate Railroad
1 - Live Oak, Perry and South Georgia Railroad
    New Orleans Terminal Co.
    St. Johns River Terminal Company
    Tennessee, Alabama & Georgia Railway
    Tennessee Railway
    Northern Indiana Commuter Transportation District
    Northwestern Pacific Company
    Peoria & Pekin Union Railway
2 - Pittsburgh & Lake Erie Railroad
2 - Pittsburgh, Chartiers & Youghiogheny Railway
    Port Terminal Railroad Association
    Portland Terminal Railroad Company
    Richmond, Fredericksburg & Potomac Railroad
    St. Louis Southwestern Railway
    Southern Pacific Transportation Co.: Eastern Lines
    Western Lines
    Terminal Railroad Association of St. Louis
1 - Texas Mexican Railway
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    Wichita Terminal Association
    Yakima Valley Transportation Co.
NOTES:

1 - Authorization limited to Health and Welfare proposals.
2 - Excludes Wages and Rules.
3 - Excludes Health and Welfare.
4 - Includes Oklahoma, Kansas and Texas Railroad.

FOR THE CARRIERS: FOR THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES:

__________________________ ______________________________

Washington, D. C.
September 26, 1991

Mr. Mac A. Fleming
President
Brotherhood of Maintenance of Way Employes
12050 Woodward Avenue
Detroit, MI 48203-3596

Dear Mr. Fleming:

This refers to our discussions concerning the establishment of the Select Committee as provided under Article XV of the Agreement imposed pursuant to Public Law No. 102-29.

Article XV - Select Committee states in pertinent part:

"(a) Within sixty (60) days from the date of the Agreement imposed pursuant to Public Law 102-29, the parties shall establish a Select Committee to be comprised of an equal number of carrier and organization representatives. Within fifteen (15) days of its establishment, that Committee shall select a neutral to serve as Chairman . . ."

This confirms our agreement to defer establishment of the Select Committee and, hence, a neutral to serve on that Committee at this time. However, either party retains the right to establish such Committee by giving the other party ten (10) days' notice of its intent to do so. In the event the Committee is established, the Committee shall select a neutral to serve as Chairman within fifteen (15) days of such date.

The parties reserve the right to agree on other, similar changes if appropriate.

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

Yours very truly,

C. I. Hopkins, Jr.

I agree:

Mac A. Fleming