

AGREED UPON IMPLEMENTATION OF PUBLIC LAW 97-262 (P.E.B. 194)

Whereas the Congress on the 22nd day of September, 1982 enacted Public Law 97-262 providing that the Report and Recommendations of Presidential Emergency Board No. 194, dated August 19, 1982, shall be binding on the carriers represented by the National Carriers' Conference Committee of the National Railway Labor Conference and certain of their employees represented by the Brotherhood of Locomotive Engineers and shall have the same effect as arrived at by agreement of the parties and further providing that the parties may implement the terms and conditions established by said Law,

Now, therefore, it is agreed in conformity therewith that this document, dated SEPTEMBER 28, 1982, implements the terms and conditions established by Public Law 97-262:

ARTICLE I- GENERAL WAGE INCREASES

Section 1- First General Wage Increase

(a) Effective April 1, 1981, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on March 31, 1981 shall be increased by an amount equal to 2 percent. The cost-of-living allowance of 58 cents per hour in effect on March 31, 1981 will not be included with basic rates in computing the amount of this increase.

(b) In computing the increase under paragraph (a) above, 2 percent shall be applied to the standard basic daily rates of pay, and 2 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	- Less than 500,000 pounds (separate computation 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.

Section 2- Second General Wage Increase

Effective October 1, 1981, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on September 30, 1981, shall be increased by an amount equal to 3 percent, computed and applied in the manner prescribed in Section 1 above. The cost-of-living allowance of 90 cents per hour in effect on September 30, 1981 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

Effective July 1, 1982, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1982, shall be increased by an amount equal to 3 percent, computed and applied in the manner prescribed in Section 1 above. The cost-of-living allowance of \$1.25 per hour in effect on June 30, 1982 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 Appentix 3, which is a part of this Agreement.

Section 4- Fourth General Wage Increase

Effective July 1, 1983, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1983, shall be increased by an amount equal to 3 percent, computed and applied in the manner prescribed in Section 1 above. The amount of the cost-of-living allowance which will be in effect on June 30, 1983 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 Appentix 4, which is a part of this Agreement.

Section 5- Application of Wage Increases

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

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

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

(f) The differential of \$4.00 per basic day in freight ant yard service, and 4 cents 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. Such differential will continue to be applied in the same manner as the local freight differential.

(g) In computing the increases in rates of pay effective April 1, 1981 unter Section 1 for firemen 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 2 percent increase shall be applied to daily rates in effect March 31, 1981, exclusive of 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 3 percent effective October 1, 1981, 3 percent effective July 1, 1982, and 3 percent effective July 1, 1983. 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, 2, 3 and 4, which are a part of this Agreement.

(h) 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 and amounts 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 4 cents 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. Such differential will continue to be applied in the same manner as the local freight differential.

(iii) Daily rates of pay, other than standard, of firemen 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 (g) above.

(i) Wage rates resulting from the increases provided for in Sections 1, 2, 3 and 4 of this Article I, and in Section 1(g) 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 32 cents per hour will be made effective July 1, 1981. The amount of such adjustment will be added to the cost-of-living allowance of 58 cents per hour remaining in effect. As result of such adjustment, the cost-of-living allowance effective July 1, 1981 will be 90 cents per hour.

(b) A further cost-of-living adjustment increase of 35 cents per hour will be made effective as of January 1, 1982. The amount of such adjustment will be added to the cost-of-living allowance of 90 cents per hour remaining in effect. As result of such adjustment the cost-of-living allowance effective January 1, 1982 will be \$1.25 per hour.

(c) A further cost-of-living adjustment increase of 22 cents per hour will be made effective as of July 1, 1982. The amount of such adjustment will be added to the cost-of-living allowance of \$1.25 per hour remaining in effect. As result of such adjustment the cost-of-living allowance effective

July 1, 1982 will be \$1.47 per hour.

