

## MEDIATION AGREEMENT

THIS AGREEMENT, made this 25th day of August 1978 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - GENERAL WAGE INCREASESSection 1 - First General Wage Increase (for others than Dining Car Stewards and Yardmasters)

(a) Effective April 1, 1978, all standard basic daily and mileage rates of pay of employees represented by the United Transportation Union in effect on March 31, 1978 shall be increased by an amount equal to 3 percent. The amount of cost-of-living allowance which remained in effect after a portion of the allowance was incorporated into the basic rates pursuant to Article II, Section 1(d) of the Agreement of January 29, 1975 will not be included with basic rates in computing the amount of this increase.

(b) In computing the increase for enginemen under paragraph (a) above, 3 percent shall be applied to the standard basic daily rates of pay, and 3 percent shall be applied to the standard mileage rates of pay, respectively, applicable in the following weight-on-drivers brackets, and the amounts so produced shall, be added to each standard basic daily or mileage rate of pay:

Passenger	-	600,000 and less than 650,000 pounds
Freight	-	950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	-	Less than 500,000 pounds
Yard Firemen	-	250,000 and less than 300,000 pounds (*) (separate computations covering five-day rates and other than five-day rates)

(c) The standard basic daily and mileage rates of pay produced by application of the increases provided for in this Section 1 are set forth in Appendix 1, which is a part of this Agreement.

(\*) In implementation of the provisions of the Agreement entered into on this date, amending the Agreements of July 19, 1972 relating to Manning and Training, effective September 1, 1978, the rates of pay in the weight-on-drivers bracket 450,000 and less than 500,000 pounds, as increased under this Section 1, will be the minimum standard rates of pay for firemen in yard service.

Section 2 - Second General Wage Increase (for others than Dining Car Stewards and Yardmasters)

Effective October 1, 1978, all standard basic daily and mileage rates of pay of employees represented by the United Transportation Union in effect on September 30, 1978, shall be increased by an amount equal to 2 percent, computed and applied for enginemen in the manner prescribed in Section 1

above.

The amount of cost-of-living allowance which remains in effect after a portion of the allowance was incorporated into basic rates pursuant to Article II, Section 1(f) hereof will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 2, which is a part of this Agreement.

Section 3 - Third General Wage Increase (for others than Dining Car Stewards and Yardmasters)

Effective July 1, 1979, all standard basic daily and mileage rates of pay of employees represented by the United Transportation Union in effect on June 30, 1979, shall be increased by an amount equal to 4 percent, computed and applied for enginemen in the manner prescribed in Section 1 above. The amount of any cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section 1(f) hereof, will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase will be subsequently published.

Section 4 - Fourth General Wage Increase (for others than Dining Car Stewards and Yardmasters)

Effective July 1, 1980, all standard basic daily and mileage rates of pay of employees represented by the United Transportation Union in effect on June 30, 1980 shall be increased by an amount equal to 5 percent, computed and applied for enginemen in the manner prescribed in Section 1 above. The amount of any cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section 1(f) hereof, will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase will be subsequently published.

Section 5 - Application of Wage Increases

(a) (i) In engine service, all arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article I.

(ii) In train and yard ground service, arbitraries, miscellaneous rates or special allowances, including those expressed in terms of miles, as provided in the schedules or wage agreements, shall be increased under this Agreement in the same manner as heretofore increased under previous wage agreements.

(b) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(c) Daily earnings minima shall be increased by the amount of the respective daily increase.

(d) Standard monthly rates and money monthly guarantees in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that differentials existing as of March 31, 1978 shall be preserved.



(e) Existing monthly rates and money monthly guarantees applicable in train service other than passenger will be increased in the same proportion as the daily rate for the class of service involved is increased.

(f) Existing money differentials above existing standard daily rates shall be maintained.

(g) In local freight service, the same differential in excess of through freight rates shall be maintained.

(h) The differential of \$4.00 per basic day in freight and yard service, and 40 per mile for miles in excess of 100 in freight service, will be maintained for engineers working without firemen on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required.

(i) In computing the increases in rates of pay effective April 1, 1978 under Section 1 for firemen, conductors, brakemen and flagmen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less which are therefore paid on a daily basis without a mileage component, whose rates had been increased by "an additional \$.40" effective July 1, 1968, the 3 percent increase shall be applied to daily rates in effect March 31, 1978, exclusive of car scale additives, local freight differentials, and any other money differential above existing standard daily rates. For firemen, the rates applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be utilized in computing the amount of increase. The same procedure shall be followed in computing the increases of 2 percent effective October 1, 1978, 4 percent effective July 1, 1979, and 5 percent effective July 1, 1980. The rates produced by application of the standard local freight differentials and the above-referred-to special increase of "an additional \$.40" to standard basic through freight rates of pay are set forth in Appendices 1 and 2, which are a part of this Agreement, and Appendices which will be subsequently published.

(j) Other than standard rates:

(i) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) The differential of \$4.00 per basic day in freight and yard service, and 44 per mile for miles in excess of 100 in freight service, will be maintained for engineers working without firemen on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required.

(iii) Daily rates of pay, other than standard, of firemen, conductors, brakemen and flagmen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as

provided in paragraph (i) above.

(k) Wage rates resulting from the increases provided for in Sections 1, 2, 3 and 4 of this Article I, and in Section 1(f) of Article II, will not be reduced under Article II.

