

**Central & Southern Region Hourly Agreement  
For Employees**

**Between**

**Kansas City Southern Railway Company**

**AND**

**Louisiana & Arkansas Railway Company**

**AND**

**Mid-South Rail Corporation**

**AND**

**Tex-Mex Railway Company**

**AND**

**Consolidated Territory**

**AND**

**Dakota, Minnesota & Eastern (DM&E)**

**d/b/a Canadian Pacific Kansas City Railway**

**AND**

**ITS EMPLOYEES REPRESENTED BY  
Transportation Division  
Of SMART-TD**



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**PREAMBLE:**

This Agreement is intended to provide enhanced quality of life, employment security and compensation enhancements to the SMART-TD membership in addition to providing operating flexibility to the Company, resulting in increased productivity. This is a new **consolidated agreement** covering the rail properties identified on Page 1. Henceforth, the term "Central & Southern Region (CSR)" will be understood to incorporate all such properties for collective bargaining purposes. Within this Agreement, any specific reference to one of these properties should be understood as in the "former" sense.

Therefore, **it is hereby agreed:**

**ARTICLE 1 - PURPOSE**

The fundamental objective of the Company is to operate a safe, efficient and effective railroad transport operation and a key component to the success of this venture is the contribution of our train service employees.

This Agreement is founded on a principle of paying for Employee's time on an all-inclusive basis and contemplates that in order for the operation to be successful, individuals will perform all duties requested of them, subject to the provisions contained herein.

**ARTICLE 2 - GENERAL PRINCIPLES**

- A. In this Agreement, words implying the singular shall include the plural and vice versa where the context requires. Words implying the masculine gender shall include the feminine where the context requires.
- B. This Agreement is intended to be applied in a non-discriminatory manner without regard to age, race, creed, color, gender, national origin, disability, sexual orientation or marital status.
- C. The parties recognize that for some this is a new Agreement, which replaces any and all existing Agreements, unless otherwise provided, and introduces changes in the workplace. In recognition of this a committee consisting of the SMART-TD General Chairperson, a SMART-TD Member appointed by the General Chairperson, and the Company's General Manager (s) Operations and Director Labor Relations or their respective designates, two from each party, will be established. This committee will be known as the Labor / Management Resolution

Committee, and will meet quarterly (during the months of January, April, July and October, unless otherwise agreed) to review the application of this Agreement.

### **ARTICLE 3 - RECOGNITION**

- A. This Agreement covers all Conductors, Brakeman, Utility, and Remote Control Operator positions employed by the Company and represented by the SMART-TD under the Railway Labor Act, as amended.
- B. The term "Employee" as herein referred to shall include Employees represented by the SMART-TD, except where otherwise specifically provided for herein. The term "Company" shall mean Canadian Pacific Kansas City Railway. The term "Union" or "General Committee" shall mean the Transportation Division-Sheet Metal Air Rail and Transportation (SMART-TD).
- C. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of Employees covered by this Agreement shall be vested in the regularly constituted General Committee of the SMART-TD.
- D. Where the term "duly accredited representative" appears herein, it shall be understood to mean the regularly constituted General Committee and/or the Officers of the SMART-TD of which such General Committee or Officers are a part.

### **ARTICLE 4 - SCOPE OF AGREEMENT**

- A. The parties recognize that the scope of this Agreement is unlike traditional agreements in the rail industry and that it must be interpreted accordingly. That being said, the primary role of an Engineer is to perform transportation duties associated with the operation of locomotives, and the primary role of Conductors and Brakemen is to perform transportation duties traditionally associated with train service ground Employees. Additionally, the Company may establish Utility Position(s) and such Utility Position(s) shall perform the duties traditionally performed by a Utility Employee. (Q&A #1)
- B. The parties recognize that in order to meet a customer's immediate service need, or to meet operational exigencies at a time a regularly assigned crew is not present and available in the terminal for such service, and time will not permit calling a rested extra employee, a qualified employee may be used, without penalty, to perform such service.
- C. The parties recognize that to achieve maximum efficiency of operations and to expedite

movement of trains, Employees may perform incidental work for which they are qualified without additional compensation in the absence or unavailability of another Employee who would otherwise perform such work. (Q&A #1)

**ARTICLE 5 - WAGES**

A. Except as otherwise provided herein for “Non-Service”, the rate of pay on the effective date of this agreement will be as shown in the Table below:

**The following rates are effective July 1, 2026**

<b>Position</b>	<b>Hourly Rate:</b>	<b>Overtime Rate:</b>	<b>General Holiday Rate:</b>	<b>Weekly Guaranteed Extra Board Rate:</b>	<b>Non-Service Hourly Rate:</b>
<b>Assistant Engineer*/Conductor/Utility Employee</b>	\$48.80	\$73.20	\$58.56	\$1,654.49	\$37.24
<b>Brakeman**</b>	\$45.45	\$68.17	\$54.54	\$1,654.49	\$34.76
<b>Tex Mex Conductor / Utility**</b>	\$45.00	\$67.50	\$54.00	\$1,514.85	\$34.20
<b>Tex Mex Brakeman**</b>	\$41.85	\$62.78	\$50.22	\$1,514.85	\$31.81

**The following rates are effective July 1, 2027**

<b>Position</b>	<b>Hourly Rate:</b>	<b>Overtime Rate:</b>	<b>General Holiday Rate:</b>	<b>Weekly Guaranteed Extra Board Rate:</b>	<b>Non-Service Hourly Rate:</b>
<b>Assistant Engineer*/Conductor/Utility Employee</b>	\$51.01	\$76.50	\$61.20	\$1,729.11	\$38.92
<b>Brakeman**</b>	\$47.50	\$71.25	\$57.00	\$1,729.11	\$36.33
<b>Tex Mex Conductor / Utility**</b>	\$47.03	\$70.54	\$56.44	\$1,583.17	\$35.74
<b>Tex Mex Brakeman**</b>	\$43.74	\$65.61	\$52.48	\$1,583.17	\$33.24

**The following rates are effective July 1, 2028**

<b>Position</b>	<b>Hourly Rate:</b>	<b>Overtime Rate:</b>	<b>General Holiday Rate:</b>	<b>Weekly Guaranteed Extra Board Rate:</b>	<b>Non-Service Hourly Rate:</b>
<b>Assistant Engineer*/Conductor/ Utility Employee</b>	\$54.01	\$81.01	\$64.81	\$1,830.95	\$41.21
<b>Brakeman**</b>	\$50.30	\$75.45	\$60.36	\$1,830.95	\$38.47
<b>Tex Mex Conductor / Utility**</b>	\$49.80	\$74.70	\$59.76	\$1,676.42	\$37.85
<b>Tex Mex Brakeman**</b>	\$46.31	\$69.47	\$55.58	\$1,676.42	\$35.20

**The following rates are effective July 1, 2029**

<b>Position</b>	<b>Hourly Rate:</b>	<b>Overtime Rate:</b>	<b>General Holiday Rate:</b>	<b>Weekly Guaranteed Extra Board Rate:</b>	<b>Non-Service Hourly Rate:</b>
<b>Assistant Engineer*/Conductor/ Utility Employee</b>	\$55.76	\$83.64	\$66.91	\$1,890.46	\$42.55
<b>Brakeman**</b>	\$51.93	\$77.90	\$62.32	\$1,890.46	\$39.72
<b>Tex Mex Conductor / Utility**</b>	\$52.61	\$78.91	\$63.13	\$1,770.97	\$39.98
<b>Tex Mex Brakeman**</b>	\$48.92	\$73.39	\$58.71	\$1,770.97	\$37.19

**The following rates are effective July 1, 2030**

<b>Position</b>	<b>Hourly Rate:</b>	<b>Overtime Rate:</b>	<b>General Holiday Rate:</b>	<b>Weekly Guaranteed Extra Board Rate:</b>	<b>Non-Service Hourly Rate:</b>
<b>Assistant Engineer*/Conductor/ Utility Employee</b>	\$57.44	\$86.15	\$68.92	\$1,947.17	\$43.83
<b>Brakeman</b>	\$53.49	\$80.24	\$64.19	\$1,947.17	\$40.91

**The following rates are effective July 1, 2031**

<b>Position</b>	<b>Hourly Rate:</b>	<b>Overtime Rate:</b>	<b>General Holiday Rate:</b>	<b>Weekly Guaranteed Extra Board Rate:</b>	<b>Non-Service Hourly Rate:</b>
<b>Assistant Engineer*/Conductor/ Utility Employee</b>	\$59.76	\$89.63	\$71.70	\$2,025.84	\$45.60
<b>Brakeman</b>	\$55.65	\$83.48	\$66.78	\$2,025.84	\$42.56

**The following rates are effective July 1, 2032**

Position	Hourly Rate:	Overtime Rate:	General Holiday Rate:	Weekly Guaranteed Extra Board Rate:	Non-Service Hourly Rate:
<b>Assistant Engineer*/Conductor/Utility Employee</b>	\$62.17	\$93.24	\$74.59	\$2,107.48	\$47.44
<b>Brakeman</b>	\$57.89	\$86.84	\$69.47	\$2,107.48	\$44.28

**The following rates are effective July 1, 2033**

Position	Hourly Rate:	Overtime Rate:	General Holiday Rate:	Weekly Guaranteed Extra Board Rate:	Non-Service Hourly Rate:
<b>Assistant Engineer*/Conductor/Utility Employee</b>	\$64.67	\$96.99	\$77.59	\$2,192.41	\$49.35
<b>Brakeman</b>	\$60.22	\$90.33	\$72.26	\$2,192.41	\$46.06

\*Assistant Engineer rates are subject to all former DM&E and Consolidated Territory Assistant Engineers. This does not restrict the Company in utilizing Trainmen from the new Central & Southern Region Hourly Agreement through the regular calling order (SIDE LETTER #1)

\*\*As applicable, Conductor/Utility Employee and Brakeman rates as shown above apply to former Tex-Mex trainmen and those DM&E Trainmen off the **DM&E South and Consolidated Territory** who are now part of the Central & Southern Region Hourly Agreement (SIDE LETTER #1). Rates on all properties are unified effective with the Sixth Increase (July 1, 2030)

- B. Except as otherwise specified in Article 7, Section 1 of this Agreement, ten (10) hours or less will constitute a basic day and pay for all time on duty after ten (10) hours, or the hours encompassed in the basic day of the job to which assigned if other than ten hours, will be at the rate of time and one half. Employees requesting to be relieved during their tour of duty will be paid actual time on duty. (Q&A #2)
  
- C. Employees who perform service, at the request of the Company, which starts on their assigned rest days shall be paid for such service at the rate of time and one-half. Extra Board Employees that perform service on their assigned rest days will not have their guarantee offset by the time and one half earnings provided the Employee has been fully available on his scheduled work days during the entire week. In the application of this provision, overtime applies when you are

called and listed to work or deadhead, with an on duty time on or after 00:01 on your rest day at your home terminal. (Q&A #2)

- D. The Non- Service eight (8) hour rate of pay on the effective date of this agreement will be based on the service to which assigned and as shown above in the table in Paragraph A of this Article 5. This rate will be paid for the following service categories when Employees do not perform train service: Attending Court and Inquests, Jury Duty, Company Required Training, Company Initiated Meetings, Bereavement, Personal Leave Days, Company or regulatory agency (e.g. FRA) required Medical Examinations and Attending Investigations when no Discipline is assessed.
- E. When Employees are called to commence work on General Holidays they shall be paid at a rate of 1.2 times the regular hourly rate (blended rate) for the basic day and 1.5 times the blended rate for time worked in excess of the number of hours of their advertised basic day.
- F. Unless otherwise provided in this Agreement, the rates of pay as indicated herein represent complete and total payment for the performance of all work which is associated with the Employees covered by this agreement.
- G. New Employees will be appointed to the entry level training program and will be paid at ninety percent (90%) of the Brakeman's hourly rate of pay. Upon accumulating one (1) year of cumulated compensated service as Brakeman or upon qualification as Conductor, whichever comes first, such Employee will be paid at one hundred percent (100%) of the applicable hourly rate of pay.

## **ARTICLE 6 – SENIORITY**

### **Section 1            General**

- A. The right of Employees to perform service will be governed by seniority, qualifications being equal. The qualified Employee longest in the service will have the preference.
- B. The Company will keep the General Chairperson and each Local Chairperson of the SMART-TD supplied with lists of Employees and their seniority dates and rank numbers as in conformity with their standing as recorded on the seniority lists subject to the rules hereinafter provided for.
- C. Employees who request and are granted authority to transfer from their current Zone to a different Zone identified in Section 6 of this Article 6 will be required to remain at the location

for a minimum of ninety (90) calendar days once qualified and marked up at the new location. At the Company's discretion, the ninety (90) day period may be reduced based on the needs of service.

## **Section 2            Establishment**

- A. The seniority date of newly hired Employees will be the first date of service performed. In the event more than one Employee is hired on the same date (start classroom together), seniority will be allocated by random drawing during the new hire training classes.
  
- B. Employees who establish seniority subsequent to the effective date of this agreement may be force assigned, first on the adjacent seniority district, if no vacancies on the adjacent, then at any other location with preference being the nearest location to the location which hired. Employees will not be force assigned under this Section after accruing three (3) years of active service measured from date of hire and the period of force assignment will not exceed three (3) years. At the end of three (3) years, or when released, whichever occurs first, Employees force assigned will be given the choice of returning to the seniority district in which hired or staying in the seniority district to which force assigned. Employees force assigned will have up to sixty (60) days lodging, at the Company's expense, at the location to which assigned.
  
- C. In the event a junior employee becomes available in the seniority district from which an Employee was force assigned under this provision, the force assigned employee may request to be returned to his home district and shall be permitted to return when a junior employee is forced and arrives at the location and is qualified or after thirty (30) days whichever occurs first.
  
- D. If there are more than one (1) employee from the same location where there is a surplus of employees, and prior to furlough, the Senior employee will be given first preference to exercise seniority to a district with a vacancy. If the senior employee does not elect to exercise seniority then the junior employee will be force assigned under the conditions of this Article 6.

## **Section 3            Furloughed Employees**

- A. In the event there is a surplus of employees on multiple Districts, and prior to furlough, the senior employee, using system seniority, will be given first preference to exercise seniority to a district with a vacancy. If the senior employee does not elect to exercise seniority then the junior employee will be force assigned under the conditions of this Article 6.

- B. Subject to manpower requirements and the forgoing provisions of this Article 6, Employees may be furloughed. In the event Employees are furloughed they may be used to fill vacancies in accordance with their seniority when extra employees are unavailable to fill vacancies. This applies to vacancies ordinarily filled by extra employees. Furloughed employees must provide the Company with a current telephone number to be contacted if they desire to protect service requirements as provided in Article 7, Section 4 and Article 10.
- C. Furloughed employees will be subject to recall and will be provided a recall to service notice via certified letter which will be sent to their last known address. Employees may also indicate an email address if they prefer to be notified by email. Employees must respond to the Company within ten (10) days and must report for duty within fifteen (15) days from the date of receipt of the certified letter. It is the furloughed employee's responsibility to provide the Company with their current address. Employees who fail to report as outlined herein will have their name removed from the seniority roster and their services with the Company terminated.