(d) The cost-of-living allowance resulting from the adjustments provided for in paragraphs (a), (b) and (c) above will subsequently be adjusted, in the manner set forth in and subject to all the provisions of paragraphs (h) and (i) 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, 1983, based (subject to paragraph (h)(i) below) on the BLS Consumer Price Index for September 1982 as compared with the index for March 1982. Such adjustment, and further cost-of-living adjustments which will be made effective the first day of each sixth month thereafter, will be 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 (h)(ii) below, according to the formula set forth in paragraph (i) below:

<u>Measurement Periods</u>		<u>Effective Date</u>
<u>Base Month</u>	<u>Measurement Month</u>	<u>of Adjustment</u>
(1)	(2)	(3)
March 1982	September 1982	January 1, 1983
September 1982	March 1983	July 1, 1983
March 1983	September 1983	January 1, 1984

(e) 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.

(f) 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.

(g) On December 31, 1983 the cost-of-living allowance in effect on January 1, 1983 shall be rolled into basic rates of pay and the cost-of-living allowance remaining in effect will be reduced by a like amount. On June 30, 1984, 50% of the cost-of-living allowance then in effect (rounded to the next higher cent if the allowance consists of an odd number of cents) shall be rolled into basic rates and the cost-of-living allowance remaining in effect will be reduced by a like amount.

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

<u>Effective Date</u>	<u>Maximum C.P.I. Increase</u>
<u>of Adjustment</u>	<u>Which May Be Taken into Account</u>
(1)	(2)
January 1, 1983	4% of March 1982 CPI
July 1, 1983	8% of March 1982 CPI, less the increase from
	March, 1982 to September, 1982.
January 1, 1984	4% of March 1983 CPI

(ii) If the increase in the BLS Consumer Price Index from the base month of March 1982 to the measurement month of September 1982,

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 (i) below in calculation of the cost-of-living adjustment which will have become effective January 1 during such measurement period.

(iii) Any increase in the BLS Consumer Price Index from the base month of March 1982 to the measurement month of March 1983 in excess of 8% of the March 1982 base index, will not be taken into account in the determination of subsequent cost-of-living adjustments.

(i) Formula. The number of points change in the BLS Consumer Price Index during a measurement period, as limited by paragraph (h) 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 in effect on July 1, 1982 as result of application of Section 1(c) will be adjusted (increased or decreased) effective January 1, 1983 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 (h) above, in the BLS Consumer Price Index during the measurement period from the base month of March 1982 to the measurement month of September 1982. 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 July 1, 1982 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.

(j) 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(g). In application of such allowance, 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(g) of this Article II. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 5 of Article I.

ARTICLE III- VACATIONS

Insofar as applicable to employees represented by the Brotherhood of Locomotive Engineers, the Vacation Agreement dated April 29, 1949, as amended, is further amended effective January 1, 1982, by substituting the following Section 1(c), 1(d) and 1(h) for the corresponding provisions contained in Section 1, as previously amended:

(c) Effective January 1, 1982, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having eight 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 eight or more years of continuous service renders service of not less than one thousand two hundred and eighty (1280) 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(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, 1982, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having seventeen 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 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 seventeen or more years of continuous service renders service of not less than two thousand seven hundred and twenty (2720) 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.)

(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.")

(h) Where an employee is discharged from service and thereafter restored to service during the same calendar year with seniority unimpaired, service performed prior to discharge and subsequent to reinstatement during that year shall be included in the determination of qualification for vacation during the following year.

Where an employee is discharged from service and thereafter restored to service with seniority unimpaired, service before and after such discharge and restoration shall be included in computing three hundred twenty (320) basic days under Section 1(b), one thousand two hundred and eighty (1280) basic days under Section 1(c), two thousand seven hundred and twenty (2720) basic-days under Section 1(d), and four thousand (4000) basic days under Section 1(e).

ARTICLE IV- HOLIDAYS

Effective January 1, 1983, the national holiday provisions will be revised to add the day after Thanksgiving Day and to substitute New Year's Eve (the day before New Year's Day is observed) for Veterans Day.

The holiday pay qualifications for Christmas Eve - Christmas shall also be applicable to the Thanksgiving Day - day after Thanksgiving Day and the New Year's Eve - New Year's Day holidays.