Section 6 - General Wage Increases for Dining Car Stewards and Yardmasters

Effective April 1, 1978 all basic monthly rates of pay of dining car stewards and yardmasters represented by the United Transportation Union in effect on March 31, 1978 shall be increased by 3 percent. The amount of cost-of-living allowance which remained in effect after a portion of the allowance was incorporated into basic rates pursuant to Article II, Section 1(d) of the Agreement of January 29, 1975 will not be included with basic rates in computing the amount of this increase.

The rates produced by such increase shall be further increased as follows:

Effective October 1, 1978	-	2%
The amount of cost-of-living allowance which remains in effect after a portion of the allowance was incorporated into basic rates pursuant to Article II, Section 1(f) hereof, will not be included with basic rates in computing the amount of this increase.		
Effective July 1, 1979	-	4%
The amount of any cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section 1(f) hereof, will not be included with basic rates in computing the amount of this increase.		
Effective July 1, 1980	-	5%
The amount of any cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section 1(f) hereof, will not be included with basic rates in computing the amount of this increase.		

Rates of pay resulting from the increases provided for in this Section 6, and Section 1(f) of Article II, will not be reduced under Article II.

ARTICLE II - COST-OF-LIVING ADJUSTMENTS

Section 1 - Amount and Effective Dates of Cost-of-Living Adjustments

(a) A cost-of-living adjustment increase of 19 cents per hour, based upon the increase in the Consumer Price Index (old series) between March 1977 and September 1977, will be made effective as of January 1, 1978. The amount of such adjustment will be added to the cost-of-living allowance of 15 cents per hour which became effective December 31, 1977 resulting from incorporation into basic rates of 16 cents per hour effective that date, as provided in Article II, Section 1(d)(iii) of the 1975 General Wage Increase Agreement and the Letter of Understanding of September 6, 1977 as to the amount to be so incorporated. As result of such adjustment, the cost-of-living allowance effective January 1, 1978 will be 34 cents per hour.

(b) A further cost-of-living adjustment increase of 19 cents per hour, based upon the increase in the Consumer Price Index between September 1977 (old series) and March 1978 (using the old series CPI for September - December 1977 and the new CPI-W identified in paragraph (c) below for January - March 1978), will be made effective as of July 1, 1978. The amount of such adjustment will be added to the cost-of-living allowance of 17 cents per hour which will become effective as of June 30, 1978 resulting from incorporation into basic rates of 17 cents per hour of the cost-of-living allowance effective that date, as provided in paragraph (f)(i) below. As result of such adjustment, the cost-of-living allowance effective July 1, 1978 will be 36 cents per hour.

(c) The cost-of-living allowance resulting from the adjustments provided for in paragraphs (a) and (b) above will subsequently be adjusted, in the manner set forth in and subject to all the provisions of paragraphs (g) and (h) below, 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 Consumer Price Index. The first such cost-of-living adjustment shall be made effective January 1, 1979, based (subject to paragraph (g)(i) below) on the BLS Consumer Price Index for September 1978 as compared with the index of 189.7 for March 1978. Such adjustment and further cost-of-living adjustments will be made effective the first day of each sixth month thereafter based on the change in the BLS Consumer Price Index during the respective measurement periods shown in the following table subject to the exception in paragraph (g)(ii) below, according to the formula set forth in paragraph (h) below:

Measurement Periods				Effective Date	
Base Month		Measurement Month		of Adjustment	
(1)		(2)		(3)	
March	1978	September	1978	January 1,	1979
September	1978	March	1979	July 1,	1979
March	1979	September	1979	January 1,	1980
September	1979	March	1980	July 1,	1980
March	1980	September	1980	January 1,	1981

(d) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight time, overtime, vacations, holidays and to special allowances and arbitraries in the same manner as basic wage adjustments have been applied in the past.

(e) The amount of the cost-of-living allowance, if any, which 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.

(f) (i) Effective as of June 30 and December 31 of each year, 50% of the cost-of-living allowance then in effect will be incorporated into basic rates of pay for all purposes, and the cost-of-living allowance will be reduced by 50%.

(ii) If as of June 30 or December 31 of any year prior to the incorporation referred to in subparagraph (i) the amount of the cost-of-living allowance in effect should be an odd number of cents, the amount which will be rolled into basic rates of pay will be the number of whole cents next above 50% of the amount of the cost-of-living allowance then in effect, and the cost-of-living allowance will be reduced by that amount.

(iii) The provisions of this paragraph (f) will have no effect on the amount of cost-of-living allowance in effect as of March 31, 1981. Disposition of that allowance or any portion thereof will remain for handling in connection with notices which may be served on or after January 1, 1981.

(g) Cap.(i) In calculations under paragraph (h) below, the maximum increase in the BLS Consumer Price Index (C.P.I.) which will be taken into account will be as follows:

Effective Date of Adjustment (1)	Maximum C.P.I. Increase Which May Be Taken into Account (2)
January 1, 1979	4% of March 1978 CPI
July 1, 1979	8% of March 1978 CPI, less the increase from March to September, 1978.
January 1, 1980	4% of March 1979 CPI
July 1, 1980	8% of March 1979 CPI, less the increase from March to September, 1979.
January 1, 1981	4% of March 1980 CPI

(ii) If the increase in the BLS Consumer Price Index from the base month of March 1978 to the measurement month of September 1978, or from the base month of March 1979 to the measurement month of September 1979, exceeds 4% of the March base index, the measurement period which will be used for determining the cost-of-living adjustment to be effective the following July 1 will be the twelve-month period from such base month of March; the increase in the index which will be taken into account will be limited to that portion of increase which is in excess of 4% of such March base index, and the maximum increase in that portion of the index which may be taken into account will be 8% of such March base index less the 4% mentioned in the preceding clause, to which will be added any residual tenths of points which had been dropped under paragraph (h) below in calculation of the cost-of-living

adjustment which will have become effective the January 1 during such measurement period.

