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SIDE LETTERS TO PEB 219 IMPLEMENTING AGREEMENT

July 29, 1991

#1

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the \$2,000 lump sum payment provided for in Article I, Section 1 of this Implementing Document.

In the case of an employee who was recalled from reserve status and performed active military service during 1990 as a result of the Persian Gulf crisis, such employee will be credited with 5 days of compensated service for each week of such military service for purposes of calculating eligibility for the lump sum amount provided he would otherwise have been in active service for the carrier.

Very truly yours,

C.I. Hopkins, Jr.

July 29, 1991

#2

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the Lump Sum Payment provided for in Article I, Section 1 of this Implementing Document.

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

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

Larry D. McFather

July 29, 1991

#3

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the increase in wages provided for in Section 2 of Article I of this Implementing Document.

It is understood that the retroactive portion of that wage increase will be paid within 60 days from the effective date of this Implementing Document. It is further understood that it shall be applied only to employees who have continued their employment relationship up to the date of this Implementing Document or who have retired or died subsequent to July 1, 1991.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

L.D. McFather

July 29, 1991

#4

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the Lump Sum Payments provided in Articles I and II of this Implementing Document.

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

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

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

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

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

I agree: L.D. McFather

July 29, 1991

#5

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the lump sum payments provided for in Article II of this Implementing Document.

Sections 1 to 4, inclusive, of Part A of Article II - Cost-of-Living Payments are structured so as to provide lump sum payments that are essentially based on the number of straight time hours credited to an employee during a specified 12-month base period. Section 8 provides that all of these lump sum payments are payable to an employee who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable base period used to determine the amount of such payment. Thus, for example, under Section 1 of Part A of Article II, except for an employee who has retired or died, the agreement requires that an employee have an employment relationship as of July 1, 1992 in order to receive a lump sum payment which will be based essentially on the number of straight time hours credited to such employee during a period running from April 1, 1991 through March 31, 1992.

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

In recognition of this, we again confirm the understanding that an individual having an employment relationship with a carrier on the last day of a particular measurement period will not be disqualified from receiving the

lump sum (or portion thereof) provided for in the event his employment relationship is terminated following the last day of the measurement period but prior to the payment due date.

Very truly yours,

C.I. Hopkins, Jr.

July 29, 1991

#6

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our discussions with respect to the calculations of straight time hours in connection with the lump sum payments provided for in Article II of this Implementing Document.

It is understood that the straight time equivalent number of hours paid for at the overtime rate of pay for employees engaged in yard service or on runs the miles of which are not in excess of the number of miles encompassed in the basic day shall be included in such calculations.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

L.D. McFather

July 29, 1991

#7

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to Article III Part A of this Implementing Document dealing with the Railroad Employees National Health and Welfare Plan (the "Plan"), and in particular to one facet of the arrangements for funding the benefits provided for under the Plan.

It is understood that, insofar as carriers represented by the National Carriers' Conference Committee in connection with health and welfare matters but not in connection with wages and cost-of-living adjustments are concerned, the cost-of-living adjustments for 1992 and thereafter that may have already been agreed to by such carriers, or that may be agreed to in the future, shall be adjusted - unless the asreement involved, reached on an individual property basis, provides as a part of the wage settlement that the employees covered by it shall not share in any year-to-year increases in Plan costs- so that the employees covered by such agreements shall receive cost-of-living adjustments that are less (than they would otherwise receive) by an amount equal to the lesser of (i) onequarter of the year-to-year increases in the carriers' payment rate for the foreign-to-occupation portion of health benefits under the Plan as defined in the Agreement referred to in the first paragraph of this letter and (ii) one-half of the amount, pro-rated where appropriate, they would otherwise receive.

If the parties involved are unable to reach agreement on the specific manner of making the adjustments, or on any other terms and conditions regarding the adjustments, it is understood that such dispute shall be submitted, upon the written notice by either party, to arbitration by a neutral arbitrator within thirty (30) days after such notice is transmitted by one party to the other. Should

the parties involved fail to agree on selection of a neutral arbitrator within five (5) calendar days from the date the dispute is submitted to arbitration, either party may request the National Mediation Board to supply a list of at least five (5) potential arbitrators, from which the parties shall choose the arbitrator by alternatively striking names from the list.

Neither party shall oppose or make any objection to the NMB concerning a request for such a panel. The fees and expenses of the neutral arbitrator should be borne equally by the parties, and all other expenses should be paid for by the party incurring them. The arbitrator shall conduct a hearing within thirty (30) calendar days from the date on which the dispute is assigned to him or her. Each party shall deliver all statements of fact, supporting evidence and other relevant information in writing to the arbitrator and to the other party, no later than five (5) working days prior to the date of the hearing. The arbitrator shall not accept oral testimony at the hearing, and no transcript of the hearing shall be made.