**Section 4                      Alternative Training Status (ATS)**

- A. At such time as Trainmen are subject to furlough, the Company may, at its sole option, establish Alternate Training Status "ATS" board which shall apply and operate according to the terms and conditions set forth in this Agreement.
- B. Trainmen otherwise subject to furlough may, within 48 hours of furlough, accept or decline ATS, when established. The Company may not establish a number of ATS positions greater than the number of Trainmen who are eligible to be furloughed at a location.
- C. The Company may at any time reduce the number of ATS positions by recalling in seniority order or furloughing in reverse seniority order. It is understood that under this agreement, recall from the ATS, is immediate upon notification by the Company.
- D. Trainmen accepting ATS will be guaranteed the compensation equating to eight (8) basic days of work at the basic daily rate of pay applicable to the GEB during any full calendar month while in ATS. Pay for service performed shall be at the rate applicable to that service under the collective agreement. There will be no pyramiding of compensation.
- E. The Company shall determine and notify the Trainman on which specific eight (8) days of a given month the Trainman is to be available to protect service. Availability will be measured from 0001 – 2359. Trainmen may be required to work additional days in order to complete a tour of duty/ return to their home terminal.
- F. On any day a Trainman is required to protect, the Trainman may be required to attend rules, recertification or other training as designated by the Company.
- G. Trainmen who are available for service on all eight (8) days, regardless of whether called for service or training for the eight days scheduled, will be eligible for coverage under the

Health and Welfare plan. Trainmen who are not available or do not report for training or service for which called will forfeit the minimum guarantee provided herein and will be paid only for earnings made during the month. Changes made by the Company during the month will not affect an employee's entitlement for minimum guarantee or Health and Welfare coverage so long as the employee did not cause himself to be unavailable.

- H. Trainmen in ATS will only be called to perform train service after the calling procedures for all extra boards in effect at the Trainmen's regular work location have been exhausted.
- I. In addition to their identified 8 days to protect service Trainmen may elect to make themselves available for emergency service by advising the crew management center. Any emergency service performed will be at the rate applicable to that service under the appropriate collective agreement and will not count against their guarantee nor will it be counted towards their 8-day protection requirement.
- J. Trainmen who have vacation scheduled prior to their marking the ATS board will be entitled to observe such, have their guarantee pro-rated accordingly or may be assigned an alternate day to protect service at the discretion of the Company.
- K. A trainman in ATS is required to protect service and fails to will be considered as being 'unavailable' and shall result in removal from the ATS board, forfeiture of the monthly guarantee in that month and eligibility for continued coverage under the Health Care Plan.

**Section 5                    Re-Entering Service**

Employees reinstated retain their rank of seniority. Employees reemployed lose their former rank and enter the service as new Employees.

**Section 6                    Seniority District and Extra Board Locations**

A. Upon the effective date of this Agreement, the following Seniority Districts will be established and will replace all Seniority Districts and Seniority Rosters in the KCS/L&A, Mid-South, Tex-Mex, DM&E and Consolidated Territory previously in effect, subject to provisions of this agreement herein:

<u>Seniority District 1**</u>	<u>Mason City, Marquette &amp; Dubuque</u>	
<u>Zone No.</u>	<u>Extra Board Location(s) &amp; Source of Supply Point(s)</u>	<u>Protects</u>
1	Mason City	All assignments headquartered at Mason City and between Mason City and Waseca, excluding Waseca

2	Marquette/Dubuque	and at and between Mason City and Sheldon.  All assignments headquartered at Marquette and/or Dubuque and operating between Marquette/Dubuque and Twin Cities, excluding Twin Cities; and Savanna, excluding Savanna.
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<b><u>Seniority District 2**</u></b>		
<b><u>Savanna &amp; Nahant</u></b>		
<b><u>Zone No.</u></b>	<b><u>Extra Board Location(s) &amp; Source of Supply Point(s)</u></b>	<b><u>Protects</u></b>
1	Savanna	All assignments headquartered at Savanna and/or between Savanna and Bensenville and/or the BRC, excluding Bensenville, Also, assignments operating between Pingree Grove and Davis Jct. to Janesville, Wi and assignments originating at Clinton
2	Nahant/Davenport	All assignments headquartered at Nahant and/or Davenport operating between those locations and Chicago/Bensenville or those locations and Ottumwa.

<b><u>Seniority District 3**</u></b>		
<b><u>KCS Proper</u></b>		
<b><u>Zone No.</u></b>	<b><u>Extra Board Location(s) &amp; Source of Supply Point(s)</u></b>	<b><u>Protects</u></b>
1	Ottumwa	All assignments headquartered at or between Ottumwa and Kansas City, excluding Kansas City.
2	Kansas City*	All Assignments headquartered at or between Kansas City and / or Mexico; Including International Freight Gateway (IFG); and/or to

3	East St. Louis	Ottumwa and Pittsburg, excluding Ottumwa and Pittsburg. All assignments headquartered at or between East St. Louis and Mexico; and East St. Louis and Springfield.
4	Pittsburg	All Assignments headquartered at or between Pittsburg and Kansas City; excluding Kansas City; and between Pittsburg and Watts; and Pittsburg and Heavener excluding Heavener.
5	Heavener	All assignments headquartered at or between Heavener and Pittsburg; excluding Pittsburg and Watts; and between Heavener and Dequeen, including Ft. Smith Branch, and Waldron Brand; and between Heavener and Shreveport, excluding Shreveport.

\* Rules governing Regulation of Equity and KC Yard Equity per the former Consolidated Agreement shall be preserved herein (Addenda).

<b><u>Seniority District 4</u></b>		<b><u>Shreveport</u></b>
<b><u>Zone No.</u></b>	<b><u>Extra Board Location(s) &amp; Source of Supply Points</u></b>	<b><u>Protects</u></b>
1	Shreveport/Bossier City	All Assignments headquartered at or between Shreveport and Heavener; excluding Heavener but including south of Dequeen; excluding Dequeen; and between Shreveport and Beaumont, including Port Arthur. All assignments headquartered at or between Shreveport and Vicksburg, excluding Vicksburg.
2	Wylie	All Assignments headquartered at or between

		Wylie and Shreveport, excluding Shreveport; and between Wylie and Metro Junction, including Dallas Branch.
3	Lake Charles	All assignments headquartered at or between Lake Charles and Leesville, including Leesville; between Lake Charles and Beaumont, excluding Beaumont.
4	Beaumont	All assignments headquartered at Beaumont and Port Arthur.

<b><u>Seniority District 5</u></b>		<b><u>Speedway</u></b>
<b><u>Zone No.</u></b>	<b><u>Extra Board Location(s) &amp; Source of Supply Point(s)</u></b>	<b><u>Protects</u></b>
1	Jackson	All Assignments headquartered at Jackson; and between Jackson and Vicksburg, including Vicksburg.
2	Meridian	All assignments headquartered at or between Meridian and Jackson, excluding Jackson; between Meridian and Myrtlewood, including Myrtlewood, and assignments at Gulfport.
3	Artesia	All assignments headquartered between Tupelo, Meridian and Tuscaloosa; excluding Tupelo and Meridian.
4	Corinth	All assignments headquartered at or between Counce and Tupelo.

<b><u>Seniority District 6</u></b>		<b><u>Pelican</u></b>
<b><u>Zone No.</u></b>	<b><u>Extra Board Location(s) &amp; Source of Supply Point(s)</u></b>	<b><u>Protects</u></b>

1	Latanier	All assignments headquartered at or between Latanier and Baton Rouge excluding Baton Rouge.
2	Baton Rouge	All assignments headquartered at Baton Rouge and between Baton Rouge and Norco, excluding Norco.
3	Norco	All assignments headquartered at or between Norco and New Orleans.

<b><u>Seniority District 7</u></b>		<b><u>Gulf</u></b>
<b><u>Zone No.</u></b>	<b><u>Extra Board Location(s) &amp; Source of Supply Point(s)</u></b>	<b><u>Protects</u></b>
1	Kendleton	All assignments headquartered at or between Kendleton and Beaumont/Port Arthur, excluding Beaumont/Port Arthur
2	Laredo	All assignments headquartered at or between Laredo and Kendleton and Laredo and Corpus Christi; excluding Kendleton

\*\* NOTE: Assistant Engineers on the former Consolidated Territory operating between Ottumwa and Kansas City including Kansas City (Zones 1 & 2 of Seniority District 3) and on the former DM&E territory (Seniority Districts 1 & 2), will continue to operate thru freight trains as EN/AE. This does not restrict the Company in utilizing Trainmen from the new Central & Southern Region Hourly Agreement under regular calling order **(SIDE LETTER #1)**

B. The Company shall provide notice, in writing, of not less than sixty (60) days to the General Chairperson, of its intent to establish a new terminal and one hundred twenty (120) days of its intent to abolish an existing terminal. Such notice shall identify the terminal (s) involved, the operational reasons for the change and the effective date of the intended change.

**Section 8 Entitlements of affected Employees.**

A. When an Employee is required by the Company to relocate to a new work location which is in excess of fifty miles from the Employee's existing work location, the Company will pay, in lieu of any and all other moving and/or relocation benefits, including real estate protection from loss on sale of the home, a "relocation allowance" of \$25,000; provided the new work location is more than 50 miles from the Employees existing work location and is a greater distance from the Employee present residence than was the former work location. Such allowance shall be paid in the increments and upon completion of the requirements set forth immediately below:

- (i) \$5,000; paid to Employee upon reporting to and marking up at the new location.
- (ii) \$10,000; upon receipt by the Company of documentation showing a receipt from a moving or rental company identifying that; 1)the Employee's personal household goods were delivered to the location of the Employee's new residence and 2) provide proof in the form of a lease or ownership of his residence at the new location.
- (iii) \$10,000; payable sixty (days) from the Company's receipt of proof of the later occurrence of either event specified in (ii) above.

All events in Paragraphs (i) – (iii) above, and corresponding payments therefore, must be concluded one (1) year from the date the Employee was notified of the requirement to relocate or from abolishment of the Employee's position and the former location, whichever occurs later.

**This Section 8 does not apply to any relocation resulting from the normal exercise of seniority or force assignment occurring in accordance with this agreement.**

## **Section 9                      Seniority Roster**

- A. Current Employees will be placed on a District Seniority Roster in accordance with their former relative seniority standing on the applicable seniority roster of the property on which employed on the day prior to the effective date of this Agreement.
- B. Seniority rosters for the Seniority Districts outlined in Section 6 herein will continue to be compiled by the Company and posted on or before January 30 of each year with copies furnished to the General Chairperson and Local Chairmen. Rosters will show each employee's name, employee number, date of seniority, status and prior rights code if applicable. A seniority date

not protested within 90 days from its first posting will be considered permanently established, and future requests for changes will not be considered except to correct typographical errors.

- C. Employees establishing seniority on or after the effective date of this Agreement will be placed at the bottom of the Trainman system roster in order of their date of hire.

#### **Section 10            Promotion**

- A. Conductors who have established train service seniority on or after June 1, 2009 will be required to accept transfer to engine service. If the number of applicants for engine service on the seniority district is insufficient to meet the Company's needs, such needs shall be met by requiring post June 1, 2009 Conductors to transfer to engine service in reverse seniority order. Existing practices regarding instruction and examination in effect prior to the implementation of this Agreement will continue. Conductors who are forced to take promotion to engine service and who fail the promotion for engineer will result in automatic termination of all seniority and rights to work under this Agreement.
- B. Classes for promotion to engineer shall be bulletined at least fifteen (15) days in advance of the start date of the class. Subject to qualifications and fitness being equal and sufficient, applicants shall be selected in seniority order based on their relative standing on the Conductor Seniority Roster.
- C. Conductors who fail to successfully pass the required promotion examinations referenced in on the first attempt will be afforded a second and final opportunity to complete the examination(s) previously failed. Such second and final attempt must be given not less than five (5) days hours and not more than fifteen (15) days from the first attempt.

#### **Section 11            Prior Rights**

- A. Engineers and Trainmen possessing prior System Seniority District rights on their respective seniority districts will continue to possess relative prior rights to any existing former System Seniority District positions on their seniority district(s).
- B. Equity between former prior right districts will be determined between the Local Chairperson(s) and Superintendent(s) involved. Disputes regarding equity will be resolved by the General Chairperson. (Q&A #3)

### **ARTICLE 7 - JOB VACANCIES AND BIDDING**

**Section 1 Regular Assignments and Extra Boards**

- A. A train/job starting 4 consecutive days during the same 4-hour window, or 6 days of a 7 day period during the same 4-hour window will be included in the 7 day mark for the following week. If the train/job is already established as an assignment, or is ran in an unassigned pool, those starts at an away-from-home terminal will not be counted in establishing a new assignment for the upcoming 7 day mark.
- B. The Company shall determine the work rest schedule(s) for each type of service. (Q&A #4)

Unless otherwise agreed by the parties and in compliance with the RSIA, Work/Rest schedules for regular assignments may be any of the following arrangements: (Q&A #4)

<p><b>6/2 - 4/2 work schedule</b></p> <p>6 working days with 2 assigned days off for the first week and,</p> <p>Then 4 working days with 2 assigned off days for the second week.</p> <ul style="list-style-type: none"> <li>• 10-hour basic day</li> <li>• Overtime paid after 10 hours on duty</li> </ul>	<p><b>6/2 work week</b></p> <p>6 working days with 2 assigned days off</p> <ul style="list-style-type: none"> <li>• 10-hour basic day</li> <li>• Overtime paid after 10 hours on duty</li> </ul>
<p><b>5/2 work week</b></p> <p>5 working days with 2 assigned off days in the work week.</p> <ul style="list-style-type: none"> <li>• 10-hour basic day</li> <li>• Overtime paid after 10 hours on duty</li> </ul>	<p><b>5/2 work week</b></p> <p>5 working days with 2 assigned off days in the work week.</p> <ul style="list-style-type: none"> <li>• 8-hour basic day</li> <li>• Overtime paid after 8 hours on duty</li> </ul>
<p><b>4/3 work week</b></p> <p>4 working days with 3 assigned off days in the work week</p> <ul style="list-style-type: none"> <li>• 12-hour basic day</li> <li>• Overtime applies after 12 hours on duty.</li> </ul>	<p><b>3/4 Work Week</b></p> <p>3 working 12-hour days with 4 assigned off days in the work week</p> <ul style="list-style-type: none"> <li>• 12-hour basic day, Overtime does not apply to this scheduled work week</li> </ul> <p>This schedule is paid 40 hours per week minimum that is contingent upon the assigned Employee protecting all shifts assigned during a pay period.</p>

- C. Regular assignments will have consecutive rest days unless otherwise agreed upon by the parties to accommodate a unique operational circumstance necessitating split rest days.
- D. Regular assignments will be bulletined with a four (4) hour calling window or an assigned start time at the home terminal. The Company may adjust the starting time of an assignment within the designated calling window (spread). In the event a regular assignment is called to report for duty or annulled two hours or more beyond the close of its advertised spread time, the Employee shall be paid for such time at the non-service rate applicable to the service in which assigned. In the event the requirements of service necessitate calling an Employee prior to the opening of his advertised starting spread time, the Employee will be paid on a minute basis for the time required to report ahead of the advertised spread time, with a minimum of 2.5 hours, at the basic daily rate.

Employees who are not called for service or annulled upon the expiration of twelve (12) hours after the close of their assigned window/spread will be considered to have been automatically annulled at that time and spread pay will cease. (Q&A #4)

**Example 1:** Employee Summer has an advertised spread time to start between 10:00 to 14:00 hours. Employee A is called at 14:00 for a 17:00 start time. *What time does Conductor Summer go on pay?*

Answer: For pay purposes only, Employee Summer goes on pay at 16:00.

**Example 2:** Employee Summer is called to report for duty at 10:00. *What time does Conductor Summer go on pay?*

Answer: 10:00.