(iii) Any increase in the BLS Consumer Price Index from the base month of March 1978 to the measurement month of March 1979 in excess of 8% of the March 1978 base index, or from the base month of March 1979 to the measurement month of March 1980 in excess of 8% of the March 1979 base index, will not be taken into account in the determination of subsequent cost-of-living adjustments.

(h) Formula. The number of points change in the BLS Consumer Price Index during a measurement period, as limited by paragraph (g) above, 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 of 18 cents per hour which will become effective December 31, 1978 as result of application of paragraph (f) (i) will be adjusted (increased or decreased) effective January 1, 1979 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 (g) above, in the BLS Consumer Price Index during the measurement period from the base month of March 1978 to the measurement month of September 1978. 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 allowance which will have become effective December 31, 1978 if the Consumer Price Index will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index will have been lower at the end than at the beginning of the measurement period.

The same procedure will be followed in applying subsequent adjustments.

(i) Continuance of the cost-of-living adjustments 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 Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price 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 Cost-of-Living Adjustments

In application of the cost-of-living adjustments provided for by Section 1 of this Article II, the cost-of-living allowance will not become part of basic rates of pay except as provided in Section 1(f). Such allowance will be applied as follows:

(a) For others than dining car stewards and yardmasters, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Sections 2, 3 and 4 of Article I and by Section 1(f) of this Article II. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 5 of Article I.



(b) For dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of \$1.80 in the monthly rates of pay produced by application of Section 6 of Article I and by Section 1(f) of this Article II.

(c) For yardmasters, each one cent per hour of cost-of-living allowance will be treated as an increase of \$2.00 in the monthly rates of pay produced by application of Section 6 of Article I and by Section 1(f) of this Article II.

### ARTICLE III - VACATIONS

Insofar as applicable to employees represented by the United Transportation Union, the Vacation Agreement dated April 29, 1949, as amended, is further amended effective January 1, 1979, by substituting the following Section 1(c) and 1(d) for the corresponding provisions contained in Section 1 of Article III of the Agreement of January 27, 1972:

(c) Effective January 1, 1979, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having nine or more years of continuous service with employing carrier will be qualified for an annual vacation of three weeks with pay, or pay in lieu thereof, if during the preceding, calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said nine or more years of continuous service renders service of not less than fourteen hundred forty (1440) basic days in miles or hours paid for as provided in individual schedules.

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

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

(d) Effective January 1, 1979, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having eighteen or more years of continuous service with employing carrier will be qualified for an annual vacation of four weeks with pay, or pay in lieu thereof, if during the preceding

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calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said eighteen or more years of continuous service renders service of not less than twenty-eight hundred eighty (2880) basic days in miles or hours paid for as provided in individual schedules.

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

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

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(The NOTE referred to in Sections 1(c) and 1(d) above reads as follows:

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

ARTICLE IV - HEALTH AND WELFARE BENEFITS; EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFITS; AND DENTAL BENEFITS.

PART A. HEALTH AND WELFARE BENEFITS

Section 1.      Continuation of Plan.      The benefits now provided under The Railroad Employees National Health and Welfare Plan, modified as provided in Sections 2 and 3 below, 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 the insurer in connection with Group Policy Contract GA-23000, and by the use of funds held in trust that are not otherwise needed to pay claim , premiums or administrative expenses which are payable from trust. Detailed contract language specifying the new benefits and the changes in existing benefit and eligibility provisions is to be worked out by the Joint Policyholder Committee with the insurer.

Section 2.      Benefit Changes.      The following benefit changes will be made effective as of  
January 1, 1979:

a.      Alcoholism Treatment. For treatment of alcoholism of an employee which has been diagnosed as such by the employee's attending physician, as a result of which the employee is confined at an approved treatment center which provides medical and therapeutic treatment for alcoholism under a program approved by both the attending physician and the insurer, on an inpatient basis requiring full-time participation by the patient, and certain evaluation, diagnostic and counseling services: a benefit will be provided to cover charges by the treatment center for room and board, care and treatment, exclusive of custodial care, up to \$50 per day for not more than 31 days per calendar year with a lifetime maximum of \$3,000.

b.      Ambulatory Surgical Centers. Charges incurred by an employee or dependent for services rendered and supplies furnished by an approved ambulatory surgical center within the time limits and for the purposes specified in the out-patient expense provisions of the plan shall be treated as if they were hospital out-patient expenses.

c.      Second Surgical Opinion. A benefit will be provided to pay reasonable charges incurred by an employee or dependent for consultations (including the reasonable charges for laboratory and X-ray examinations and other diagnostic procedures in connection therewith) with one or more qualified specialist surgeons for additional opinions as to the medical necessity for the performance of a recommended surgical procedure for which benefits are payable under the surgical expense benefit provisions of the Plan, provided the consultant surgeon examines the patient and furnishes the insurer either copy of his written report to the patient or a written report setting forth his opinion.

d.      Pre-Admission Testing. Charges incurred by an employee or dependent in connection with pro-admission testing ordered by a physician will be covered as hospital in-patient expenses provided such tests are related to the performance of scheduled surgery in connection with a confirmed hospital admission, and (i) the person involved is subsequently admitted to the hospital as a resident in-patient unless the scheduled confinement is cancelled or postponed because of the unavailability of a bed or a change in his condition which precludes surgery or (ii) the surgery is performed in an out-patient facility (which may be an ambulatory surgical center) unless there is a change in the patient's condition which precludes surgery.