ARTICLE V- 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 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 claims, premiums or administrative expenses which are payable from trust. Detailed contract

language effectuating all changes in the Plan called for by this Agreement will be worked out by the Joint Policyholder Committee with the insurer.

Section 2. Benefit Changes

The following benefit changes will be made effective on November 1, 1982:

(a) Life Insurance - The maximum life insurance benefit for active employees will be increased from \$6,000 to \$10,000.

(b) Accidental Death, Dismemberment and Loss of Sight - The maximum accidental death, dismemberment and loss of sight benefit, called the "Principal Sum" in Group Policy Contract GA-23000, will be increased from \$4,000 to \$8,000. Those accidental death, dismemberment and loss of sight benefits that are payable in the amount of one-half the Principal Sum will thus be increased from \$2,000 to \$4,000.

(c) Hospital Miscellaneous Benefits - 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 \$2,000 plus 80% of the excess over \$2,000," to "not more than \$2,500 plus 80% of the excess over \$2,500."

(d) Surgical Expense Benefit -

(i) The maximum surgical benefit for all surgical procedures due to the same or related causes, as well as the maximum basic benefit for any one surgical procedure, will be increased from \$1,000 to \$1,500; and the \$1,000 E Surgical Schedule will be replaced by a \$1,500 E Surgical Schedule.

(ii) No surgical expense benefits described in Part E of Article VII of Group Policy Contract GA-23000 will be payable under the Plan with respect to any non-emergency surgical procedure listed below and described in Schedule I to Policy Contract GA-23000 unless the opinions of two surgeons with respect to the medical necessity of the procedure have first been obtained and at least one of those opinions recommends the procedure. Major medical expense benefits described in Part J of such Article will, however, be payable with respect to such a procedure whether or not the opinion of a second surgeon is obtained. The surgical procedures referred to above are:

- | | |
|--------------------------|-----------------------------------|
| 1. Breast Surgery | 7. Gall Bladder Operations |
| 2. Bunion Surgery | 8. Knee Surgery |
| 3. Cataract Surgery | 9. Prostate Operations |
| 4. Hemorrhoid Operations | 10. Rhinoplasty |
| 5. Hernia Repairs | 11. Tonsillectomy & Adenoidectomy |
| 6. Hysterectomy | 12. Varicose Vein Operations |

(e) Radiation Therapy Expense Benefits - The radiation therapy expense benefits and the schedule listing them will be broadened to include

chemotherapy treatments; the overall combined maximum radiation therapy and chemotherapy expense benefits for any one person during any one calendar year will be increased from \$400 to \$600; and the overall combined maximum radiation therapy and chemotherapy expense benefits for any one person for any one accident or sickness will be increased from \$400 to \$600.

(f) X-Ray or Laboratory Examinations - The maximum medical expense benefit for x-ray and laboratory examinations of any one person during any one calendar year will be increased from \$150 to \$250.

(g) Physician's Fee Benefit

(i) The maximum amount payable on behalf of an employee or dependent for physician's charges for visits while the employee or dependent is confined as a hospital in-patient will be increased from \$10.00 to \$12.00 per day of such confinement, and the maximum so payable during any one period of hospital confinement will be increased from \$3,650 to \$4,380.

(ii) The maximum amount payable for physician's office visits by an employee shall be increased from \$10.00 to \$12.00, and for home visits from \$12.00 to \$15.00, 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 first three visits on account of sickness.

(h) Major Medical Expense Benefits - The maximum aggregate amount payable as major medical expense benefits with respect to any eligible employee or dependent during such person's entire lifetime will be increased from \$250,000 to \$500,000.

(i) Hospital Emergency Room - To the extent not otherwise covered under the Plan, benefits will be payable for expenses in excess of \$50 incurred for the use of hospital emergency room by a covered employee or dependent. To the extent the first \$50 of such expenses are not covered by the Plan, they will count toward reaching the cash deductible amount of \$100 under the major medical expense benefits provisions of the Plan.