**Example 3:** Employee Summer is called in advance of his advertised spread time to report for duty at 09:00. *What time does Conductor Summer go on pay?*

Answer: 09:00. However in addition to his earnings for that day, Employee Summer will be allowed actual time with a minimum of two and one-half (2.5) hours pay at the basic rate. In the event Employee Summer misses a call to commence duty in advance of his advertised spread time, he shall not be disciplined or censured for that missed call and will continue to be required to protect his advertised spread.

- E. Employees in assigned service who are tied up at the away from home terminal shall run first in, first out among other Employees in assigned service from the same home terminal and shall run ahead of unassigned service Employees from the same home terminal who are tied up at that terminal.
- F. Guaranteed Extra Board assignments will be established where the needs of service dictate and will initially be bulletined to work six (6) days with two (2) scheduled rest days or pursuant to Paragraph B above. Alternatively, at the discretion of the Company, GEB assignments may be bulletined to work less than six (6) days with two (2) or more consecutive scheduled rest days, with the GEB guarantee reduced proportionately.
- G. Employees may make seniority moves into, out of and within an extra board that has non-rotating rest days (4/3, 5/2) on a weekly basis via the 7-day mark. Employees who make themselves unavailable under the RSIA rest requirements as a result of this movement, due to making a voluntary seniority move, will have those days adjusted accordingly.

This has no application relating to movement into or within extra boards that have rotating rest days (6/2) as they will be handled in the same manner as pool movement under Section 2.J. below

- H. Each terminal will maintain a bulletin listing all positions, including pool and guaranteed extra board positions, which will include (a) the job title and the normal assigned duties of the job, (b) the home terminal and, where applicable, the away from home terminal, (c) whether the job is anticipated to tie up at the on-duty point, (d) the starting time or spread time of regular assignments, if applicable, and (e) the assigned day(s) off. (Q&A #4)
- I. Newly established positions will be bulletined for a period of five (5) days to enable interested Employees to update their preferences in the crew calling system. Additional positions on existing GEB's or in existing chain gang pools will not be bulletined, but will be assigned based on standing bids on file.

## **Section 2                    Unassigned Pool Service**

- A. Unassigned pool service may be established by the company subject to the terms and conditions set forth herein. The bulletin for establishment of a new pool shall include the home and away from home terminals of the run(s). Employees in unassigned pool service will run first-in, first-out among other employees in the same pool.

- B. Unless the parties agree to a different work rest arrangement, Employees occupying positions in unassigned pool service will have a 6 on, 2 off work/rest arrangement. The provisions of Article 10 (Guaranteed Extra Board), Paragraph B, will apply to Employees assigned to Unassigned Pool Service who do not elect to use the "DT" provision under Paragraph H below.
- C. Unassigned pools will be self-supporting for filling of pool vacancies prior to use of regular calling provisions.
- D. An Employee who is marking off or not available to be called in proper order and the turns they occupy will then be removed from the pool rotation. The Employee standing next out and rested, and the turns they occupy, will be used on the next call in that unassigned pool.
- E. If there are no Employees available or rested in the pool regular calling order will apply.
- F. When the Employees who marked off returns, they will be marked up to the bottom of the board in accordance with the agreement and will assume that position in the rotation of the unassigned pool.
- G. An employee on an unassigned pool who works into their scheduled rest day cycle may elect to return at 0001 following their rest day cycle instead of observing 48 hours from tie up.

Example:

Engineer Smith's rest days are Tuesday and Wednesday. Engineer Smith works into his first rest day of Tuesday and ties up at 1300. If Engineer Smith chooses he will return to the board at 0001 on Thursday.

- H. To increase the opportunity to be at the home terminal to commence rest days, Conductors in unassigned pool and Extra Board service shall have the opportunity to drop their turn ("DT") subject to the following conditions.
  - 1. The Employee must declare DT with the Crew Management Center as follows:
    - (i) Not less than twenty-four (24 hours) prior to the start time of the first rest day or at the time of tie up on the trip which ends during that 24 hour period, whichever is later.
  - 2. Upon declaring DT for the day preceding the rest cycle, at such time as the Employee

becomes first out the Employee's turn will be dropped from the Pool/GEB rotation and such turn will be placed at the bottom of the board and will continue to rotate up in sequence until:

(i) The Employee is called for a tour of duty that will tie up at the home terminal, or

(ii) The Employee commences his rest days.

3. Employees who do not notify the Company as outlined above, will be subject to a call for service until 21:59 hours for a start time at 23:59 on the day immediately preceding the scheduled start of the rest days.
4. Conductors utilizing the DT provision remain and are considered available for service while in DT and may be used in other than first in/first out order without penalty so long as they are used for service with an on duty time prior to 1800 hours and called for service that will tie up at the home terminal.

NOTE: The term, "utilizing the DT provision" does not require the employee to reach the top of the board and have his turn dropped prior to being available for call in other than first in/first out order.

5. At the end of either the rest day period or 48 hours from tie up, whichever is later, an Employee utilizing the DT provisions of this Article who was used while in DT status shall be marked up last out on the respective Extra Board or Pool.
  6. It is understood there may be instances when it is necessary for an Employee who utilizes the DT provisions of this Article to be used for service in the event the pool or Extra List is exhausted that causes the Employee to not be able to commence his rest days until after 0600 on the first rest day. This is intended to be an intermittent occurrence and if it becomes systemic, the parties will meet promptly to determine the cause and attempt to resolve the matter.
- I. The number of turns in the pool shall be regulated jointly by the local chairman and the Company in a manner that will normally provide that each individual assigned in the pool shall make no less than ten (10) starts in a two (2) week checking period. This is not intended to operate as or constitute a guarantee.
  - J. After the initial establishment of the pool, positions in the pool will not be bulletined but

will be assigned to Employees in accordance with the provisions of the Seven Day Mark.

- K. Except for the initial establishment of a pool, when Employees exercise seniority into an unassigned pool they will be required to displace to an open position if one exists, and if not, they must displace the junior Employee in that pool. Once employees have exercised their seniority into a pool, they may not exercise their seniority within the same pool until such a time as they vacate (leave the pool) and subsequently re-establish seniority in the pool.
- L. Unassigned pool service may be cancelled at any time by the Company.

### **Section 3                      Assignment to Positions**

Assignment to positions shall be governed by seniority. A 7 DAY MARK bid system will operate and Employee's job preferences will be maintained in the crew calling system and can be updated at any time to become effective at 0001 on a fixed day of the week following the date submitted.

Unless otherwise provided for in this Agreement, the senior Employee having a properly filed bid and the qualifications for a position will be assigned.

An Employee will, if qualified, be entitled to exercise seniority rights in the choice of preference runs, subject to the provisions of the rules.

1. Employees will bid to position or jobs for a seven (7) day period.
2. Employees may place a bid to a position or job, including the Extra Board by filing a bid in the prescribed manner, by 1000 hours on Friday for the 7-day period that will begin 0001 hours on the following Monday.
  - (a) Except as provided for in part 9 below, all changes will be executed by 2201 hours Sunday for 0001 Monday.
  - (b) Increases or reductions to assigned service or unassigned service will be done at 2201 Sunday for 0001 Saturday/Monday.
  - (c) Determination to establish a new job or abolish an existing job will be announced by noon on Wednesday for the following bid period. This will

include increases or reductions in the pool made in connection with regulation.

3. Positions will be awarded by seniority preference in accordance standing bid preference, and once awarded a position; an Employee will hold that position for that 7-day period.
4. Employees who do not submit a different bid for a new bid period will be governed by their last standing bid.
  - (a) Once submitted, a bid will remain in effect until replaced by a new bid.
  - (b) In the event there is no standing bid or there are insufficient choices to place an Employee, such Employee will be place on a default list agreed upon by the Company and the Local Chairperson for that crew board.
5. Employees will be assigned to a job/assignment according to their standing bid on file. If the job/assignment is not "in", the Employee will assume the job/assignment upon its return.
6. Employees marking up for service after any period of absence will assume the standing position of the job/assignment according to bid card on file.
7. Employees marking off sick, personal or taking personal leave, etc. will be considered off for a minimum of a 24-hour period.
8. When it is known that an employee will be marking up for service prior to the Monday onset of the 7-day mark that employee's standing bid will be activated and the employee may file their bid to positions or jobs by the Friday bid deadline. Any vacancy that becomes available after the start of the bid period will be filed from the extra board until the remainder of that 7-day period.
9. Weekly Vacations will begin on Monday to coincide with the effective date of the Seven Day Mark. In the event the effective day for Seven Day Mark changes, vacations will start on the same day.

10. In the event of an emergency condition, the Local Chairperson and the CMC will consult to agree upon an equitable arrangement to protect the service. Once the emergency is over, the 7-day bid system will be reinstated.

#### **Section 4                    Calling order on assignment vacancies**

##### **Conductor Vacancies (excluding former DM&E locations):**

1. Fill from the Conductor's extra board.
2. First out Conductor on an unassigned pool at source of supply
3. Other Extra Boards, if established, in the same terminal
4. ATS employees if established as provided in Article 6, Section 4
5. Junior Qualified Rested Available Conductor
6. Conductors at the location of the vacancy who signed up on the 7-Day Mark for Overtime will be called in seniority order, provided RSIA rest requirements do not prevent them from protecting their next scheduled shift. Employees who sign up for overtime on the 7 Day Mark must accept call.
7. Rested conductors on assigned days off. (Not required to accept call.)
8. Furloughed Employees as provided in Article 6, Section 3, Paragraph A
9. Next closest GEB via highway miles (less than 110 miles and able to make 2 hour call)
10. Managers
11. Next closest GEB via highway miles (110 miles and over)

##### **Assistant Engineers (Former DM&E locations only)**

1. First out Assistant Engineer on an unassigned pool at source of supply
2. Fill from the Engineers extra board.
3. Conductors extra board at source of supply.
4. Other Engineer extra boards, if established, in the same terminal
5. The junior qualified rested and available Assistant Engineer at the location of the vacancy.
6. Engineers at the location of the vacancy who signed up on the 7-Day Mark for Overtime will be called in seniority order, provided RSIA rest requirements do not prevent them from protecting their next scheduled shift. Employees who sign up for overtime on the 7 Day Mark must accept call.
7. First out Engineer on an unassigned pool at source of supply.
8. Other Conductor extra board, if established, in the same terminal

9. ATS employees if established as provided in Article 6, Section 5
10. Rested engineers on assigned days off (Not required to accept call.)
11. Rested conductors on assigned days off. (Not required to accept call.)
12. Furloughed Employees as provided in Article 6, Section 4
13. Next closest Assistant Engineer GEB via highway miles (less than 110 miles and able to make a 2 hour call)
14. Next closest Conductor GEB via highway miles (less than 110 miles and able to make a 2 hour call)
15. Managers
16. Next closest Assistant Engineer GEB via highway miles (110 miles or more)
17. Next closest Conductor GEB via highway miles (110 miles or more)

**Conductors (Former DM&E locations only)**

1. Fill from the Conductor's extra board.
2. First out Assistant Engineer on an unassigned pool at source of supply
3. Fill from Engineer's extra board (not required to accept)
4. ATS employees if established as provided in Article 6, Section 5
5. Junior Qualified Rested Available Conductor
6. Conductors at the location of the vacancy who signed up on the 7-Day Mark for Overtime will be called in seniority order, provided RSIA rest requirements do not prevent them from protecting their next scheduled shift. Employees who sign up for overtime on the 7 Day Mark must accept call.
7. Rested conductors on assigned days off. (Not required to accept call.)
8. Furloughed Employees as provided in Article 6, Section 4
9. Next closest GEB via highway miles (less than 110 miles and able to make 2 hour call)
10. Managers
11. Next closest GEB via highway miles (110 miles and over)

**Section 5                    Training of Managers**

A. Company retains the right to perform training of managers on any portion of the Central & Southern Region Hourly Agreement territory. This also confirms the parties understanding that managers may be used provided the General Chairperson is notified in advance that such managers will be used. The terms and conditions are:

1. The Company may use management employees at locations where Employees are not

readily available, provided no Employees are furloughed at that location.

2. The Company shall notify SMART-TD at least twenty-four (24) hours prior to utilizing management employees. In the event it is determined that existing Employees are adequately rested in accordance with hours of service regulations and do not need temporary relief, the Company will not utilize management employees provided that train movements are adequately protected.
3. This provision is intended specifically to protect business, and may not be used for extended periods or as an alternative to hiring permanent employees reasonably required to protect traffic during periods of average traffic levels.

## **Section 6                      Transfers**

### **A.    Temporary Transfers**

#### **1.    Internal Temporary Transfer**

- a. Positions will be advertised for seven (7) days in in the event of a known or anticipated temporary shortage of Employees at a specific location(s). Applicants will be selected from among appropriately qualified volunteers based upon seniority and the requirements of service at each applicant's seniority district, qualifications being equal. Should temporarily transferred Employees come from more than one seniority district, their relative seniority standing among themselves, on the district to which transferred, shall be based on their earliest seniority date as a train service employee.
- b. Successful applicants may be required to protect service at the shortage location for a minimum of thirty (30) days but not to exceed one (1) year, unless released by the Company earlier. These time frames may be extended as mutually agreed by the Company, the Employee and the General Chairperson of the SMART-TD.
- c. Employees transferred pursuant to this provision shall be compensated as though assigned to the Guaranteed Extra Board at the location to which transferred and, in addition, shall be paid a per diem of \$60.00 for each full calendar day they are marked up and available for duty or on assigned rest days to cover all expenses except lodging. Lodging, meeting the requirements of Article 16, Section 1.B., will be made available to the Employee at Company expense during the period of the temporary transfer under this provision.

#### **2.    Temporary Transfer to/from Other Properties**

- a. If the need for temporary Employees is still not fulfilled after utilizing the Temporary Transfer provisions above, or if work load demands do not permit the release of Employees from other terminals to such temporary transfers, offers to Employees from other properties to work temporarily on another property where the need exists may be posted according to the terms and conditions set forth below. The positions will be considered temporary positions, and Employees who accept transfer may be required to work on the other property for up to ninety (90) days.
- b. The General Manager(s) involved will determine the number of Employees who may be released to accept temporary transfer to another property. Subject to final approval by the General Manager(s), Employees will be permitted to transfer based on their seniority and the requirements of service in their home district.
- c. Employees approved to work on another property will be granted a Leave of Absence. The leave of absence shall expire seventy-two (72) hours from the time the Employee is notified of his/her release from the other property and they shall immediately thereafter mark up for service in their home district. Employees shall not lose their home district/road seniority as a result of anything resulting from their temporary employment on another property, unless they fail to mark up or return to service on their home district upon conclusion of their leave of absence.
- d. If all such temporarily transferred Employees are from the same seniority district on their home road, they shall rank among themselves in order as on their home seniority district roster. In the event temporarily transferred Employees are from more than one seniority district or more than one road, their standing among themselves on the district to which they temporarily transfer shall be based on their earliest seniority date as an Employee.
- e. At the discretion of the General Manager, Employees may be offered additional temporary assignment(s) (not to exceed an additional 90 days) at the conclusion of the initial assignment. In the event not all temporary Employees can be released simultaneously, volunteers will be released in seniority order. If there are not enough volunteers, Employees will be released in reverse seniority order.
- f. At the end of every ninety (90) day period (or when released), temporary Employees will relinquish their rights to work on the property where the temporary service was performed and must return to their home property, unless otherwise mutually agreed upon between the General Manager and the General Chairperson.