e.      Surgical Expense Benefit. The maximum basic benefit for a surgical procedure will be increased from \$650 to \$1,000; the maximum allowance for administration of anesthetics will be increased from \$162.50 to \$250; and the \$650 E Surgical Schedule will be replaced by a \$1,000 E Surgical Schedule.

f. Hospital Miscellaneous Benefit. The provision for reimbursement for hospital charges for medical care and treatment (other than charges for room and board, nurses', and physicians' and surgeons' fees), and the excess of charges for intensive care in an intensive care unit over the amount payable otherwise, shall be increased from "not more than \$1,000 plus 80% of the excess over \$1,000," to "not more than \$2,000 plus 80% of the excess over \$2,000."

g. Out-Patient Expense Benefit, and Supplemental Out-Patient Medical Expense Benefit. The provision for reimbursement for hospital out-patient expenses, and the supplemental out-patient medical expense benefit provision, covering certain emergency medical care and treatment on account of accidental bodily injuries and additional subsequent medical care and treatment in connection with such emergency care, and medical care and treatment in connection with surgical operations, will be increased to provide for reimbursement for such expenses in full on a reasonable and customary basis (an increase from the maximum of \$100 plus 80% of the excess over \$100).

h. Ambulance Benefit. Necessary ambulance charges for transportation to and from hospital for an employee or dependent who is confined as a hospital in-patient, or who receives out-patient care of a nature referred to in g. above in a hospital, will be provided in full on a reasonable and customary basis (an increase from the maximum of \$25 for such benefit).

i. Physician's Fee Benefit.

(i) The maximum amount payable on behalf of an employee or dependent for physician charges for visits while the employee or dependent is confined as a hospital in-patient will be increased from \$6.00 to \$10.00 per day of such confinement, and the maximum so payable during any one period of hospital confinement will be increased from \$2,190 to \$3,650.

(ii) The maximum amount payable for physicians' office visits by an employee shall be increased from \$6.00 to \$10.00, and for home visits from \$7.50 to \$12.00, per visit limited as at present to one home or office visit per day and a maximum of 180 such visits in a 12-month period; no benefit payable for the first visit on account of injury or the first three visits on account of sickness.

j. Major Medical Expense Limit Benefit. A provision will be added to the major medical expense benefit section of the Plan to the effect that if in a calendar year a covered employee or dependent has incurred expenses not otherwise reimbursed under the Plan which aggregate \$2,000 including (i) the individual's cash deductible and (ii) the individual's 20% share of coinsurance under the hospital miscellaneous benefits and major medical expense benefit provisions, all further covered expenses" of that individual in that calendar year which would otherwise come under the 80%/20% coinsurance provisions will instead be reimbursed under the major medical expense benefit provisions on a 100%

basis. The four exclusions in the major medical expense benefit section will apply to this benefit.

k. Living Tissue Donor Benefit. Benefit will be provided for the living donor of an organ or tissue to an employee or dependent covered by The Railroad Employees National Health and Welfare Plan, with respect to the donation involved, on the same basis as if the donor were himself an employee covered by the Policy Contract to the extent such donor is not covered under any other health insurance program.

Section 3. Eligibility. The provision under which a new employee becomes a Qualifying Employee, and may become insured and eligible for benefits, on the first day of the first calendar month starting after such employee has completed 30 continuous days during which he has maintained an employment relationship, will be changed to provide that a new employee (employed on or after August 1, 1978) will become a qualifying employee on the first day of the first calendar month starting after such employee has completed 60 continuous days during which he has maintained an employment relationship.

Section 4. Restructuring. The parties to this Agreement will seek to work out with the insurer reasonable and practicable arrangements designed to decrease federal income taxes payable by the insurer in connection with the Plan, to decrease the insurer's reserves for its liabilities under the Plan, or otherwise to lessen the cost of maintaining the Plan without decreasing the benefits or services that the Plan provides.

#### PART B. - EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFIT

Section 1. Establishment and Effective Date. The railroads will establish an Early Retirement Major Medical Benefit Plan to provide specified major medical expense benefits for certain retired or disabled railroad employees and their dependents, to become effective August 1, 1978 and to continue subject to the provisions of the Railway Labor Act, as amended, according to the following provisions:

a. Employees Eligible:

(i) Age. An employee who, on or after July 1, 1978, retires at or after 61 years of age under the 60/30 provisions of the Railroad Retirement Act of 1974, if immediately prior to the date he retired he was covered for employee or dependent health benefits under the Railroad Employees National Health and Welfare Plan and had a current connection with the railroad Industry.

(ii) Disability.

(a) An employee of a non-hospital association railroad who on or after July 1, 1978 and at or after age 61 was receiving employee health benefits (or still eligible for such benefits under the disability waiver provisions) under the Railroad Employees National Health and Welfare Plan, and who meets the requirements of subparagraph (c) below.

(b) An employee of a hospital association railroad who would have met the requirements of subparagraph (a) above in full if he had been an employee of a non-hospital association railroad, and who meets the requirements of subparagraph (c)

below.