Section 3. Eligibility

The provision under which a new employee becomes a Qualifying Employee, and may become covered and eligible for benefits, 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, will be changed to provide that a new employee (employed on or after the first day of the calendar month following the month in which this agreement is executed) will become a Qualifying Employee on the first day of the first calendar month starting after the day on which such employee first performs compensated service; provided, however, that no employee or dependent health benefits described in Article VII of Group Policy Contract GA-23000, other than the major medical benefits described in Part J thereof, will be payable to or on behalf of an employee until the expiration of twelve months after the month during which he first performs compensated service.

Section 4. Coverage for Dependents Health Benefits

If an employee is covered immediately prior to his death with respect to an eligible dependent's health benefits described in Article VII of Group

Policy Contract GA-23000, such coverage will continue with respect to those benefits until the end of the fourth month following the month in which the employee's death occurred.

Section 5. Suspended and Dismissed Employees

An employee who is suspended or dismissed from service and is thereafter awarded full back pay for all time lost as a result of such suspension or dismissal will be covered under the Plan as if he or she had not been suspended or dismissed in the first place.

ARTICLE VI - DENTAL BENEFITS

Section 1. Continuation of Plan

The benefits now provided under The Railroad Employees National Dental Plan, modified as provided below, will be continued subject to the provisions of the Railway Labor Act, as amended. Detailed contract language effectuating all changes in the Plan called for by this Agreement will be worked out by the National Carriers' Conference Committee with the insurer.

Section 2. Benefit Changes

The following benefit changes will be made effective on November 1, 1982:

(a) The maximum benefit (exclusive of any benefits for orthodontia) which may be paid with respect to a covered employee or eligible dependent in any calendar year will be increased from \$750 to \$1,000.

(b) The maximum aggregate benefit payable for all orthodontic treatment rendered to an eligible dependent child under the age of 19 during his or her lifetime will be increased from \$500 to \$750.

(c) The benefit payable with respect to the Type A dental expenses described below will be increased to 100% (from 75%) of such expenses, but only to the extent that they exceed the deductible amount, which will not be changed: a. Routine oral examinations and prophylaxis (scaling and cleaning of teeth), but not more than once each in any period of 6 consecutive months. b. Topical application of fluoride for dependent children, but not more than once in any calendar year.

c. Space maintainers designed to preserve the space created by the premature loss of a tooth in a child with mixed dentition until normal eruption of the permanent tooth takes place. d. Emergency palliative treatment (to alleviate pain or discomfort). e. Dental x-rays, including full mouth x-rays (but not more than once in any period of 36 consecutive months), supplementary bitewing x-rays (but not more than once in any period of 6 consecutive months) and such other dental x-rays as are required in connection with the diagnosis of a specific condition requiring treatment.

ARTICLE VII- EARLY RETIREMENT MAJOR MEDICAL BENEFITS

Section 1. Continuation of Plan

The benefits now provided under The Railroad Employees National Early Retirement Major Medical Benefit Plan, modified as provided below, will be continued subject to the provisions of the Railway Labor Act, as amended.

Detailed contract language effectuating all changes in the Plan called for by this Agreement will be worked out by the National Carriers' Conference Committee with the insurer.

Section 2. Benefit Changes

The following benefit change will be made effective on November 1, 1982: The maximum amount payable with respect to any retired or disabled employee covered by the Plan or to any eligible dependent of such a retired or disabled employee will be increased from \$50,000 to \$75,000.

ARTICLE VIII- 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 Railroad Employees National 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 IX- EXPENSES AWAY FROM HOME

Effective December 1, 1982, the meal allowance provided for in Article II, Section 2, of the June 25, 1964 National Agreement, as amended, is increased from \$2.75 to \$3.85.