- g. Employees transferred pursuant to Paragraphs 1 and 2 of this Section 6 shall be paid a per diem of \$60.00 for each full calendar day they are marked up and available for duty or on assigned rest days at the location to which transferred. Employees transferred under these provisions shall be permitted to mark off for a period of up to four (4) days, once during each twenty-one (21) day period (beginning not less than 21 days after the first day at the temporary location and from the date of resuming service after each four day period thereafter).
- h. Employees will not make less than a basic day when available and protecting (other than rest days) on another property. All time worked and available by Employees while on a temporary assignment on another property will be counted towards any applicable employment time with regards to seniority accrual, vacation and PLD qualification and Health & Welfare benefits. Employees on temporary assignments on another property shall be allowed Company provided lodging.
- i. Employees accepting temporary transfer to another property will continue to be covered under the applicable Health & Welfare and benefit provisions as contained herein.

**B. Permanent Transfers**

- 1. Employees may request to permanently transfer from one Seniority District to another with the approval of the General Managers of each respective Division.
- 2. The employee's prior right or system seniority will be activated on the new District on the date the Employee first performs service following the date and time of his reporting for duty to the company official in charge at the location where he has been instructed to report. The Company Official in charge at the Employee's new location shall make a record of the date and hour the Employee reports. Employees will assume the rates of pay and working conditions as established on the territory to which they are permanently transferring.
- 3. An Employee temporarily transferred and desiring to make it permanent shall not be given credit for time served as temporary.

**ARTICLE 8 - ANNULMENT OF ASSIGNMENTS**

- A. When assignments are to be annulled on holidays, the Company, when provided with the appropriate advance notice from the Customer(s), will provide Employees assigned thereto at least twenty-four (24) hours' notice.

- B. When an assignment is annulled or works on New Year's Day, President's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, the Day after Thanksgiving, Christmas Eve Day, Christmas Day or New Year's Eve Day, at the Employee's option he may utilize a personal leave day.
- C. When assignments are annulled on other than one of the General Holidays referred to in sub-Paragraph B herein, the Employee assigned to the position may be called under the applicable rules and used on other available work within the scope of this Agreement. Employees not used will be paid for the day or time lost, whichever is greater.
- D. On a day that an Employee's regular assignment is bulletined to tie-up at an away-from-home-terminal and such Employee is annulled or tied-up at the home terminal, the Employee must be available for service on the next day and may be called ahead of the GEB, without penalty, subject to the following conditions:
- The Employee must be listed within the same four (4) hour calling window as scheduled for the next outbound trip.
  - The Employee must tie up at his home terminal.
  - Employees available but not used shall be compensated ten (10) hours at the straight time rate.

#### **ARTICLE 9 - ABOLISHMENT AND DISPLACEMENT**

- A. Employees whose positions are abolished will be placed in accordance with the individual's standing bid in accordance with the Seven (7) Day Mark.
- B. In the application of Sub-Paragraph A herein, if unable to displace a junior Trainman in the Zone, the Trainman shall exercise his seniority to displace a junior Trainman within his seniority district within forty-eight (48) hours. A Trainman who is forced to exercise seniority to a location that is more than 100 miles from the location from which he is displaced will be permitted a reasonable time not exceeding two (2) days to take the position.
- B. Permanent changes in rest days, home terminal or a change in the assigned start time of one (1) hour or more shall entitle the affected Employee to a displacement, which must be requested at the time he is notified of the change.

## **ARTICLE 10 - GUARANTEED EXTRA BOARD (GEB)**

- A. Where Guaranteed Extra Boards (GEB) have been established the scheduled weekly rest day(s) will commence at 00:01 hours, with the Employee automatically marked back to the board at 00:01 following the rest day(s). Except when utilizing the DT provisions as provided in Article 7, Section 2, Paragraph H, Extra Board employees at their home terminal will not be called for duty that commences on or after 23:59 hours on the day preceding their rest day. (Q&A #5)
- B. If the Employee is currently working or away from the home terminal at the time the scheduled rest day(s) are to begin, the rest day(s) will begin upon the Employee's tie-up time at his home terminal and run for forty-eight (48) hours, with the Employee automatically marked back to the bottom of the board at the expiration of that time. However, if the Employee's tie-up time occurred between 0001 and 0601 on the scheduled rest day, the Employee will automatically be marked back to the bottom of the board at 0601 following expiration of the forty-eight (48) hours.
- C. An employee on a guaranteed extra board who works into their scheduled rest day cycle may elect to return at 0001 following their rest day cycle instead of observing 48 hours from tie up.  
Example:  
Engineer Smith's rest days are Tuesday and Wednesday. Engineer Smith works into his first rest day of Tuesday and ties up at 1300. If Engineer Smith chooses he will return to the extra board at 0001 on Thursday.
- D. GEB's will operate on a first-in, first-out basis, based on tie-up time. Where more than one Employee is marked back up to the Board at the same time their previous tie up time will govern relative order.
- E. Unless otherwise provided for herein, Employees assigned to GEB's will fill temporary vacancies and extra assignments at the location of the Board, within the Zone and at outlying points within the seniority district, as necessary. In the event the GEB from which the assignment would normally be filled is exhausted, the assignment will be filled in accordance with the vacancy fill procedures. (Q&A #5)
- F. When Employees mark back up for any reason they will be placed to the bottom of the GEB and the following will apply:
  - 1. Employees who are first-out on the GEB and miss a call or book off for any reason other than approved compensated leave will be considered first out and available for service upon mark up.

Note: Employees who book off for other than Manager-approved leave, or for other than the leave provisions contained within this Agreement, will forfeit any guarantee for that week. When a Manager approves leave, which are intended to apply to employees' urgent and unforeseen personal reasons, the employees' guarantee will be pro-rated for that week.

2. Employees who are held from the GEB to obtain mandatory rest pursuant to RSIA will retain their relative standing while obtaining the required period of rest after which they shall be subject to call in accordance with governing calling rules.
- G. The number of Employees assigned to GEB's will be regulated at the start of each week by the Company, consistent with the Seven Day Mark.
  - H. Except as specifically noted below, all compensation paid by the Company to Employees while assigned to a GEB in a work week will be credited toward the guarantee excluding personal automobile mileage allowances, expenses, and payments that involve an alleged violation of this Agreement, such as runarounds, etc. Compensation received pursuant to Article 16 Section 1. D. and Article 16 Section 3 and Section 4 will be credited toward the guarantee. Compensation received when used to supplement an exhausted GEB in an adjacent seniority district which is located more than forty (40) miles from the location of the Employee's home GEB location will not be used to offset the weekly guarantee.
  - I. GEB Employees who mark off on unpaid leave during any week shall forfeit any guarantee pay for that week.
  - J. The rate established for extra boards under this Agreement shall be subject to general wage increases.
  - K. GEB positions will not be advertised. Assignments shall be made on the basis of seniority.
  - L. Extra board Employees shall be called for service not less than two (2) hours prior to the time required to report for duty.
  - M. The Company will provide the General Chairperson ten (10) days' advance notice for any new Guaranteed Extra board it intends to establish. Such notice shall also identify the jobs/assignments which shall be protected by the newly established Extra Board

- N. All guarantee compensation paid to extra Employees shall be considered as service rendered for purposes of qualification for vacation pay and holidays.
- O. Except in cases of emergency which affect the continued operation of the railroad, increases or decreases to the GEB will occur at the time of the weekly board mark.
- P. Deadheading will be paid when it occurs as a result of force-assignment to the extra board of an Employee holding an assignment at an outlying point.
- Q. Except as provided for in Article 16 Section 3 when called for service extra board Employees will not make less than a basic day at the rate applicable to the service in which operated.
- R. Employees assigned to the GEB may, at their option, take payment in lieu of a personal leave day on holidays described in Article 8, Paragraph B. (Q&A #5)

#### **ARTICLE 11 - APPROVAL OF APPLICATION FOR EMPLOYMENT**

- A. Applications for employment as an Employee will be disapproved in writing within sixty (60) days following the day the Employee first becomes qualified for and performs service as an Employee under this Agreement with the Company.
- B. An application that is rejected anytime within such period will result in termination of the Employee's relationship with the Company.

#### **ARTICLE 12 - RULES / INSTRUCTION CLASSES**

- A. Employees who are required to attend rules or instruction classes on their own time shall be paid actual time, except that no pay shall be required for Employees attending remedial classes in lieu of or as part of the discipline process or as described below. The Company will schedule the rules and instructions classes for the Employees.
- B. Where training takes place away from the Employee's home terminal, lodging will be provided, and the Employee shall be entitled to allowances for meals and for expenses related to travel (Examples: fare, tolls, mileage, parking etc.) between the home terminal and the course accommodation. Employees will also receive time spent traveling at the non-service rate for actual time from the home location to the course location based on highway miles.

- C. Where an examination or test forms part of the training requirement, an Employee is expected to meet the required standard on the first attempt. If an individual is unable to achieve the necessary standard, he will be offered one additional opportunity to successfully pass the failed portion(s) (without compensation) and which must take place within not less than five (5) nor more than fourteen (14) days of the first attempt and which will be on the Employee's own time. An Employee who fails to attain the required standard at the completion of this period will be deemed to have disqualified himself for employment and will forfeit all seniority.
- D. Employees who are required to attend rule, employee re-certification, or instruction classes during a normal tour of duty (i.e. combined with other service) will not be paid additional compensation.
- E. Regular Employees who lose time as a result of being required to attend rule or instruction classes shall be paid for the time lost at the Non-Service rate of pay.
- F. Extra Employees required to attend rule, employee re-certification, or instruction classes will be paid for any loss of time at the Non-Service rate of pay and in no case will be paid less than actual time in attendance. Employees required at the request of the Company to attend the classes referred to herein on their assigned rest days shall be paid for such service at the rate of time and one half.
- G. Employees required at the request of the Company to attend the classes referred to herein on their assigned rest days shall be paid for such service at the rate of time and one half of the non-service rate of pay.

### **ARTICLE 13 - ON AND OFF DUTY POINT**

- A. Except as provided below, Employees shall have a designated point for going on and off duty each day. The Company will consult with the SMART-TD Local Chairperson with jurisdiction on the respective territory prior to bulletining positions where it is proposed to change any on or off duty points.
- B. The starting time of an Employee shall commence at the time he is required to report for duty, and his pay shall continue until the time he is tied up at a proper off duty location.

- C. When Employees are relieved at points other than the point of going on duty, the Company shall provide transportation to the appropriate off duty point which shall be at a recognized location as designated by the Company.
- D. An Employee operated to an away from home terminal that is not his normal away from home terminal location will be considered first-out upon completion of his legal rest. Upon the expiration of twelve hours, or sooner if available, an Employee used in this manner will only be called to deadhead or to work back to his home terminal. Upon the expiration of twelve hours, an Employee referred to herein that is not called as described shall be considered on pay until called for duty; and such time shall not be counted towards his hours of service. (Q&A #6)
- E. Except as otherwise agreed, changes will not be made in reporting and relief points until suitable wash and locker room facilities have been provided. Wash, locker, toilet facilities and hot and cold running water will be provided for Employees on all assignments. An adequate parking area, with all-weather surfacing (gravel, slag, stone, etc.) will be provided and maintained where space is available on company property if free public parking is not readily available.
- F. Employees performing service in connection with the Engineering Department (work train) may be tied up at any point away from their home terminal on any of the seven (7) GEB working days, but if held subject to a call for such service, a day's pay will be allowed.
1. Employees called to perform service as outlined herein shall remain on such assignment for the remainder of that week, the same as if assigned thereto on board change day pursuant to the seven (7) day mark provisions of the agreement.
  2. Unless regular assignments are established for such service, the service as outlined herein shall be filled from the GEB.
- G. Except when in conjunction with work train service contemplated in (F) above, Trainmen who are tied up at their away from home terminal may be called for a maximum of one (1) trip from that terminal that does not return to their home terminal, and will be considered first-out upon completion of his legal rest. A Trainmen, tied up under the provision of this paragraph will be first out among all other Trainmen tied up, even those tied up under the provisions of Paragraph (D) above. When so used, the Employee's subsequent trip, whether working or deadhead, must return to the Employee's home terminal. (Q&A #6) Employees will not be tied up for a second

time at other than their home terminal if the subsequent return to trip (working or deadheading) to their home terminal will trespass into their scheduled rest days.

- H. When an Employee is tied up at other than his home terminal, upon the expiration of sixteen (16) hours away from home, the individual shall be considered on pay until called for duty, except that such time shall not be counted towards hours of service, or overtime. Should an Employee be called for service or ordered to deadhead after such pay begins, the held away from home terminal pay ceases at the time the service or deadhead commences

## **ARTICLE 14 - CALLING FOR DUTY**

### **Section 1            Calling**

- A. Unless otherwise agreed between the parties to accommodate special circumstances involving a recognized group of Employees, an Employee without a designated starting time shall be called not less than two (2) hours prior to the time required to report for duty, except in cases of emergency, such as floods, accidents, storms, etc., when Employees shall be required to report as soon as possible.
- B. Employees must designate a telephone number at which they can be reached for the purpose of being called. Employees may designate up to two additional numbers for this purpose.

### **Section 2            Used out of Order**

- A. Pool and GEB Employees who are available and not called in the correct order ("runaround") in accordance with the procedures in this Agreement, will be paid one half (1/2) of the basic day payment in addition to any other GEB earnings.
- B. There shall be no "chain" type payments and not more than one runaround payment for any particular assignment.
- C. Regular assigned Employees not called for runs, through no fault of their own, will be paid for all time lost. If used on other assignments, money earned will be counted in computing pay for time lost (make whole). This paragraph does not constitute a guarantee.
- D. The incidence of runaround claims will be reviewed in the conferences established pursuant to Article 27 of this Agreement to identify and correct any systematic problems.

- E. An Employee that operates to an away from home terminal that is the source of supply point for Employees at that location and subsequently operates a train out of that away from home terminal and is tied up at his home terminal will not invoke the runaround provisions outlined in Paragraph A above for any Employee home terminated at that location provided the Employee is tied up for rest at his home terminal upon completion of the trip.
- F. Trains that are tied up on line due to being overtaken by the Hours of Service Law may be re-crewed with a qualified Employee from the nearest source of supply point via highway miles without penalty to the Company.

### **Section 3                    Called and Released**

When an Employee is called, reports for duty and performs no service, and is then released prior to the expiration of ten (10) hours, he shall be allowed a minimum of one-half a day or actual time consumed, whichever is greater and returned to the bottom of the board. If the call and release service is the only service performed on that calendar day then a basic day's pay will be allowed. For purposes of this rule only, an Employee will be considered to have performed service upon having been delivered to the locomotive(s) to be used for any portion of the trip or tour of duty or commencement of any action related to movement of rail cars or train for which the Employee has been directed. (Q&A #7)

### **Section 4                    Familiarization of Territory**

- A. When Conductors are required to run over any portion of the road with which they or any other member of the crew are unacquainted, a pilot will be furnished.
- B. When foreign line trains are detoured over any portion of the road, and the Employee of such detoured train is not qualified to operate on the territory, a qualified Trainman on that territory will be furnished as a pilot, if available. If none are available, other qualified Employees may be used as pilot.
- C. Employees from other crafts who are certified as Conductors may also be used to pilot trains when Conductors are not available for this purpose.
- D. Employees acting as pilots will be paid for actual time on duty with a minimum of a basic day.

## **ARTICLE 15 - MEAL PERIODS**

- A. An Employee whose assignment primarily switches or works primarily within a terminal will have, between the fifth and the seventh hour, twenty (20) uninterrupted minutes in which to eat, and reasonableness will apply. However, in granting Employees time for their meal, it is with the understanding that such must not cause unnecessary interference or delay with the performance of their work or the work of other crews.
- B. Disputes arising out of the interpretation or application of this Article will not be used as the basis for time claims, but will be referred to the Committee established pursuant to Article 27 for final and binding disposition. In the event the issue remains unresolved after Labor Management handling, the Organization may advance the issue to arbitration for final and binding resolution. Prior to proceeding to arbitration an unresolved issue involving this Article will be escalated for resolution to the Senior Vice President of Operations by the General Chairperson. In the event the matter is arbitrated, the arbitrator will have authority to fashion a remedy that conforms to the intent of the rule.