(c) To be eligible as a disabled employee, an employee must, in addition to fulfilling the requirements of subparagraph (a) or subparagraph (b) above, -

(1) solely because of his disability be prevented from working in his regular occupation;

(2) be entitled to an annuity by reason of disability under the Railroad Retirement Act of 1974; however, he need not have filed application for disability annuity under the Railroad Retirement Act if he is receiving sickness benefits under the Railroad Unemployment Insurance Act, but when he is no longer receiving such sickness benefits if he does not apply for such disability annuity his eligibility under the Plan will terminate;

(3) have had a current connection with the railroad industry on the date immediately prior to the date on which he became entitled to such disability annuity; and

(4) have had by his eligibility date a total period, consisting of his railroad service prior to the onset of such disability plus the period of such disability itself, totaling not less than 30 years.

b. Dependents Eligible: Spouse and dependent children of eligible employees who are within definition of "dependent" in The Railroad Employees National Health and Welfare Plan.

c. Scope of Coverage:

(i) Eligible employees of non-hospital association railroads, and, to the extent provided in Section 3, of hospital association railroads.

(ii) Dependents of eligible employees of either hospital association or non-hospital association railroads.

d. Duration of Coverage:

(i) Coverage for all covered employees and dependents will begin when the employee becomes eligible under paragraph a., but not earlier than the effective date, and except that an employee's or dependent's coverage will not begin earlier than such employee's or dependent's eligibility for benefits under The Railroad Employees National Health and Welfare Plan ceases.

(ii) Coverage for covered employees will terminate on the earlier of -

(a) The date the employee becomes eligible for Medicare (even though his coverage may not yet have begun, e.g., if a disabled

employee becomes eligible for Medicare before he becomes eligible under paragraph a.), or

(b) The date the employee's Railroad Retirement annuity terminates.

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(iii) Coverage for all dependents of an employee will terminate on the earlier of -

(a) The date the employee's coverage terminates for any cause other than (1) death or (2) eligibility for Medicare by reason of disability, or

(b) If the employee predeceases dependents, or becomes eligible for Medicare by reason of disability, the date the employee would have become eligible for Medicare by reason of age if he had not died.

(iv) Coverage for any dependent will terminate if such individual dependent, while covered, -

(a) becomes eligible for Medicare, or

(b) is no longer within the above - referred - to definition of dependent, or

(c) is the widow or widower of a covered employee and remarries.

Note: As used in this paragraph d. Duration of Coverage, "Medicare" means the full measure of benefits under the Health Insurance for The Aged and Disabled Program under Title XVIII of the Social Security Act, as amended and as it may be further amended, which are normally available to an individual at age 65 or on general disability. Benefits under the Plan will be so adjusted to avoid duplication between Plan benefits and any other Medicare benefits.

e. Plan:

(i) Elements:

(a) Deductible: \$100 per calendar year for each individual.

(b) Coinsurance proportions; 80/20, except 65/35 for out-of-hospital mental-nervous treatments.

(c) Lifetime benefit limit: \$50,000 for each individual.

(ii) Benefits: Covered benefits will be benefits of the categories as are covered major medical expense benefits under The Railroad Employees National Health and Welfare Plan.

(iii) The same Coordination of Benefits provisions as in Group Policy Contract GA-23000 will be included.

## Section 2. Administration.

a. The railroads, which will be sole policyholder, will work out arrangements for the Plan to be administered and insurance thereunder to be

- 15 -

provided by the same insurer as is handling those functions under The Railroad Employees National Health and Welfare Plan.

b. The railroads will work out with the insurer detailed contract language setting forth the eligibility and benefit provisions.

c. The insurer will furnish financial data, statistical and actuarial reports, and claim experience information to the organizations in the same detail and at the same time that it furnishes such data to the railroads.

d. Any dividends or retroactive rate refunds or credits will be paid into a special fund or account held by the insurer or into a trust established in connection with the Plan. Withdrawals may be made from such fund, account or trust only to provide or finance benefits.

## Section 3. Employees of Hospital Association Railroads.

Hospital association railroads will pay the respective hospital associations such portion of the cost of the plan as is attributable to coverage for retired employees (but not for their dependents) contingent on commitments\* from the hospital associations to provide benefits similar to those provided by the plan to such retired employees of the respective railroads as meet the above eligibility requirements and were members of the hospital association. In absence of such a commitment, no payment such as provided for in this paragraph shall be made to the hospital association involved, and the employees involved will be regarded as employees of a hospital association railroad for purposes of eligibility for early retirement medical benefits but shall be provided such benefits under the national plan the same as employees of non-hospital association railroads. On a railroad on which the hospital association has furnished such a commitment, individual retired or disabled employees who had not been members of the hospital association or who had been such members but elected to leave the association on discontinuing active railroad service, or who forego association benefits, will not have an option of electing coverage under the national plan; nor on a railroad on which there has been no such commitment from the hospital association will individual employees have an option of electing hospital association coverage in place of coverage under the national plan.

\*Including acceptance of the following obligation: If a hospital association having furnished the commitment referred to in Section 3 should subsequently withdraw such commitment, the employees involved will thereafter be provided their benefits under the national plan as provided in the second sentence of Section 3. If any special contribution to the national plan is required to cover any liability which the hospital association may have incurred during the period it covered the employees involved (and while it was receiving the contribution identified in the first sentence of Section 3), which liability the national plan assumes by reason of the employees' coverage being transferred from the hospital association to the national plan, such special contribution will be made by the hospital association.

#### PART C. DENTAL BENEFITS

Section 1. Continuation of Plan. The benefits now provided under The Railroad Employees National Dental Plan, modified as provided in Sections 2 and 3 below, will be continued subject to the provisions of the Railway Labor Act, as amended. Detailed contract language specifying the changes in existing benefit and eligibility provisions is to be worked out by the Policyholder with the insurer.