ARTICLE X - STUDY COMMISSION

Section 1. Pursuant to the recommendations of Emergency Board

No. 194, the parties signatory to this Agreement hereby establish a Study Commission consisting of three partisan members representing the carriers, three partisan members representing the Brotherhood of Locomotive Engineers and a neutral member who shall be Chairman. The Chairman shall be selected by the partisan members within 30 days from the date of this Agreement. If the partisan members of the Commission cannot agree on the Chairman within such 30 days, the partisan members shall request the National Mediation Board to confer with the members and within 15 days of such request select a Chairman.

Section 2. The Commission shall investigate and consider the subject matters listed below:

Basis of pay and related alternatives

Initial and Final terminal delay

Engine exchange

Road/yard restrictions

Supplemental sick pay

Disability pay

Personal leave

Principles and procedures for stabilizing the pay structure of the operating crafts in response to earnings adjustments arising from crew consist agreements.

Additional subject matters may be considered by the Commission by mutual agreement of the partisan members.

Section 3.

The Chairman shall confer promptly with the parties to establish the agenda of the Commission. If the parties fail to agree on the agenda in 30 days, it shall be determined by the Chairman. The Chairman shall have authority to resolve any differences between the members with respect to determining the procedures under which it will operate, scheduling and locations of meetings and the priorities for consideration of the issues. In the event the Chairman is unable to continue his assignment or the partisan members unanimously concur that a successor should be appointed, the procedures set forth above shall be followed in selecting a replacement.

Section 4.

The Chairman, in consultation with the members, shall establish a timetable for negotiations between the parties on the issues submitted to the Commission. If, after 90 days from the date such negotiations begin, the parties have failed to reach agreement or demonstrate evidence of substantial progress in resolving the issues, the Chairman shall convene hearings on the matters in dispute and formulate substantive guidelines to further advance negotiations. The parties shall then negotiate within these guidelines for a period not to exceed 60 days.

Section 5.

If, at the end of such 60 day period, agreement has not been reached on all issues, the Chairman shall make non-binding recommendations to the parties for disposing of all unresolved issues not later than December 1, 1983. While the recommendations of the Chairman shall not be considered final and binding, the parties affirm their good faith intentions to give full consideration to such recommendations as a means of resolving such matters.

Section 6.

The Study Commission shall terminate, unless otherwise agreed to by the parties, 30 days from the date the recommendations have been made.

Section 7.

If the parties are unable to resolve all of the issues covered thereby, either party may serve proposals on or after January 1, 1984 within the framework of any such recommendations in accordance with the Railway Labor Act and the provisions of Article XII, Section 2(c) of this Agreement.

ARTICLE XI- LUMP SUM PAYMENT

In lieu of personal leave days, a lump-sum payment shall be made not later than the first payroll period ending in July, 1983, to employees covered by this Agreement who (a) have had an employment relationship with their employing carrier under the Agreement with the organization signatory hereto as of April 1, 1981, (b) have continued such employment relationship up to

December 31, 1982 and (c) have performed compensated service under such Agreement during the period from April 1, 1981 to December 31, 1982.

Any employee qualifying for the lump-sum payment shall receive \$230.00 if the employee's first service performed on or after January 1, 1982 was as a locomotive engineer. For all other employees qualifying therefor the lump-sum payment will be \$200.00.

There shall be no duplication of lump-sum payments by virtue of employment under an agreement with another organization.

An employee who otherwise meets all of the qualifications outlined above except that he did not have an employment relationship as of the dates specified above because he had been dismissed from service and such employee subsequently is or has been reinstated with seniority unimpaired will be considered eligible to receive the lump-sum payment.

The receipt of the lump-sum payment by an employee will not be considered a factor in connection with nor trigger any other benefit or compensation provided by agreement, such as health and welfare, vacations and guarantees.

ARTICLE XII- 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 26, 1981 and February 2, 1981, and the notices served on or about February 5, 1981 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 June 30, 1984 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) Except as provided by the Letter of Understanding dated September 28, 1982, concerning compensation relationships, and paragraph (d) of this Section 2, the parties to this Agreement shall not serve nor progress prior to January 1, 1984 (not to become effective before July 1, 1984) any notice or proposal for changing any matter:

(1) contained in this Agreement,

(2) listed in Section 2(c)(3) of Article VIII of the Agreement of March 6, 1975, and

(3) contained in the proposals of the parties identified in Section 2(a) of this Article. 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 XII 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 XII 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 on individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT WASHINGTON, D.C. THIS 28TH DAY OF SEPTEMBER, 1982.