## **ARTICLE 16 - EXPENSES**

### **Section 1                   Held Away From Home Terminal**

- A. A meal allowance of \$16.00 will be payable after an Employee is held four (4) hours or more at the away from home terminal and thereafter after each additional eight (8) hours tied up at the away from home terminal.
- B. The Company will provide suitable lodging and will be responsible for the payment of room and taxes. To be considered "suitable," at a minimum, the lodging accommodation shall be:
- Reputable and clean with adequate lighting;
  - Single occupancy rooms with comfortable beds with innerspring or comparable mattresses, pillows, private lavatory and bath facilities with hot and cold running water, a chair and nightstand and television in the room;
  - Blankets, clean linen (sheets and pillow cases), soap and towels will be supplied each occupant;
  - Rooms will be cleaned and bed linen changed after each occupancy by personnel other than the occupant;

- Rooms will be cooled or heated when climatic conditions normally require such cooling or heating;
  - Lounge, including chairs, writing tables and lamps.
- C. When selecting regular accommodation providers the Company will consider the proximity of restaurant facilities that are open on a twenty-four (24) hour basis. The Superintendent will consult with the respective Local Chairperson of SMART-TD regarding changes to regular accommodation providers. In the event the parties are unable to agree to any proposed accommodation changes, or the suitability of current accommodations, the matter will be forwarded to the General Manager and the General Chairperson for resolution.
- D. This provision shall not apply to regular assignments at outlying points or to Employees temporarily transferred or assigned to a new home terminal. GEB Employees called to fill an assignment, for a duration of more than one day and who are required to remain at an outlying point, will be afforded meal allowance(s) and lodging.
- E. The current practice of allowing Employees to reverse their lodging will remain in effect; however, such must be reviewed and approved by the Superintendent.

## **Section 2                    Transportation Expense**

When an Employee is required to work away from his regular assigned location, the Company will either provide transportation or reimburse the Employee for necessary costs of transportation, which shall be at the standard driving allowance allowed by the IRS. No reimbursement will be made where the Company provides transportation. Upon approval of the Company, an Employee will have the option of using his personal automobile in lieu of furnished transportation. An Employee who uses his personal automobile in lieu of furnished transportation, and the distance traveled from his residence to the location required to report for work is in excess of 80 miles for the round trip, will be paid an allowance of one hour based upon the straight time hourly rate of pay in addition to the IRS standard driving allowance.

## **Section 3                    Deadheading**

Deadheading shall be paid either separate from or combined with service, in the manner least costly to the company. Where deadheading is paid separately from service, unless otherwise provided, the Employee shall be paid a minimum of one-half day at the basic daily rate or actual time consumed,

whichever is greater. If separate service deadhead is the only service performed on that calendar day a basic days pay will be allowed for the separate service deadhead.

**Section 4                    Aggregate Service**

Employees may be released four (4) hours or more. If so released the Employee will be considered on pay until called to resume duty and such release time shall not be counted towards hours of service or overtime.

**ARTICLE 17 - PERSONAL LEAVE DAYS (PLD's)**

A. Employees shall receive four (4) PLD's annually. When any Employee accumulates a total of sixty (60) months of cumulative compensated service in any service, or combination of service which includes Engineer, Conductor, Brakeman, the Employee will then qualify for the eight (8) personal leave days and will qualify for twelve (12) after one hundred twenty (120) months of cumulative compensated service.

<b>ARTICLE 17 - PERSONAL LEAVE DAYS (PLDs)</b>			
Cumulative Compensated Service Months	1-59	60-119	120+
PLD Count Annually	4	8	12

Note: Notwithstanding this clause, no Employee shall lose PLDs to which he/she is already entitled, including the one (1) additional paid day referenced under Article IV of the 2022 Mediation Agreement. This additional day will be contributed to PLD use so that Employees who may have received up to twelve (12) PLDs will not be reduced.

- B. Upon forty-eight (48) hours' advance notice from the Employee, PLDs will be scheduled with the approval of the Crew Management Center. PLD's requested and approved as provided for herein must be taken and payment will be made on the following payroll period.
- C. In situations where the number of applicants seeking PLD's exceeds the number of Employees that can be released, the Company may, but is not required to, approve such PLD requests in seniority order subject to manpower needs.
- D. Employees who leave the service of the Company during the year will have their PLD allocation reduced on a pro-rata basis to allow one PLD per each full month worked, up to the number to which the Employee is entitled.

E. Any PLD's provided for herein that are requested but denied by the Company and not subsequently rescheduled prior to November 15 for use during the remainder of the calendar year shall be paid at the rate specified herein on the first full pay period of the following year.

**ARTICLE 18 - BEREAVEMENT LEAVE**

A. Bereavement leave of three (3) consecutive working days will be allowed, at the applicable rate provided for in Article 5, Paragraph D., in case of death of an Employee's "natural" or "step" brother, sister, parent, child, spouse or spouse's parent. Employees involved will make provision for taking leave with their supervising officials in the usual manner.

B. The three (3) days may be taken at any time beginning with the date of death and ending seven (7) days after the funeral.

**ARTICLE 19 - HOLIDAYS**

Employees who are available, marked off on compensated leave or on scheduled or mandatory rest days the immediate two (2) days preceding and the immediate two (2) days following a holiday identified in Article 8, Paragraph B., and who work on a holiday will be paid a rate of pay of one and two tenths (1.2) times the Basic Rate for the hours of the basic day of the assignment. All time worked on the holiday in excess of the advertised basic day hours of the assignment will be paid time and one-half based on the rate outlined herein.

**ARTICLE 20 - VACATION**

This Article is not intended to restrict any of the existing rights of the Company except as specifically provided herein.

**Section 1                      Entitlements**

Each Employee subject to the scope of this Agreement and having continuous service (including other crafts) and who has rendered service (including other crafts) as identified herein, will be eligible for the following annual vacation entitlement allotted in order of seniority to be taken between January 1 and December 31:

A. A qualifying Employee shall be entitled to paid vacation, subject to the following: (Q&A #8)

<b>Years of Service</b>	<b>Amount of Vacation</b>	<b><u>Explanation</u></b>
-------------------------	---------------------------	---------------------------

New Employees, if during preceding calendar year has rendered service amounting to 160 basic or equivalent hours paid	One (1) Week	(7) calendar days with 6 day's paid. if on day assignment. If a 5 day assignment established payment will be 5 day's pay.
After 2 or more years of cumulative compensated service	Two (2) weeks	(14) calendar days with 12 day's paid. If day assignment is established payment will be 10 day's pay.
After 8 or more years of cumulative compensated service	Three (3) weeks	(21) calendar days with 18 day's paid. If day assignment is established payment will be 15 day's pay.
After 17 or more years of cumulative compensated service	Four (4) weeks	(28) calendar days with 24 day's paid. If day assignment is established payment will be 20 day's pay.
After 25 or more years of cumulative compensated service	Five (5) weeks	(35) calendar days with 30 day's paid, If day assignment is established payment will be 25 day's pay.

- B. Vacation shall be taken between January 1 and December 31; however, it is recognized that the exigencies of the service create practical difficulties in providing vacations in all instances. Due regard, consistent with requirements of the service, shall be given to the preference of the senior Employee when granting vacations. Representatives of the Company and of the SMART-TD will cooperate in arranging vacation periods, administering vacations and releasing Employees when requirements of the service will permit. It is understood and agreed that the Company will pay vacationing Employees their vacation allowances consistent with Article 24.
- C. Pay for vacation shall be equal to the basic weekly rate of the position occupied at the time vacation is taken. Examples: 5 day assignment would be paid 5 basic days; 6 day assignments, 6 basic days, 4 day assignment 4-12 hour days (all straight time) and 3 day assignment will be paid 40 hours at the rate of the position to which assigned.
- D. An Employee shall perform one hundred sixty (160) days or equivalent hours of cumulative compensated service in any calendar year to qualify for vacation in the ensuing year as provided under Paragraph A above. Calendar days on which an Employee is available for service (within the meaning of Article 7, Section 3 (Assignment to Positions) and Article 10 (Guaranteed Extra Board), Article 17 (Personal Leave Days), Article 30 (Attending Court and Inquests, Article 31 (Leave of Absence without Pay) and Article 32 (Jury Duty) and on which he performs no service,

shall be included in the determination of qualification for vacation; also, calendar days not to exceed sixty (60) days on which an Employee is absent and unable to perform service because of illness or injury shall be included.

- E. Employees taking single day vacation days pursuant to Article 20, Section 3, Paragraph C. shall be paid the basic day hours of the position to which assigned at the Non-Service rate of pay. Employees taking a single day vacation on a day when his regular assigned run is to tie up at an away from home terminal will be required to take two (2) single days of paid leave. Employees electing to take one (1) week in single day increments must so indicate at the time weekly vacations are bid.
- F. When submitting vacation requests, Employees should include at least three (3) choices in case of duplicate requests. When requesting single day vacation days, requests will be granted in the same manner as prescribed by Article 17, Paragraphs B and C.
- G. If an Employee's employment status is terminated for any reason, he shall at the time of termination be granted full vacation pay for vacation earned in the preceding year not yet granted, and vacation pay for the succeeding year if the Employee has qualified therefore under Paragraph A. If an Employee thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as an Employee may have designated, or in the absence of such designation, the surviving spouse, the Employee's children, or his estate, in that order.
- H. Vacations, or allowances therefore, under two (2) or more schedules held by different Organizations on the same Company shall not be combined to create a vacation of more than the maximum number of days provided for in any one of such schedules. Employees transferring from other crafts will have length of service and other qualifications for vacation count toward vacation as an Employee under this agreement.
- I. Time off on account of vacation will not affect nor offset guarantees.
- J. In cooperation with "Seven Day Mark", an absence of an Employee on weekly vacation with pay, as provided in this Agreement, will apply the bulletin rules of this Agreement. Weekly Vacations will begin on Monday to coincide with the effective date of the Seven Day Mark. In the event the effective day for Seven day mark changes, vacations will start on the same day.

Temporary and single vacation days that are not known 7 consecutive days, will be protected by the extra board as shown under Article 10 (GUARANTEED EXTRA BOARD).

- K. Vacations shall not be accumulated or carried over from one vacation year to another.
- (i) In the event an Employee could potentially lose time at the end of his pending vacation period he may request approval of the Company that his vacation could be reduced in one year and adjusted in the next.
  - (ii) After the vacation begins layover days during the vacation period shall be counted as a part of the vacation.
- L. The following will also be used to determine eligibility for vacation:
- Used out of order – ½ day credit;
  - Separate Service Deadheading – one (1) day credit;
  - An Employee paid ten (10) hours (accumulative) under the held-away-from-home terminal rule will be credited with one 1 basic day.

**Section 2                    SMART-TD - Union Officials**

Vacation qualification criteria in effect on the date of this Agreement shall continue to apply to Employees who hold positions as General Chairperson, Local Chairperson, and State Legislative Directors (“local officials for the SMART-TD”). It is further understood that by providing this exclusion it is not intended that the total number of such officials covered be expanded.

**Section 3                    General**

- A. Calendar days on which an Employee is compensated while attending training and rules classes at the direction of the Company will be included in the determination of qualification for vacation.
- B. During a calendar year in which an Employee’s vacation entitlement will increase on the anniversary date, such Employee shall be permitted to schedule the additional vacation time to which entitled on the anniversary date at any time during that calendar year.
- C. An Employee may take up to one (1) week (6 days) of his annual vacation in single day increments; provided, however, that such Employee shall be automatically marked up for service upon the expiration of any single day vacation.

- D. Each day worked on a position not covered by this Agreement shall count as a basic day for vacation qualification purposes.
- E. Calendar days on which an Employee assigned to an extra list is available for service and on which days he performs no service, will be included in the determination of qualification for vacation; also, calendar days, not in excess of sixty (60), on which an Employee is absent from and unable to perform service because of sickness or injury received on duty will be included.
- F. All guarantee compensation paid to extra Employees shall be considered as service for vacation pay and qualification days.
- G. Where an Employee is discharged from service and subsequently reinstated without loss of seniority and/or benefits, service performed prior to discharge and subsequent to reinstatement shall be included in the determination of qualification for vacation during the following year. Employees restored to service will be credited for all time paid for entitlement purposes.
- H. In instances where Employees who have become members of the Armed Forces of the United States return to the service of the Company in accordance with the Veterans Re-Employment Rights Act (8 USC Title 38 §2021-2027), as amended from time to time, time spent by such Employees in the Armed Forces subsequent to their employment by the Company will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the Company.

## **ARTICLE 21 - BENEFITS**

### **Section 1            Health & Welfare**

- A. Except as provided in Paragraph B below, employees coming under the scope of this Agreement, along with their dependents, if applicable, will to be subject to the Health and Welfare Plan, the Dental Plan, and the Vision Plan and the Short Term Disability Plan under which they were covered on the day prior to the effective date of this agreement, as may be amended.
- B. An Employee hired subsequent to the effective date of this agreement on either the former DM&E or the former Consolidated Territory will be hired as a DM&E employee and will be subject to the Company's Health and Welfare Plan, the Dental Plan, the Vision Plan and the Short Term Disability Plan as may be amended from time to time for other craft employees.

All other employees hired on the remaining territories subsequent to the effective date of this agreement will be subject to the Railroad Employees National Health and Welfare Plan (including Life/AD&D Insurance), the Railroad Employees National Dental Plan, the Railroad Employees National Early Retirement Major Medical Benefit Plan, and the Railroad Employees National Vision Plan.

- C. Employees coming under the scope of this Agreement who were previously and continuously covered in another craft under the Railroad Employees National Health and Welfare Plan (including Life/AD&D Insurance), the Railroad Employees National Dental Plan, the Railroad Employees National Early Retirement Major Medical Benefit Plan, and the Railroad Employees National Vision Plan will retain such coverage.

## **Section 2                    Off Track Vehicle Accident Benefits**

The parties agree to maintain the current off track vehicle accident benefits as provided in the SMART-TD National Agreement as amended.

## **Section 3                    Employee Assistance Program**

The Company will maintain for the benefit of Employees covered by this Agreement an Employee Assistance Program, which may be changed from time to time provided such changes are applicable to Company employees generally.

## **ARTICLE 22 - PHYSICAL EXAMINATIONS**

Employees covered by this Agreement may be required to take medical examinations by the Company's physician at the Company's expense. If the medical examination must take place outside the Employee's terminal, the individual will be allowed payment for meals, and travel. An Employee required to lose time to attend company required medical examinations will be paid one basic day at the "Non-Service" rate (at the OT rate) for each day on which the Employee would have otherwise worked.

## **ARTICLE 23 - MEDICAL DISQUALIFICATIONS**

- A. If an Employee is found to be medically disqualified by the Company's physician and the Employee is of the opinion that his condition does not justify removal from the service or restriction of his rights to service, appeal will be made to the designated officer of the Company for a joint medical board to be established.