Each party, however, may present oral arguments at the hearing through its counsel or other designated representative. The arbitrator must render a written decision, which shall be final and binding, within thirty (30) calendar days from the date of the hearing.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree: Larry D. McFather

July 29, 1991

#8

Mr. Larry D. Mcfather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our understanding concerning the manner in which Article V - - **Special Pay Differential**, will be applied.

We agreed that prior to November 1, 1994, the special pay differential will continue to be paid to otherwise eligible engineers, notwithstanding the provisions of any agreement any carrier may enter into with the United Transportation Union subsequent to the date of this letter to eliminate productivity funds for crew consist protected trainmen pursuant to a crew consist agreement or to substitute "up-front" allowances in lieu thereof. We further agreed that on and after November 1, 1994, **engineers will be eligible for the special pay differential only if they meet the conditions set forth in Article V.**

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

Yours very truly,

C. I. Hopkins, Jr.

I agree:

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Larry D. McFather

July 29, 1991

#9

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our discussions with respect to Article VIII - Road/Yard Work of this Implementing Occument.

It is understood that, except as modified in Section 1 (c) of Article VIII, such Article does not change, alter or amend existing interpretations regarding over-the-road solid run through train operations.

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

Very truly yours,

C.I.Hopkins, Jr.

I agree:

Larry D. McFather

July 29, 1991

#10

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our discussion concerning Article IX - Special Relief of this Implementing Document, particularly, the 14 day advance notice provision required before implementing any such special relief service.

We agreed that in most situations there will be ample opportunity, between the time that a special service need arises and when it must be implemented in order to retain or obtain a customer, to meet the 14 day notice requirement. In fact, in situations where practicable the carriers should provide more advance notice in order to enhance the opportunity for agreement with the appropriate General Chairmen.

However, we also recognized that situations may arise where it is impossible to provide 14 days' advance notice without losing or substantially risking the loss of a customer or new business. It was understood that in such a case it is not the intent of Article IX to bar a carrier from pursuing business opportunities. Accordingly, the carrier will furnish as much advance notice as possible in such a situation; observe the remaining provisions of Article IX, and bear the additional burden of proving that a notice period of less than 14 days was necessary.

If, in the opinion of the organization, this relaxed notice excsption has been abused, the parties agree to confer and consider methods to eliminate such abuse, including the possibility of elimination of this exception.

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

Yours very truly,
C.I. Hopkins, Jr.

I agree: Larry D. McFather

July 29, 1991

#11

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our understanding with
respect to this Implementing Document.

The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Implementing Document. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Implementing Document will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

Larry D. McFather

Illustrative Road/Yard Questions and Answers

Q1: A road crew at its final terminal delivers cars in interchange and picks up from the same foreign carrier before yarding his train. How many moves are involved?

A: Two, the delivery is one move and the pick up the second.

Q2: A road crew at its initial terminal is required to get its train from three tracks in the same location, where one track would have held the entire pick up. How many moves are involved?

A: One.

Q3: A road crew arrives at its final terminal with four blocks of cars all for foreign carriers. How many deliveries may the road crew make?

A: Three in addition to yarding their train at final terminal.

Q4: What is meant by "multiple tracks"?

A: "Multiple tracks" are more tracks than the minimum number required to hold the cars in question.

Q5: A road crew at its final terminal picks up twenty cars at Yard A, delivers 40 different cars to a foreign carrier then yards its train including the twenty cars picked up at Yard A on multiple tracks in Yard B. How many moves have been made?

A: Three.

Q6: Can a road crew set out in its final terminal and thereafter effect an interchange?

A: Yes.

Q7: Can a road crew (other than an over-the-road solid run through train) when making an interchange delivery or setting out at other than its final yard use multiple tracks to effectuate the move?

A: No. The application of the multiple track move is limited to where the road crew receives its train at the initial terminal and yards its train at the final terminal.

Q8: Railroad A has Railroad B do its switching at City X. What may Railroad A's road crews do at City X?

A: Railroad A's crews may do the same things as any other road crews.

Q9: A road crew at its initial terminal is required to get its train from three tracks because three tracks were required to hold the entire train. Is this considered a move?

A: No. This is a proper double over and does not count as one of the three additional moves permitted.

Q10: The carrier chooses to have a road crew get or leave its train on multiple tracks where a minimum number of tracks were available to hold the train and could have been used. Does this constitute a move so as to permit the road crew two additional moves at the initial or final terminal yard?

A: Yes. The use of multiple tracks is one of the allowable moves.