FOR THE PARTICIPATING CARRIERS FOR THE EMPLOYEES

LISTED IN EXHIBIT A: REPRESENTED BY

 THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Charles I. Hopkins, Jr. John F. Sytsma

Chairman President

SIGNATURES NOT REPRODUCED

SIDE LETTERS TO THE AGREEMENT

September 28, 1982

Mr. John F. Sytsma

President

Brotherhood of Locomotive Engineers

1112 B of LE Building

1365 Ontario Avenue

Cleveland, Ohio 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to the procedure for selecting a Chairman of the Study Commission pursuant to Article X, Section 1 of the September 28, 1982 National Agreement. It is understood that if the partisan members are unable to agree upon a Chairman and the National Mediation Board is requested to select such Chairman, the Board shall refrain from appointing any person that had been rejected by either party during their

deliberations and attempts to reach agreement on the selection of a Chairman.

This also confirms our understanding that the salary and expenses of the Chairman of the Study Commission, as provided for in Article X, of the September 28, 1982 National Agreement, will be shared equally by the parties. Furthermore, it is agreed that this understanding will not constitute any precedent concerning the payment of neutrals by the parties for any other purpose whatsoever.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,
C. I. Hopkins, Jr.

I concur:
John F. Sytsma

September 28, 1982
Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm our understanding that Article XI of the National Agreement dated September 28, 1982, providing a lump-sum payment in lieu of personal leave days, does not affect any local agreement on the subject of personal leave days.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,
C. I. Hopkins, Jr.

I concur:
John F. Sytsma

September 28, 1982
Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers

1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This refers to discussions during negotiations of the September 28, 1982 National Agreement to which this letter is appended concerning a training program for locomotive engineers.

The National Carriers' Conference Committee will join with you at the national level to develop methods of evaluating and improving the quantity and quality of locomotive engineer training which can be recommended to the individual railroads for their consideration in the design and implementation of their respective training programs.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

September 28, 1982

Mr. John F. Sytsma

President

Brotherhood of Locomotive Engineers

1112 B of LE Building

1365 Ontario Avenue

Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm the understanding reached during the negotiations of the September 28, 1982 National Agreement that the Joint Labor-Management Committee established pursuant to the provisions of Article XII of the July 26, 1978 National Agreement shall be continued insofar as it was established to investigate the issues raised by the organization's proposals for a uniform Physical Examination Rule and Procedures.

Very truly yours,

C. I. Hopkins, Jr.

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This confirms our understanding that to the extent possible employees eligible for an additional week of vacation in 1982 because of the revisions provided for in Article III of this Agreement should be granted such additional vacation prior to the end of this calendar year. However, if the carrier is unable to grant this additional vacation benefit during the balance of this year, such employees shall be paid in lieu of that additional week of vacation.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,
C. I. Hopkins, Jr.

I concur:

John F. Sytsma

September 28, 1982

Mr. John F. Sytsma

President

Brotherhood of Locomotive Engineers

1112 B of LE Building

1365 Ontario Avenue

Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm our understanding that the provisions of Article XII of the September 28, 1982 National Agreement are not applicable to the notice served on railroads generally by the organization on October 20, 1979 (NMB Case No. A-10712).

It is understood that the carriers continue to preserve their position concerning the bargainability and propriety of the proposals contained in the organization's notice under the application of Article XIII of the July 26, 1978 National Agreement or otherwise. It is further understood that the organization disputes any contention that said notice and the proposals therein may not be bargainable and proper, or that negotiations thereon may be

barred by the application of Article XIII of the July 26, 1978 National Agreement or otherwise.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

September 28, 1982

Mr. John F. Sytsma

President

Brotherhood of Locomotive Engineers

1112 B of LE Building

1365 Ontario Avenue

Cleveland, Ohio 44114

Dear Mr. Sytsma:

This is to confirm our understanding that the provisions of Article XII of the September 28, 1982 National Agreement are not applicable to pending notices, or new notices which may be served, seeking to adjust compensation with respect to compensation relationships between the engineer and other members of the crew where compensation, regardless of how derived, has been changed for other members of the crew due to a change in crew consist.