- B. The Employee involved, or his representative will select a physician to represent him and the Company will select a physician to represent it (who may be the original examining physician) in conducting a further medical examination. If the two physicians thus selected agree, the conclusion reached by them as to the individual's medical condition will be final.
- C. If the two physicians selected do not agree as to the medical condition of such individual, they will select a third physician to be agreed upon by them, who shall be a practitioner of recognized standing in the medical profession and a specialist in the disease or ailment from which the individual is alleged to be suffering. The three physicians thus selected will examine the Employee and render a report with reasonable promptness setting forth his physical condition and their opinion as to his fitness to continue service in his regular employment, which shall be accepted as final. Should the decision be adverse to the individual, and it later appears through medical findings that his condition has improved, a re-examination by the Company's physician will be arranged after a reasonable interval upon the request of the Employee or the Union.
- D. The Company and the Employee will each pay for the costs of their chosen physician and share equally in paying the costs of the third physician.
- E. If an Employee has been out of active service for more than ninety (90) days, before resuming service he will be required to pass a physical examination (including drug and alcohol testing) before being permitted to return to duty.

#### **ARTICLE 24 – PAYDAY**

Except where State or Federal Law requires pay on a weekly basis, Employees shall be paid on a bi-weekly or semi-monthly basis by direct deposit. Adjustments to an Employee's pay will be processed not later than the pay period following the reported time. Payroll shortages of a basic day or greater will be made within twenty-four hours of request therefor. The Company shall provide not less than sixty (60) day notice to Employees prior to changing the payday schedule.

#### **ARTICLE 25 - PAYROLL AND DEDUCTIONS**

- A. Payroll payments will be made only to a direct checking and/or savings deposit account as specified by the Employee. Such Employees will have sixty (60) days to establish a direct deposit account at a financial institution recognized by the Company as able to accept direct deposits.

B. Payroll deductions are available to all permanent full-time Employees who execute a suitable written deduction authorization for the following purposes:

- Periodic Union dues, agency fees and assessments included in, monthly dues (not including fines and penalties) payable to the Union.
- Other purposes as from time to time designated by the Company.

#### **ARTICLE 26 - UNION SHOP AGREEMENT**

A. Subject to the terms and conditions below, all Employees of the Company subject to this Agreement shall, as a condition of their continued employment under this Agreement, become members of the SMART-TD within sixty (60) calendar days of the date they first perform compensated service under this Agreement, and shall maintain membership in good standing in the SMART-TD while subject to this Agreement; provided, however, that this requirement for membership in the SMART-TD shall not be applicable to:

1. Those to whom membership is not available upon the same terms and conditions as are generally applicable to any other member;
2. Those to whom membership has been denied or terminated for any reason other than the failure of the Employee to tender the periodic dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Union;
3. Those who are members of another labor organization as permitted by Section 2, Eleventh (c) of the Railway Labor Act, as amended; or,
4. Those who elect not to join the Union, in which case they shall be required to remit to the Union a monthly agency fee which shall not be in excess of the standard monthly dues required of members.

B. Employees, who are assigned or transferred for a period of thirty (30) calendar days or move to employment not covered by such Agreement, or who are on leave of absence for a period of thirty (30) calendar days or more, may not be required to maintain membership as provided in this Rule so long as they remain in such other employment, or on such leave of absence, but they may do so at their option. If and when such Employee returns to service covered by this Agreement, they shall comply with the provisions of this Rule within thirty (30) calendar days of

such return to service. The provisions of this paragraph do not apply to Employees who accept official positions. Employees who accept official positions must pay maintenance dues.

- C. An Employee whose membership in the SMART-TD is suspended because of furlough or off duty illness or injury for a period of thirty (30) calendar days or more, shall be granted upon his return to service under this Agreement, a period of thirty (30) calendar days to comply with this Rule.
- D. Every Employee required by the provisions of this Rule to become and remain a member of the SMART-TD shall be considered by the Company to be a member of the SMART-TD unless the Company is advised to the contrary in writing by the SMART-TD. The SMART-TD shall be responsible for initiating action to enforce the terms of this Rule.
- E. The SMART-TD shall furnish to the Company, in writing, the name and roster number of each Employee whose seniority and employment the SMART-TD requests be terminated by reason of failure to comply with the membership requirements of this Rule.
- F. In the event the Company wishes to dispute the correctness of the SMART-TD's position, it shall so notify the SMART-TD within ten (10) calendar days of receipt of the notice from the latter, stating the reasons therefore. If, (1) no such exception is taken by the Company, or (2) the SMART-TD does not withdraw its request within ten (10) calendar days from the date of the notice of exception, the Company shall transmit to the Employee at his last known address, through registered United States Mail, return receipt requested, a copy of the SMART-TD's request, accompanied by an explanatory letter, a copy of which shall be furnished the SMART-TD.

## **ARTICLE 27 - HANDLING OF CLAIMS AND GRIEVANCES**

### **Section 1 Representation**

- A. The SMART-TD shall have the exclusive right to represent all Employees in Company level grievance, claim and disciplinary proceedings on those Companies on which the SMART-TD is the lawfully recognized or certified collective bargaining representative for that craft.
- B. The General Committee of Adjustment of the SMART-TD will represent all Employees in the making of contracts, rates, rules, working agreements and interpretations thereof.

- C. All disputes involving Employees covered by this agreement will be handled in accordance with the provisions of this Agreement as interpreted by the SMART-TD General Committee and the designated representative of the Company.

**Section 2                      Handling of Claims and/or Grievance Process**

- A. All claims or grievances must be presented electronically via the electronic system(s) as designated by the Company, by the Employee involved, or on behalf of the Employee, by his representative, or designee, (claims must be presented under the Employee's PIN) to the officer of the Company authorized to receive same within thirty (30) days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall, within thirty (30) days from the date it is received, notify the Employee or his Local Chairperson in writing of the reason(s) for such disallowance. Should the Company fail to issue timely declination of the claim or grievance, it will be allowed as entered, however such allowance will not constitute a precedent for other similar claims or grievances.

All resolution of claims resulting from handling during the steps referenced in the paragraph above shall be concluded on a 'without prejudice' basis, and are non-referable unless otherwise noted. Claims not filed within the required thirty (30) days shall be deemed abandoned and barred from further handling.

- B. Appeals of all claims and grievances, including those involving discipline, shall be presented and handled via the electronic claim handling system provided by the Company.

In the event the claim or grievance is disallowed, the SMART-TD Local Chairperson may appeal the matter to the Superintendent within sixty (60) days from the date of declination. If the claim or grievance is not appealed, the disallowance shall stand, however the disallowance shall not constitute a precedent for other similar claims and grievances.

In the event the appeal is disallowed, the Superintendent shall, within sixty (60) days from the date it is received, notify the Local Chairperson in writing of the reason(s) for such disallowance.

Should the Superintendent fail to issue timely notification of the declination of the appeal, the claim or grievance will be allowed as entered, however such allowance will not constitute a precedent for other similar claims or grievances.

- C. Claims declined under Section 2, Paragraph B of this Article may be appealed by the SMART-TD General Chairperson to the Company's Highest Designated Officer ("HDO"), or designate, within sixty (60) days of the disallowance. The Director, or his designate, shall, within sixty (60) days from the receipt of the appeal, notify the General Chairperson of the allowance or declination of the claim. Should the HDO or designate fail to timely notify the General Chairperson of such declination, the claim will be allowed as entered; however such allowance shall not constitute a precedent for other similar claims.
- D. Claims and grievances disallowed by the Company pursuant to Section 2, Paragraph C of this Article will be barred from further handling unless, not less than sixty (60) days prior to the next scheduled meeting date of the Labor/Management Resolution Committee, the General Chairperson lists the unresolved claim or grievance to the Committee for handling.
- E. The Labor / Management Resolution Committee will meet to review and resolve outstanding employee time claims and grievances. During the first year of this agreement, the committee will meet monthly. The Committee will meet quarterly after the first year, or as otherwise mutually agreed.
- F. The Committee will consider the entire record of each dispute submitted to it. Decisions made pursuant to this process will be written by the Company within sixty (60) days of the meeting date and will represent the final and binding decision on such grievances. The handling of claims and grievances by the Committee will constitute any "conference" prerequisite to submission of disputes to a tribunal established pursuant to law or by agreement.
- G. In the event that a majority of the Committee does not agree on the resolution of a particular grievance, either party may initiate proceedings before a tribunal established pursuant to law or by agreement within one-hundred twenty (120) days of the Committee's written decision having been rendered.
- H. Nothing in this Section shall preclude an agreement by the parties to conference claims or grievances independent of the procedures set forth in Section 2, Paragraphs D and E of this Article. Such conference as may be agreed upon will constitute any "conference" prerequisite to the submission of disputes involving claims and/or grievances to a tribunal established pursuant to law or by agreement for the final adjudication of such disputes

### **Section 3                      Handling of Discipline Appeals**

- A. Discipline decisions reached by the Company pursuant to Article 28, Paragraphs D and F of this

Agreement may be adjusted between the SMART-TD Local Chairperson and the Superintendent, or designate, within sixty (60) days of the issuance of the decision.

- B. Should the matter fail resolution by the Local Chairperson and the Superintendent or designate, the SMART-TD General Chairperson may appeal, in writing, to the HDO, or designate, within ninety (90) days of the date the discipline was assessed, or the appeal will be barred. The HDO, or designate, shall notify the General Chairperson of the allowance or declination of the appeal within sixty (60) days of the receipt of the appeal. Should the HDO, or designate, fail to timely notify the General Chairperson of the declination of the appeal, the claim will be allowed as entered; however such allowance shall not constitute a precedent for other similar claims.
- C. The SMART-TD General Chairperson will list unresolved discipline appeals with the HDO, or designate, not less than thirty (30) days prior to the next scheduled meeting of the Labor/Management Committee for handling pursuant to Section 2, Paragraphs D, E and F of this Article. Discipline/claims may be handled in conference as agreed upon between scheduled meetings.
- D. Nothing in this Section shall preclude an agreement by the parties to conference discipline appeals independent of the procedures set forth in this Article. Such conference as may be agreed upon will constitute any "conference" prerequisite to submission of unresolved disputes involving discipline appeals to a tribunal established by law or by agreement for the final adjudication of such disputes.

#### **Section 4            General**

- A. The Labor / Management Resolution Committee will meet quarterly during the months of January, April, July, October as mutually agreed, to review and resolve outstanding Employees time claims and grievances.
- B. The Committee will consider the entire record of each dispute submitted to it. Decisions made pursuant to this process will be provided to the Union by the Company within forty-five (45) days of the meeting date and will represent the final and binding decision on such grievances.
- C. The handling of claims and grievances by the Committee will constitute any "conference" prerequisite to submission of disputes to a public law board tribunal established pursuant to law or by agreement. In the event that a majority of the Committee does not agree on the resolution of a particular grievance, either party may initiate proceedings before a tribunal

established pursuant to law or by agreement within one hundred and twenty (120) days of the Committee's written decision having been rendered.

#### **ARTICLE 28 - INVESTIGATIONS AND DISCIPLINE**

- A. An Employee shall not be withheld from service pending hearing except in cases that are serious, such as but not limited to, theft, altercation, Rule "G", insubordination, major accidents and/or other major offenses whereby the Employee's retention in service could be hazardous.
- B. No Employee shall be disciplined without a fair hearing (investigation) by an officer of the Company. An Employee shall be apprised of the charge(s) against him not later than twenty (20) days from the date the carrier has knowledge of the incident to be investigated, with email copy to the General Chairman. If the decision is made to withhold an Employee from service pending an investigation, the hearing must be held within ten (10) days of the date the Employee was initially withheld from service. He shall have reasonable opportunity to secure the presence of necessary witnesses, and he shall have the right to be represented by the SMART-TD Local Chairperson or designee.
- C. When not inconvenient to the Company and to other Employees, investigations will be held at such times, if possible, as to avoid holding Employees out of service to be present at the investigation. Postponements will be granted to either party upon a reasonable showing of a need.
- D. Investigations ordinarily will be held within twenty (20) days of the date of the notice of charge referenced in Paragraph B above. Employees will be advised of the decision in writing within twenty (20) days after the conclusion of the investigation.
- E. Should any Employee disciplined under this Article consider that the discipline is unjust, he shall have the right to appeal as provide in Article 27 of this agreement. In cases of dismissal or suspension which is later found to be unjust, the Employee will be reinstated with seniority rights unimpaired and paid for all time lost, subject to offset for earnings made during the period of suspension or dismissal.
- F. An Employee and/or the Employee's representative shall have the option, with the Company's concurrence and prior to the hearing, to discuss the charge with the appropriate Company Officer.

1. If the disposition of the charges is made on the basis of the Employee's acknowledgement of responsibility, the disposition shall be reduced to writing and signed by the Employee and the official involved and shall incorporate a waiver of hearing and shall specify the maximum discipline, which may be imposed for the Employee's acceptance of responsibility.
  2. No minutes or other record shall be made of the discussion, and, if the parties are unable to reach an agreed upon disposition on this basis, no reference shall be made to these discussions by either of the parties in any subsequent handling of the charges under the discipline procedure.
- G. A true and correct transcript will be taken of all hearings or investigations held at the direction of the Company under this Article and in the event the Employee involved is assessed discipline, the Employee, his representative and the SMART-TD General Chairperson will be furnished a copy of the transcript along with the discipline decision letter. At an investigation, an Employee or his representative shall have the right to record, at his expense, the investigation proceedings on a recording device. This provision will not be used to delay or postpone the investigation proceedings. Distribution of notices and transcripts by electronic means shall fulfill the Company's obligation under this rule.
- H. Letters of caution or warning are not discipline. Should the Employee dispute the validity of the warning, he has the right to request a fair hearing provided the request is made within fifteen (15) days of the date of the warning letter. If the hearing reveals that the letter is unjust, it shall be removed from his record. If the Company decides the letter was warranted, it will apprise the Employee of the decision within fifteen (15) days of the hearing. If the Employee is dissatisfied with the decision, he shall have the right to appeal as provided in Article 27 herein.

#### **ARTICLE 29 - TIME OFF FOR UNION BUSINESS**

- A. An Employee who is elected or appointed to a full time position with the SMART-TD shall be granted an unpaid leave of absence for the duration of time he holds such position.
- B. In January of each year, the Union shall provide the Company with the names of the Local Chairpersons who should be granted time off without pay and will not be subject to the provisions of Article 10, Paragraph G., to conduct union business.
- C. Local Chairmen who are assigned to the guaranteed extra list who marks off to perform bona fide union business will not forfeit their guarantee for the week, but instead, will have their

weekly guarantee pro-rated according to the number of days during the week they were marked up and available for service.

- D. Local Union Officers not mentioned above will be able to book off for union leave to fulfill their obligations upon authorization of the General Chairman, with no less than seven (7) days' notice, but in extenuating circumstances, such as Special Union Meetings upon no less than 48 hours' notice to the Company. It is understood that such leave will not be unreasonably withheld.

### **ARTICLE 30 - ATTENDING COURT AND INQUESTS**

Employees who are required to attend court or inquests on behalf of the Company shall be paid for time lost at the Non- Service rate of pay applicable to the position held at the time of the occurrence, or be paid for actual time in attendance if no lost time is incurred.

### **ARTICLE 31 - LEAVE OF ABSENCE WITHOUT PAY**

#### **Section 1            General**

- A. Employees shall not be expected to work when sick, but in case of being compelled to lay off on account of sickness of themselves, or family, should in some manner notify the proper authority of their inability to protect the service requirements of the Company.
- B. When an Employee on a regularly assigned run lays off for any cause, upon return to active service he must be available for duty at least three hours before the bulletined spread time or starting time of the assignment.
- C. Employees may return to work prior to the expiration of a leave of absence when there is no other prohibition.
- E. Employees who do not return to service at the expiration, of their leave of absence, and who have not submitted application for an extension thereof, will be notified that they are absent without permission and such notice will instruct them to return to service or to satisfactorily account for their absence within fifteen (15) days or forfeit seniority as Employee. Employees who forfeit their seniority as a result of the provisions outlined herein with have their employment relationship with the Company terminated. A copy of the notice to the absent Employee will be furnished to the Local Chairperson and

General Chairperson of the SMART-TD on the territory concerned. It is understood that this Agreement does not prejudice the provisions of schedule agreements relating to protests against changes in seniority rosters.