Section 2. Benefit Changes. The following changes in the benefit area will be made effective as of November 1, 1978:

a. The maximum benefit (exclusive of any benefits for orthodontia) which may be paid with respect to a covered employee or dependent in any calendar year, including the calendar year 1978, will be increased from \$500 to \$750 for all expenses incurred on or after November 1, 1978.

b. A limit of \$100 will be placed on the amount of the deductible per calendar year, including the calendar year 1978, to be paid by all members of an employee's family, to apply as follows:

(i) Any covered individual who has incurred and paid \$50 of covered dental expenses in a calendar year has met the deductible with respect to himself.

(ii) When a covered employee and/or any one or more of his defined dependents have collectively incurred and paid \$100 of covered dental expenses, counting not more than \$50 with respect to any individual, in a calendar year, the deductible has been met with respect to such employee and all his defined dependents.

c. Extended coverage will be provided for disabled, pregnant, furloughed and discharged or dismissed employees on exactly the same basis as under The Railroad Employees National Health and Welfare Plan.

Section 3. Orthodontia. No change will be made with respect to benefits for orthodontia, except for the extended coverage provision described in paragraph c. of Section 2 above.

#### PART D. GENERAL

National Health Legislation. In the event that national health legislation should be enacted, benefits provided under The Railroad Employees National Health and Welfare Plan, The Early Retirement Major Medical Benefit Plan, and The Railroad Employees National Dental Plan with respect to a type of expense which is a covered expense under such legislation will be integrated so as to avoid duplication, and the parties will agree upon the disposition of any resulting savings.

#### ARTICLE V - JURY DUTY

Effective fifteen (15) days after the date of this Agreement, Article V of the January 27, 1972 Agreement is amended to read as follows:

When an employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each calendar day lost less the

amount allowed his for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

- (1) An employee must furnish the carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.

(2) The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.

(3) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.

#### ARTICLE VI - EXPENSES AWAY FROM HOME

Effective October 1, 1978, the meal allowance provided for in Article II, Section 2, of the June 25, 1964 National Agreement, as amended by Article XI, Section 2, of the January 27, 1972 National Agreement, is increased from \$2.00 to \$2.75.

#### ARTICLE VII - APPLICATION FOR EMPLOYMENT

##### Section 1 - Probationary Period

Applications for employment will be rejected within sixty (60) calendar days after seniority date is established, or applicant shall be considered accepted. Applications rejected by the carrier must be declined in writing to the applicant.

##### Section 2 - Omission or Falsification of Information

An employee who has been accepted for employment in accordance with Section 1 will not be terminated or disciplined by the carrier for furnishing incorrect information in connection with an application for employment or for withholding information therefrom unless the information involved was of such a nature that the employee would not have been hired if the carrier had had timely knowledge of it.

#### ARTICLE VIII - EMPLOYMENT OF FIREMEN

##### Section 1.

Subject to the provisions of Section 2 and the carriers' legal obligations, in the employment of firemen (helpers) employees represented by the United Transportation Union who have established seniority as conductor (foreman), brakeman (yardman-switchman), hostler or hostler helper (but without seniority as a locomotive fireman) will be considered for transfer to positions of locomotive firemen (helpers) in preference to hiring individuals who have not established seniority with the carrier in any class or craft.

##### Section 2.

Each carrier will establish a procedure which will (1) ensure that such employees have knowledge of fireman (helper) job openings and (2) provide an opportunity for them to apply for transfer to the fireman craft. In selecting an employee from among those making application for a fireman (helper) position, the carrier will take into consideration the relative seniority standing of the applicants and the carriers' physical and other employment standards.

Section 3.

In employee accepting transfer to a fireman (helper) position in accordance with this Article VIII shall retain his seniority standing and all other rights in train and/or yard or hostling service. However, such employee shall be permitted to exercise such rights only in the event he is unable to hold any position or assignment In engine service.

NOTE: It is understood that employees accepting transfer to fireman between July 7, 1978 and the effective date of this Article will have their seniority preserved as of the effective date of such transfer.

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This Article VIII shall become effective thirty (30) days from the date of this Agreement unless within such time a General Committee of the organization elects to preserve an existing rule accomplishing the same essential purpose as this Article VIII by notifying a carrier in writing.

ARTICLE IX - ENTRY RATES

Section 1 - Service First 12-Months

Employees entering service on and after the effective date of this Article shall be paid as follows for all service performed within the first twelve (12) calendar months of service when working in a capacity other than conductor (foreman), footboard yardmaster, yardmaster, car retarder operator or engineer:

- (a) For the first twelve (12) calendar months of employment, new employees shall be paid 90% of the applicable rates of pay (including COLA) for the class and craft in which service is rendered, exclusive of arbitraries and/or special allowances which shall be paid at the full amount.
- (b) Employees who have had an employment relationship with the carrier and are rehired will be paid at established rate after completion of a total of twelve (12) months' combined service.
- (c) Train service employees who transfer to the fireman craft will be paid at established rates after completion of a total of twelve (12) months' combined service, in both crafts.
- (d) Any calendar month in which an employee does not render compensated service due to voluntary absence, suspension, or dismissal shall riot count toward completion of the twelve (12) month period.

Section 2 - Preservation of Lower Rates

Agreements which provide for training or entry rates that are lower than those provided for in Section 1 are preserved. If such agreements provide for payment at the lower rate for less than the first twelve (12)

months of actual service, Section 1 of this Article will be applicable during any portion of that period in which such lower rate is not applicable.