Any organization notice served which meets these conditions may be progressed within, but not beyond, the peaceful procedures for resolving disputes which are provided for in the Railway Labor Act, as amended, i.e., into but not beyond mediation.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C.I. Hopkins, Jr.

I concur:

John F. Sytsma

September 28, 1982

Mr. John F. Sytsma

President

Brotherhood of Locomotive Engineers

1112 B of LE Building

1365 Ontario Avenue

Cleveland, Ohio 44114

Dear Mr. Sytsma:

A committee shall be established by the Joint Policyholders consisting of an equal number of organization and carrier representatives for the purpose of continuing exploration of ways to contain or decrease the costs of maintaining the National Health and Welfare Plan without decreasing the benefits or services that the plan provides. In pursuing cost containment measures the committee will be authorized to obtain and/or develop whatever information is necessary in order to determine where the Plan is incurring unnecessary or excessive expenses. The committee shall make such recommendations as it deems appropriate for implementing any of its findings.

The committee is also authorized to investigate and recommend the implementation of new experimental programs on a community or other basis for the purpose of determining whether existing benefits can be provided in ways which may reduce costs to the Plan while at the same time preserving the services currently provided.

In addition, the committee may consider alternatives to the current Joint Policyholder arrangement, and consider submitting the Plan to competitive bidding; and in this process identify insurers that are fit and able to provide the services necessary in connection with the Plan, the election criteria and the bid specifications.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

September 28, 1982

Mr. John F. Sytsma

President

Brotherhood of Locomotive Engineers

1112 B of LE Building

1365 Ontario Avenue

Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm our discussions during the negotiations of the September 28, 1982 National Agreement concerning the continuation of the Informal Disputes Committee which was established following the execution of the July 26, 1978 National Agreement.

Through utilization of the Informal Disputes Committee numerous questions concerning the application of that Agreement were resolved and the invocation of formal disputes procedures avoided.

Accordingly, with the view of continuing the success in this regard insofar as disputes involving the 1978 National Agreement are concerned and with the expectation that the same results can be achieved relative to disputes which may arise under the September 28, 1982 National Agreement, the Informal Disputes Committee previously established shall continue to function through the term of the September 28, 1982 National Agreement and is authorized to consider questions of application of its provisions that may arise for the purpose of providing a uniform application of such provisions.

The Informal Disputes Committee shall consist of two representatives appointed by the organization and two representatives appointed by the National Carriers'- Conference Committee.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,
C. I. Hopkins, Jr.

I concur:

John F. Sytsma

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This confirms our understanding reached during negotiations leading to the September 28, 1982 National Agreement that the carriers' withdrawal of their proposal with respect to entry rates is in recognition of the parties' understanding that the subject of entry rates is covered by the subject matters submitted to the Study Commission established pursuant to Article X of this Agreement.

Please indicate your concurrence by affixing your signature in the space

provided below.

Very truly yours,
C. I. Hopkins, Jr.

I concur:

John F. Sytsma

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

In accordance with our understanding, this is to confirm that the carriers will make their best efforts to provide the retroactive wage increases in a single, separate check within sixty (60) days; however, it is understood a carrier which finds it impossible to make the retroactive payments within eighty (80) days will notify the General Chairman in writing as to why such payments have not been made and indicate when it will be possible to make such retroactive payments.

It is further understood that such retroactive wage increases are due only to employees who (a) have performed service during the period covered by the retroactive wage increases and (b) have continued their employment relationship up to the date hereof or have in the meantime either retired or died.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,
C.I. Hopkins, Jr.

I concur:

John F. Sytsma