**Section 2                    Less Than 1 Year**

Employees may, upon written application to their employing officer, be granted leave of absence for a period or periods not to exceed one year. Extensions to the one year period may be granted when agreed to by the Company and the General Chairperson of the SMART-TD.

**Section 3                    Illness / Injury**

- A. In the event of absence occasioned by illness or injury, Employees will be granted leave of absence automatically upon presentation of written application accompanied by appropriate substantiating medical evidence. Such automatic leaves will not be for a period of more than one year, and extensions thereof will require a new application and further substantiating medical evidence. In the event the employing officer and/or the General Chairman are not satisfied that the illness or injury is bona fide, additional evidence may be required to establish same to their satisfaction.
  
- B. Provided return to service is approved by Chief Medical Officer, Employees who have been injured on duty shall be permitted to return to work without signing a release.

**Section 4                    Official / Military**

Employees accepting official position with any Company controlled railroad or the SMART-TD will retain their seniority while holding such position, the same as if continuously in Company service. Employees elected or appointed to public office on a full time basis will be granted leave of absence for the duration of their term of office or appointment. Employees accepting positions with SMART-TD or accepting management positions with the Company will be required to remit a seniority maintenance fee as determined by SMART-TD, but not to exceed the amount of regular monthly dues.

Employees in military or other uniformed service will be granted leave of absence in compliance with applicable law.

**ARTICLE 32 - JURY DUTY**

When an Employee is summoned for jury duty and loses 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 Non- Service rate of his position for each calendar day lost less the amount allowed him 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 Company 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 shall be paid is limited to a maximum of sixty (60) days in any calendar year.
3. No jury duty pay will be allowed for any day as to which the Employee receives vacation pay.

### **ARTICLE 33 - BULLETIN BOARDS**

The Company shall provide space on bulletin boards at all home terminals to post notice of union business, provided that such notice(s) shall not include any defamatory or anti-Company material.

### **ARTICLE 34 - CREW CALLING RECORDS**

The Company shall provide each Local Chairperson and the General Chairperson with access in the Crew Calling Computer system that enables them to research calling records and history.

### **ARTICLE 35 - CREW CONSIST**

DM&E and DM&E Consolidated Territory only: The standard crew will consist of an Engineer and Assistant Engineer (AE) in service with an away from home terminal; and Engineer and a Conductor in all other services. The Company may assign an additional employee to any crew.

All other locations the standard crew will consist of an Engineer and Conductor and the company may assign an additional employee to any crew.

### **Section 1            Remote Control Service**

- A. Where remote technology is introduced such technology will be operated exclusively by a Trainman, unless otherwise provided herein. The Union acknowledges that the Company may operate remote technology in the performance of non-traditional train operations, such as by the Car/Equipment Department personnel within the confines of the car and equipment repair facilities, who have been trained in the operation of Remote Technology.
- B. In the event the company implements remote control service on the DM&E or on the DM&E within the Consolidated Territory, the position(s) will be filled by DM&E employees who hold seniority as Engineer or Conductor, or both. In the event no applications from DM&E employees are received, the position will be filled by a junior DME employee, within their home terminal. In the event no applications from prior righted DM&E employees are received, the position may be filled by a non-prior righted Conductor.
- C. Employees attending remote technology instructional classes will be compensated in accordance with Article 5, Paragraph D of the Agreement. Should an Employee be required to attend training at a point other than his home terminal point expenses outlined in Article 16, Section 2 will be available and a meal expense of \$35.00 a day in addition to provided lodging.
- D. Where this Section 1 applies, bulletins will be issued pursuant to Article 7 of the Agreement advertising applications to be taken for the position of Remote Control Operator (RCO). In the event no applicants are received for the bulletin, the provisions of Article 7, Section 3 of the Agreement will apply. Employees operating an RCO assignment will be paid the rates outlined in Article 5, Paragraph A of the Agreement. It is also recognized there may be locations that meet FRA guidelines for single person RCO operations and where those requirements are met, the Company may bulletin accordingly. Single person RCO operators will receive a premium of \$25 in addition to their basic day pay.
- E. Qualified RCO Employees will not be permitted to displace from an RCO assignment, when there are no other qualified RCO Employees available to protect the assignment or unless the RCO assignment is abolished and the Employee is unable to secure another RCO position. Training will be scheduled sufficiently so that Employees working RCO service will not have their seniority unduly restricted when there are other Employees who could be trained for RCO service.

**Section 2            Utility Employees**

- A. Utility Positions may be used to assist an assignment(s) pursuant to the provisions of Article 4 herein and will tie up at the home terminal. Conductor seniority will be used for assignment to Utility Positions. Employees assigned to the GEB will fill temporary vacancies. Utility Positions will be used to assist other assignments or assist in expediting the movement of trains pursuant with the terms of this Agreement.

NOTE: If a utility position is established that is a prior righted DM&E position it may be filled by an employee who is a Conductor, and if no applicant, by an Engineer.

- B. Upon approval of the Company, a utility employee will have the option of using his personal automobile in lieu of furnished transportation. When authorized and willing to use his personal automobile, a Utility Employee will be entitled to thirty-five (\$35.00) dollars in addition to the actual miles driven, with a minimum of twenty (20) miles per day at the standard driving allowance allowed by the IRS. Employees authorized to use their personal automobile will be covered by the provisions of Article 21, Section 2 – Off Track Vehicle Accident Benefits.

## **ARTICLE 36 – SET-BACK & SET-UP**

### **Section 1 Seniority Districts 1 through 3**

Engineers who are dual qualified and who desire to work as a Conductor may request and shall be permitted in seniority order to flow back and work as Conductor or Brakeman when there are sufficient qualified engineers to fill all engineer positions. The "Set-Back" and "Set-Up" under this Section B is subject to the conditions below:

#### Set-Back

Dual qualified employees who wish to set-back to conductor must put a request on file with the crew caller. When there is a need to reduce the number of locomotive engineers, dual qualified engineers with a request on file in that zone will be set back in seniority order. If no dual qualified employees have a request on file, the junior dual qualified engineer(s) in that zone will automatically be set-back. This does not permit junior qualified engineers to take set back status over senior dual qualified engineers with a senior conductor date.

#### Set-Up

Dual qualified employees who wish to set-up to Engineer and must bid the position in accordance with Seven Day Mark. If no dual qualified have a request on file, the junior dual qualified employee not working as an engineer in that zone will automatically be set-up. This does not permit junior dual qualified conductor to set up status because of his/her senior engineer qualification date.

## **Section 2                      Seniority Districts 4 through 7**

### Set-Back

Dual qualified Engineer's will be set-back when there is a need to reduce the number of Locomotive Engineers, The junior dual qualified Engineer in that zone will automatically be set-back.

### Set-Up

Dual qualified Engineer's will set-up to Engineer and must bid the position in accordance with Seven Day Mark. The senior dual qualified Engineer not working as an Engineer in that zone will automatically be set-up.

## **ARTICLE 37 - TERMINAL EFFICIENCY**

- A. At locations on the Central & Southern Region Hourly agreement territory where other CPKC Railroads intersect, Train Service Employees of either the Central & Southern Region or CPKC may be used to handle trains, including trains tied up under the hours of service in the most expedient manner as determined by the Company when Employees of the Company who would normally handle the train are not available and/or after normal calling procedures have been exhausted.
- B. This rule is not intended to provide that the work formerly performed by Employees of another railroad company will be permanently transferred to Employees of another railroad.
- C. Employees performing hours of service relief provided for in this Article may perform duties incident to completing the trip and finally yarding the train to the same extent such duties could have been performed by the crew of the train whose time expired under hours of service.

## **ARTICLE 38 - GENERAL PROVISIONS**

- A. The purpose of this Agreement is to fix the general level of compensation and rules covering working conditions through June 30, 2034 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. The Effective Date of this Agreement shall be the first full 7 DAY MARK cycle after the Carrier's Notice of Implementation. At such time that this agreement becomes effective, all other Agreements in effect in the territories between the parties are considered null and void and this Agreement is the only Agreement in effect between the parties. The Effective Date of this Agreement will not prevent the Company from performing Employee Placement Procedures and familiarizing employees, in advance and if required, to facilitate the transition from the existing Collective Agreement procedure to the 7 DAY MARK.
- C. Neither party to this Agreement shall serve prior to November 1, 2033, any notice or proposal for the purpose of modifying, adding to, or deleting from the provisions of this Agreement to become effective prior to July 1, 2034. The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.
- D. The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation. Any typographical errors in conflict with the intent of the parties will be resolved in good faith through the Labor/Management Resolution Committee.
- E. The following confirms our discussion during the just concluded negotiations that resulted in this Agreement. The parties have agreed to a mandatory requirement to renegotiate the compensation terms of the agreement if the hours of service regulations change as a result of any Governmental entity enacting or changing rest/fatigue rules and/or statutes governing the hours of service in the railroad industry during the time this agreement is in effect.
  - 1. As outlined in Article 1 of the Agreement, the parties have agreed that the Hourly Agreement is founded on the principle of paying for Employees' time on an all-inclusive basis. With this basis in mind, the parties have agreed that in the event the Company is mandated to reduce an Employee's hours of service to less than the ten (10) hour basic day, or reduce the hours during a month that an Employee may be available, or any combination thereof that results in a reduction in availability to less than that

permissible by the terms of this Agreement, the parties will meet within five (5) days of notification of such change or at another mutually agreed upon time. Negotiations shall not exceed three (3) days, unless otherwise mutually agreed and the parties will negotiate with a view toward a reduction in the hourly rate of pay in effect. It is understood that in no case shall the hourly rate reduction be more than the proportional decrease in hours worked. If an agreement on the hourly rate cannot be reached within the time frame stipulated above, or if the parties disagree on the appropriate amount of the revised hourly rate, the parties agree to submit the matter for expedited, final and binding arbitration.

2. Immediately following the failure to reach an agreement within the stipulated time frame, either party may initiate proceedings by serving written notice of intent on the other party to progress the issue to arbitration. Within (3) three days of the notification to proceed to arbitration, if unable to agree to a Neutral, the parties will select a Neutral by alternate strike from a fifteen (15) name strike list requested/provided from the National Mediation Board (NMB). Pending the availability of the Neutral, a hearing on the dispute will take place within thirty (30) days of the Neutral's selection. The parties shall bear their respective costs of the proceedings. The parties shall compensate the Neutral in equal part. The Neutral will render a decision in the matter within fifteen (15) days of the conclusion of the hearing unless otherwise agreed, and the decision will be binding on the parties and subject to enforcement as an Award of the National Railroad Adjustment Board.

F. In the event any Article of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that, if any such provision is held to be illegal or unenforceable, there will be added in lieu thereof a provision that is similar in terms to such provision as is possible to be legal, valid and enforceable.

G. This Agreement supersedes all rates of pay, rules, and working conditions that may have been made effective before the Effective Date of this Agreement as a result of the current multi-employer negotiations between the National Carriers Conference Committee and SMART-TD. No rates of pay, rules or working conditions resulting from such negotiations shall be effective as between the parties to this Agreement after the Effective date of this Agreement.

**Signed this X day of Month, Year at Kansas City, Missouri.**

FOR THE COMPANY:



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Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City

FOR THE UNION:



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Sam Habjan  
General Chairperson  
SMART Transportation Division

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David Pezzaniti  
Managing Director Labor Relations  
Canadian Pacific Kansas City

---

Alan L. Weed  
Director Labor Relations  
Canadian Pacific Kansas City

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Justin Dittrich-Bigley  
Assistant Director Labor Relations  
Canadian Pacific Kansas City

**ATTACHMENT “A” Questions and Answers**

**1. Article 4 Scope of Agreement**

Question: Will an Employee be expected to perform duties under this contract that they don't perform today?

Answer: No.

**2. Article 5 Wages**

**Paragraph B.**

Question: When will the overtime rate of time and one half apply?

Answer: Overtime only applies in connection with “on duty time” after the expiration of the number of hours encompassed in the basic day of the assignment as bulletined, or when accepting a call to perform service on your rest day.

**Paragraph C.**

Question: When does overtime apply in the application of working on an assigned rest day?

Answer: In the application of this provision, overtime applies when you are called and listed to work or deadhead at your home terminal. Overtime also applies to a return trip or deadhead, on your day off, out of your away from home terminal, if you are first called at your home terminal on your day off.

Question: Are Employees obligated to accept a call on their assigned day off?

Answer: No

**Example 1:** Conductor Summer is assigned to an unassigned pool and has rest days of Friday and Saturday. Conductor Summer did not drop his turn and is called at the home terminal on Thursday for an on duty time of 15:00 and tied up at the away from home terminal at 00:30 on Friday. Conductor Summer is then called at the away from home terminal for an on duty time of 14:00 on Saturday and tied up at the home terminal at 23:00 on Saturday.

*What rate of pay is Conductor Summer compensated for during the tour of duty?*

Answer: Conductor Summer is paid at the straight time rate of pay for the round trip because the on duty time at the home terminal was not on a rest day.

Additionally, because Conductor Summer worked into his rest days, Conductor Summer's rest days would run for forty-eight (48) hours from his tie up time with Conductor Summer marked back to the pool at 23:00 on Monday.

**Example 2:** Conductor Summer is assigned to an unassigned pool and has rest days of Friday and Saturday. Conductor Summer is called and voluntarily accepts a call at the home terminal on Friday for an on duty time of 02:00 and tied up at the away from home terminal at 11:00 on Friday. Conductor Summer is then called at the away from home terminal for an on duty time of 01:00 on Saturday and tied up at the home terminal at 10:30 on Saturday.

*What rate of pay is Conductor Summer compensated for during the tour of duty?*

Answer: Conductor Summer is paid at the overtime rate of pay for the round trip because the on duty time at the home terminal was after 00:01 on a rest day.

### **3. Article 6 Seniority**

#### **Section 11**

Question: How will assignments be allocated for those Employees who possess prior rights?

Answer: Any necessary allocation will be handled between the General Chairperson and the Superintendent(s).

### **4. Article 7 Job Vacancies and Bidding**

#### **Section 1 B.**

Question: Is it the intent for Employees to have the 2 assigned days off consecutive?

Answer: Yes, unless otherwise mutually agreed.

#### **Section 1 D.**

Question: Employee Winter's regular starting time is at 09:00.m. The Company wishes to change his starting time to

10:00 a.m. but is unable to contact Employee Winter. Employee Winter reports for duty at 09:00 a.m. as advertised. What time does Employee Winter go on duty?

Answer: 09:00.

**Section 1 H.**

Question: What is the definition of "Job Title"?

Answer: The normally assigned train symbol. However, is also understood that there is no penalty if an Employee is required to operate other than the train symbol normally assigned. In such situations, all other conditions of the bulletin apply.

**5. Article 10 GEB**

**Paragraph A.**

Question: Is an Employee who is at his home terminal required to accept a call for duty that commences on or after 23:59 on the day preceding their assigned rest day?

Answer: Yes, unless the Employee has properly placed in "DT" status in accordance with Article 7, Section 2.

**Paragraph E.**

Question: When an Employee is called from the extra board to fill a vacancy at an outlying point location how are their assigned days of recognized?

Answer: They will be required to fill the outlying point vacancy up to the day prior to their assigned days off, and then will be sent home to observe their rest days.