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

ARTICLE X - ROAD-YARD MOVEMENTS

Article IX, Section 1 of the Agreement of January 27, 1972 is amended to read as follows:

Section 1 - Road freight crews may be required at any point where yard crews are employed to do any of the following as part of the road trip, paid for as such without any additional compensation and without penalty payments to yard crews, hostlers, etc: one straight pick up at another location in the initial terminal (in addition to picking up train) and one straight set out at another location in the final terminal (in addition to yarding the train); one straight pick up and/or set out at each intermediate point between terminals; switch out defective cars from their own trains regardless of when discovered; handle engines to and from train to ready track and engine house including all units coupled to the operating unit (units); pick up and set out cars of their trains from or to the minimum number of tracks which could hold the cars provided, however, that where it is necessary to use two or more tracks to hold the train it is not required that any track be filled to capacity; and exchange engine of its own train.

Nothing in this Section 1 is intended to impose restrictions with respect to any operation where restrictions did not exist prior to the date of this agreement.

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This Article shall become effective fifteen (15) days after the date of this Agreement.

ARTICLE XI - COMBINATION ROAD-YARD SERVICE ZONES

Section 1 - At points where yard crews are employed, combination road-yard service zones may be established within which yard crews may be used to perform specified service outside of switching limits under the following conditions:

- (a) Road-Yard Service Zones for industrial switching purposes are limited to a distance not to exceed ten (10) miles, or the entrance switch to the last Industry, whichever is the lesser. The distances referred to herein are to be computed from the switching limits existing on the date of this agreement, except where the parties on individual properties may agree otherwise.
- (b) Within Road-Yard Service Zones, yard crew may be used only to meet customer service requirements for the delivery, switching, or pick up of cars which were not available or ready for handling by the road crew or crews normally performing the service or which are required to be expedited

for movement into the yard before arrival of said road crew or crews. Yard crews may be used to perform such service without any additional compensation and without penalty payments to road crews.

NOTE: The use of yard crews in Road-Yard Service Zones is restricted to the specific service required or requested by the customer and they may not be used indiscriminately to perform any other additional work.

(c) The use of yard crews in Road-Yard Service Zones established under this Article may not be used to reduce or eliminate road crew assignments working within such zones.

(d) Nothing in this Section 1 is intended to impose restrictions with respect to any operation where restrictions did not exist prior to the date of this agreement.

Section 2 - At points where yard crews are employed, combination road-yard service zones may be established within which yard crews may be used to perform specified service outside of switching limits under the following conditions:

(a) Road-Yard Service Zones for purpose of this Section 2 are limited to a distance not to exceed fifteen (15) miles for the purpose of handling disabled trains or trains tied up under the Hours of Service Act. The distances referred to herein are to be computed from the switching limits existing on the date of this agreement, except where the parties on individual properties may agree otherwise.

(b) Within Road-Yard Service Zones, yard crews may be used to handle disabled road trains or those tied up under the Hours of Service Act outside their final terminal without penalty to road crews. For such service yard crews shall be paid miles or hours, whichever is the greater, with a minimum of one (1) hour for the class of service performed (except where existing agreements require payment at yard rates) for all time consumed outside of switching limits. This allowance shall be in addition to the regular yard pay and without any deduction therefrom for the time consumed outside of switching limits.

(c) Nothing in this Section 2 is intended to impose restrictions with respect to handling disabled road trains or those tied up under the Hours of Service Act beyond the 15 mile road-yard service zones, established under this section where restrictions did not exist prior to the date of this agreement.

(d) This Section 2 shall become effective unless a carrier elects to preserve existing rules or practices by notifying the authorized employee representatives within fifteen (15) days after the date of this agreement.

Section 3 - Time consumed by yard crews in Road-Yard Service Zones established under this Article will not be subject to equalization as between road and yard service crews and/or employees

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This Article shall become effective fifteen (15) days after the date of this Agreement.

ARTICLE XII - BEREAVEMENT LEAVE

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

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This Article shall become effective fifteen (15) days after the date of this Agreement.

ARTICLE XIII - OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article XI(b) of the July 17, 1968 Brotherhood of Railroad Trainmen Agreement, Article IX(b) of the July 29, 1968 Switchmen's Union of North America Agreement, Article IX(b) of the September 14, 1968 Brotherhood of Locomotive Firemen and Enginemen Agreement, Article V(b) of the March 19, 1969 United Transportation Union (C) Agreement and Article V(b) of the April 15, 1969 United Transportation Union (E) Agreement are hereby amended to read as follows:

(b) Payments to be Made:

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

(1) Accidental Death or Dismemberment

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

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

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

sight.

No more than \$150,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

(2) Medical and Hospital Care

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

(3) Time Loss

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

(4) Aggregate Limit

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

This Article will become effective 90 days after the date of this Agreement.

ARTICLE XIV - JOINT LABOR-MANAGEMENT COMMITTEE ON  
PHYSICAL DISQUALIFICATION PROCEDURES

Within sixty (60) days of the date of this agreement, a committee, consisting of two partisan members representing the carriers and two partisan members representing the United Transportation Union, will be established to continue study and formulation of procedures covering physical disqualifications.

ARTICLE XV - JOINT LABOR-MANAGEMENT COMMITTEE ON DISCIPLINE  
RULES AND PROCEDURES

Within sixty (60) days of the date of this agreement, a committee, consisting of two partisan members representing the carriers and two partisan members representing the United Transportation Union, will be established for the purpose of continuing study and formulation of standard discipline rules and procedures. The signatories to this agreement will urge that the Committee's recommendations be adopted by the railroad parties hereto.

ARTICLE XVI - 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 is in settlement of the dispute growing out of the notices served upon the carriers listed in Exhibit A by the Organization signatory hereto dated on or about January 3, 1977 and July 19, 1977 (wage and rules); February 15, 1977 and August 1, 1977 (health and welfare and dental), and proposals served on June 13, 1977 by the carriers for concurrent handling therewith.

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the Organization signatory hereto, and shall remain in effect through March 31, 1981 and thereafter until changed or modified in accordance with the Provisions of the Railway Labor Act, as amended.

(c) Except as provided by paragraph (d) of this Section 2, the parties to this Agreement shall not serve nor progress prior to January 1, 1981 (not to become effective before April 1, 1981) any notice or proposal for changing any matter contained in:

- (1) this Agreement,
- (2) Section 2(c) of Article XV of the Agreement of January 27, 1972, and
- (3) proposals of the parties identified in Section 2(a) of this Article except proposal B of the carriers' June 13, 1977 notice.

and any pending notices which propose such matters are hereby withdrawn.

(d) Pending notices properly served under the Railway Labor Act covering subject matters not specifically dealt with in Section 2(c) of this Article XVI and which do not request compensation need not be withdrawn and may be progressed under the provisions of the Railway Labor Act, as amended. Similarly,

new proposals properly served under the Railway Labor Act covering

subject matters not specifically dealt with in Section 2(c) of this Article XVI and which do not request compensation may be served and progressed under the provisions of the Railway Labor Act, as amended.

(e) This Article will not bar management and committees an individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT WASHINGTON, D. C. THIS 25th DAY OF AUGUST, 1978

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:      FOR THE EMPLOYEES REPRESENTED BY THE UNITED TRANSPORTATION UNION:

Charles I. Hopkins, Jr.  
Chairman

A. L. Chesser

C. F. Burch

F. A. Hardin

A. E. Egbers

J. W. Jennings

F. L. Elterman

J. E. Burke

M. Farr (?signature illegible)

F. J. Zamarioni

(?signature illegible)

C. E. Mervine, Jr.

George S. Paul

L. W. Sloan

Robert E. Upton

Witness:      George S. Coes,  
Member, National Mediation Board

NATIONAL RAILWAY LABOR CONFERENCE LETTERHEAD

August 25, 1978

Mr. Al H. Chesser, President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Chesser:

This concerns your notices identified as Held-Away-From-Home Terminal and Assigned Freight Service served during 1977 and withdrawn as part of this Agreement. In recognition of your organization's continuing intent to correct those situations where in your view employees represented by UTU are held at their away from home terminal for inadequate reasons, the National Carriers' Conference Committee is prepared to confer with you on any such matter that is not resolved on a local basis and to use its best efforts to find a mutually satisfactory resolution.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

/s/ Al H. Chesser

NATIONAL RAILWAY LABOR CONFERENCE LETTERHEAD

August 25, 1978

Mr. Al H. Chesser, President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Chesser:

This will confirm our understanding reached in current negotiations that the moratorium provisions of the Agreement do not preclude the serving of local notices to correct conditions with respect to suitable lodging accommodations as provided in individual agreements; provided, however, that no such local notices will be served for the purpose of changing the amount of allowance being paid in lieu of lodging, nor the qualifying conditions for eligibility for away from home expenses.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

/s/ Al H. Chesser

NATIONAL RAILWAY LABOR CONFERENCE LETTERHEAD

August 25, 1978

Mr. Al H. Chesser, President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Chesser:

This is to confirm our understanding that Item G of the notice served by railroads generally on or about June 13, 1977 for concurrent handling with the organization's proposals served at various times during 1977 (comprising NMB Case A-10222) is hereby withdrawn and that such Item G shall be considered as not having been served.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

/s/ Al H. Chesser

NATIONAL RAILWAY LABOR CONFERENCE LETTERHEAD

August 25, 1978

Mr. Al H. Chesser, President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Chesser:

This is to confirm our understanding that as used in Article XV, Section 2(c) of the Agreement of January 27, 1972 and incorporated by reference in Article XVI of the August 25, 1978 Agreement, the word "mergers" contained in the phrase "Employee protection except future mergers, consolidations or coordinations" shall be construed to include acquisitions.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

/s/ Al H. Chesser

NATIONAL RAILWAY LABOR CONFERENCE LETTERHEAD

August 25, 1978

Mr. Al H. Chesser, President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Chesser:

In accordance with our understanding, this is to confirm that the carriers will make all reasonable efforts to make the retroactive increase payments provided for in the Agreement signed today as soon as possible.

If a carrier finds it impossible to make the retroactivity payments within sixty days, it is understood that such carrier will notify you in writing as to why such payments have not been made and indicate when it will be possible to make such retroactive payments.

Yours very truly,

C. I. Hopkins, Jr.

NATIONAL RAILWAY LABOR CONFERENCE LETTERHEAD

August 25, 1978

Mr. Al H. Chesser, President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Chesser:

This refers to my letter advising that the National Carriers' Conference Committee has remanded the crew consist notice, identified as item B of the notice served on your organization on June 13, 1977, to the railroads represented by the Committee for further handling on an individual railroad basis.

It is agreed that such notices shall be excluded from the moratorium provision of the August 25, 1978 Agreement and that the UTU shall not be prohibited from handling concurrently proposals concerning the sharing in any savings that may result from agreements to reduce crew consists and the subject of personal leave for employees represented by the UTU. It is further agreed that as part of these local negotiations, the carriers will also be free to pursue proposals eliminating requirements for filling vacancies arising in instances where employees are on authorized absences.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

/s/ Al H. Chesser