Example: In the example discussed the Employee's assigned days off are Thursday and Friday:

*The vacancy at Leesville commences on Monday.*

The extra board Employee is called in the manner described above, they will be required to protect the vacancy at the outlying location on the Monday, Tuesday and Wednesday. Upon completion of the shift on Wednesday the employee will be released to return home for their assigned rest days.

**Paragraph R.**

Question: Will an Employee assigned to the GEB be allowed to receive payment of a PLD in lieu of a holiday as described in Article 8, Paragraph B.?

Answer: Yes.

**6. Article 13 On and Off Duty Point**

**Paragraph D.**

Question: Will an Employee assigned to the GEB be aware of his away from home terminal for this tour of duty?

Answer: Yes, however, if a change of away from home terminal is not made prior to departing the terminal then Article 13, Paragraph D will apply.

Question: When an Employee is called to protect a regular assignment will he assume all conditions of that assignment?

Answer: Yes.

**Paragraph G.**

Question: Can an Employee called at his away from home terminal operate a train back through his home terminal and then be tied up at other than his home terminal?

Answer: No.

**7. Article 14 Calling for Duty**

**Section 3**

Question: Will GEB Employees who are called and released and not used in that calendar day be paid the 1/6 of the GEB rate or the basic daily rate of pay provided for by Article 5?

Answer: A basic day as provided for by Article 5.

**8. Article 20 Vacations**

**Section 1 Paragraph A.**

Question: Will the amount of vacation to which an Employee is entitled on the day prior to the effective date of this agreement be reduced as a result of implementation of this agreement?

Answer: No. It is not intended that the amount of vacation will be reduced for any Employee.

**Side Letter 1 – Seniority Consolidation – Train Service**

Date

Mr. Sam Habjan  
General Chairperson  
SMART-TD  
300 N. Cherokee Street  
Frontenac, KS 66763

Mr. Lance Fisher  
General Chairperson  
BLET  
3522 Meadowcrest Lane  
Sugarland, TX 77478

Mr. Nick Mugavero  
General Chairperson  
BLET  
125 East Lake Street Suite 302  
Bloomington, IL 60188

Gentlemen:

This will refer to the Agreement dated \_\_\_\_\_, 2026, between CPKC and the Brotherhood of Locomotive Engineers (BLET) that consolidated the territories and agreements of the former KCS, Mid-South, Tex-Mex, DM&E properties and the Consolidated Territory (CT) into single governing collective bargaining agreements by craft.

The construction of this governing agreement by craft is complicated by the fact that train service employees of both the Tex-Mex, the DM&E and the former DM&E portion of the Consolidated Territory are represented by the BLET, while SMART-TD holds the train service representation rights at the following properties (KCS, L&A, Mid-South and the remainder of the Consolidated Territory (non-DM&E portion)).

The purpose of this Side Letter is to signify a mutual intent that, regardless of representation rights, train service seniority and the rights to exercise such seniority will be consolidated throughout all the above cited properties/territories.

Moreover, this letter will serve as mutual recognition that the dual nature of representation of train service employees necessitates that certain rights of train service employees may be encompassed in either this Agreement or in certain agreement(s) between the Carrier and BLET. Therefore, this Side Letter shall attach to this Agreement and all applicable BLET agreements to reflect this understanding.

This Side Letter No. 1, and the consolidation of train service across all properties, will only come into force and effect upon the signing of both the BLET and SMART-TD General Chairmen identified below. At that point, the respective General Chairpersons, by their signatures below, acknowledge this and recognize their understanding that it is the Company's intention to negotiate seniority integration with SMART-TD on the basis of this side letter.

At such time this letter becomes effective the BLET and SMART-TD representing conductors in the Central and Southern Region will meet within ten (10) days from notification of ratification, for a period not to exceed thirty (30) days to create a

consolidated trainman roster.

If the BLET and SMART-TD are unable to reach agreement within the thirty (30) days on a consolidated trainmen roster, the organizations will have five (5) days to select a neutral for the purpose of establishing a consolidated trainmen roster. The arbitration will be party pay by the organizations, and within twenty (20) days of selecting a neutral the parties will arbitrate and the neutral will render the decision within thirty (30) days of the hearing.

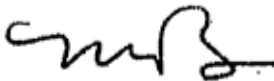
The company will be an interested party at the hearing.

CPKC will not be restricted from utilizing provisions of the agreement to use conductors from former properties across the new region while this matter is being arbitrated. The company will also not be subject to claims from employees while this matter is being decided.

Please indicate your concurrence where provided below.

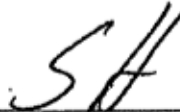
FOR THE COMPANY:

FOR THE UNION:



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Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City



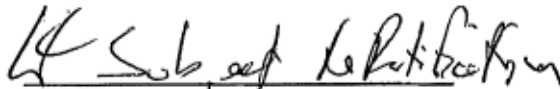
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Sam Habjan  
General Chairperson  
SMART Transportation Division

*Not Subject to RATIFICATION*

---

Nick Mugavero  
General Chairperson  
BLET



---

Lance Fisher  
General Chairperson  
BLET

**Side Letter 2 - Central & Southern Seniority Roster**

Date

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

Gentlemen:

The following confirms our discussion during the just concluded negotiations that resulted in this DATE Agreement.

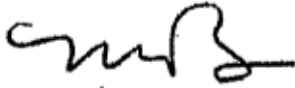
- A. On the effective date of this agreement, Conductors covered under this Central & Southern Region Hourly agreement will be designated as prior righted on their pre-existing seniority district, and this prior righted seniority will be applicable on all assignments protected by the pre-existing roster, including any increase in the number of assignments on a proportional equity basis (where applicable).
- B. On the effective date of this agreement, Conductors governed by this Central & Southern Region Hourly agreement will be dovetailed by their earliest Conductor seniority date and placed at the bottom of the prior righted rosters. In the event two or more Conductors have the same seniority date, their standing shall be determined by birth dates (earliest to latest in the year).
- C. Conductors hired after the effective date of this agreement will establish seniority on all rosters and will have rights and obligations to positions protected by the rosters on which they appear.
- D. Upon the effective date of this agreement the Organization will provide the Company with the Conductor rosters for the Central & Southern Region Hourly Agreement as identified herein.
- E. The Central & Southern rosters will show each Conductor's name, employee number, home terminal, seniority date, status and prior rights code if applicable.
- F. Initial seniority rosters will be posted concurrent with the date of ratification. Employees will have a thirty (30) days period from the date of the first posting to protest their placement on the rosters.

- G. Within fifteen (15) days of the close of the initial thirty (30) day period updated seniority rosters will be reposted.
- H. A seniority date not protested within the timeframes identified above will be considered permanently established, and future requests for changes will not be considered except to correct typographical errors. Issues of non-access from an employee or employees to the posted seniority rosters will be discussed and resolved between the General Chairman and Labor Relations.

If this reflects our understanding, please sign in the space provided.

FOR THE COMPANY:

FOR THE UNION:



---

Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City



---

Sam Habjan  
General Chairperson  
SMART Transportation Division

**Side Letter 3 - Integration of Other CPKC Committees**

Date

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

Gentlemen,

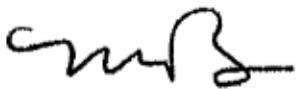
This will confirm our understanding reached during negotiations which resulted in this Agreement. It is understood that other CPKC General Committee(s) with representation of train service employees who are not parties to this Agreement, may elect to adopt this Agreement for the coverage of their members. Should this occur, the principles of seniority consolidation as expressed in Side Letter 2 will equally apply to those employees.

To effectuate the adoption of this Agreement by other CPKC General Committee(s) and the territories involved the parties will promptly meet collectively to resolve any matters of concern and to fully integrate those new territories into this Agreement.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

FOR THE UNION:



\_\_\_\_\_  
Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City



\_\_\_\_\_  
Sam Habjan  
General Chairperson  
SMART Transportation Division

**Side Letter 4 - 401K Plan**

DATE

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

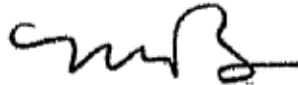
Dear Sir,

The following confirms our discussion concerning the 401K Plans for prior eligible Mid-South employees now governed by this Agreement.

The current 401K entitlements in which the Company provides a match in effect on the Mid-South will be maintained for the benefit of prior Mid-South employees coming under this Agreement.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:



\_\_\_\_\_  
Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City

FOR THE UNION:



\_\_\_\_\_  
Sam Habjan  
General Chairperson  
SMART Transportation Division

**Side Letter 5 - 60/30 Plan for Prior Right GWWR and Mid-South**

DATE

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

Dear Sir,

The following confirms our discussion concerning the application of the various agreements that preserved insurance coverage for former Mid-South and GWWR employees who choose to retire at age 60 with 30 years of service until the retiree reaches the age of 65 or becomes Medicare eligible. Those Agreements are:

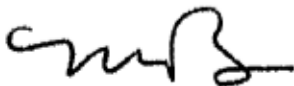
GWWR Side Letter No. 1 to May 4, 2001 Agreement  
Mid-South Side Letter to April 1, 1999 Agreement

For the GWWR we agree the company will maintain such entitlement on the same basis for those employees previously identified in the Letter of Understanding dated January 27, 2023 who were thereafter subsumed under the Consolidated Agreement.

For the Mid-South we agree to maintain the coverage (without cost to the employee) under Article II of the April 1, 1999 Agreement to employees who choose to retire at age 60 with 30 years of service until the retiree reaches age 65 or becomes Medicare eligible. This understanding applies only to employees holding seniority under the former MidSouth collective bargaining agreement on the date the Agreement and will only apply to anyone previously recognized from Article II of the April 1, 1999 Agreement.


If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:



\_\_\_\_\_  
Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City

FOR THE UNION:



\_\_\_\_\_  
Sam Habjan  
General Chairperson  
SMART Transportation Division

**Side Letter 6 - Executive Approval**

Date

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

Gentlemen,

The following confirms our discussion during the just concluded negotiations that resulted in the Tentative Agreement dated \_\_\_\_\_. The parties recognize that this Agreement is subject to final review and approval by the President and CEO of CPKC.

The Company agrees to notify the Union of executive approval not later than seven (7) days after the date of the Tentative Agreement. If approval is granted, the Union agrees to promptly submit the Tentative Agreement to their membership for ratification and will promptly advise the Company of the results of such ratification.

Upon ratification, it is understood that implementation of this Agreement can be done on a terminal-by-terminal basis. The implementation of this Tentative Agreement will occur on or before July 1, 2026.

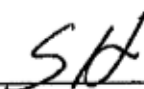
Please acknowledge your agreement by signing your name in the space provided below.

FOR THE COMPANY:

FOR THE UNION:



\_\_\_\_\_  
Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City



\_\_\_\_\_  
Sam Habjan  
General Chairperson  
SMART Transportation Division

**Side Letter 7 - Suspension of Section 4 Implementing Agreement**

Date

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

Dear Sir,

The following confirms our discussion during the just concluded negotiations that resulted in the Tentative Agreement dated \_\_\_\_\_.

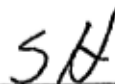
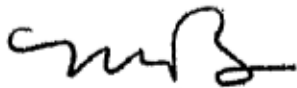
By prior letter dated March 3, 2026, the Carrier had served the required 30-day notice advising that the KCS-Mid-South Section 4 Implementing Agreement would be placed into effect and become effective 0001 hours, May 4, 2026.

In light of this Tentative Agreement, the Carrier will agree to suspend such implementation pending the results of SMART-TD ratification. Should this Tentative Agreement fail ratification the Section 4 Implementing Agreement will be immediately placed into effect coincident with the next available 7-Day Mark.

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

FOR THE COMPANY:

FOR THE UNION:



\_\_\_\_\_  
Myron W. Becker  
Vice President & Chief Labor Officer  
Canadian Pacific Kansas City

\_\_\_\_\_  
Sam Habjan  
General Chairperson  
SMART Transportation Division

Hourly Agreement - Map of Central & Southern Region



**ADDENDA**

The following Side Letters from the 2023 Consolidated Agreement will be preserved and are attached hereto.

- 1) Side Letter No. 8 – New York Dock
- 2) Side Letter No. 9 – Auto Certification Letter
- 3) May 1, 1945 Joint Agency Agreement and Memo

Side Letter 8 - New York Dock

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

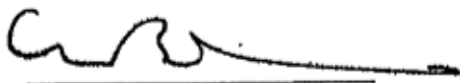
Dear Sir:

The following confirms our discussion, understanding, and agreement in the just concluded negotiations that resulted in this Agreement.

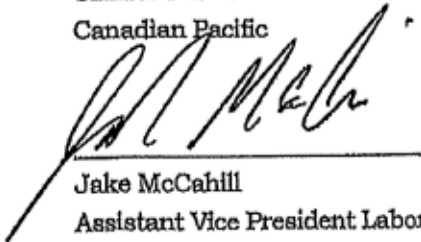
When this Agreement becomes effective it shall satisfy all requirements of Art. 1 §4 of the New York Dock conditions to the extent any of those requirements may apply to any change of operations of the Carrier relative to SMART-TD contemplated in the Agreement.

I trust the foregoing reflects our discussion and agreement on this matter.

FOR THE COMPANY:

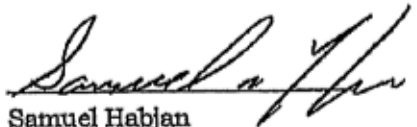


Myron W. Becker  
Chief Labor Officer  
Canadian Pacific

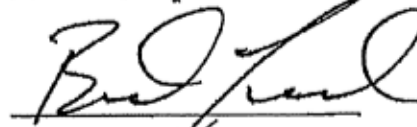


Jake McCahill  
Assistant Vice President Labor Relations  
Kansas City Southern

FOR THE UNION:



Samuel Habjan  
General Chairperson  
SMART Transportation Division



Brent Leonard  
Vice President  
SMART Transportation Division

Side Letter 9 - Auto Certification Letter



Keith Crisp  
President and Chief Executive Officer

7550 Olden Dale Road SE  
Calgary Alberta  
Canada T2C 4K9

November 4, 2021

Jeremy R. Ferguson, President  
International Association of Sheet Metal, Air,  
Rail and Transportation Workers-Transportation Division  
24950 Country Club Blvd., Suite 340  
North Olmsted, OH 44070- 5333

Re: *Canadian Pacific Railway Limited, et al.--Control--Kansas City Southern, et al.,*  
Surface Transportation Board Finance Docket No. 36500: Automatic  
Certification of Employees

Dear Mr. Ferguson:

This follows our conversation regarding the proposed Transaction, subject of the Surface Transportation Board (STB) proceeding, in which Canadian Pacific (CP) seeks to acquire control of Kansas City Southern (KCS) (the "Transaction"). CP anticipates that upon approval of the proposed Transaction, the STB will impose the employee protective conditions set forth in *New York Dock Ry. - Control - Brooklyn Eastern Dist. Terminal*, 360 I.C.C. 60, *aff'd*, *New York Dock Ry. v. United States*, 609 F.2d 83 (2d Cir. 1979) ("*New York Dock* conditions"). I am writing now to share how CP proposes to apply those protective conditions with respect to certain employees represented by your Organization, whom we expect to be affected by CP's implementation of its control of KCS.

This applies to employees of KCS's subsidiary The Kansas City Southern Railway (KCSR) who are represented by your Organization and who, as of the date on which CP assumes control of KCS, are actively employed on lines or at locations in what CP has designated the "Consolidated Territory" for purposes of the Transaction. The Consolidated Territory includes five lines or locations at which KCSR has employees: these are (1) Kansas City Terminal; (2) Kansas City-Joint Agency Yard; (3) KCSR between Kansas City and Mexico, Missouri; (4) KCSR from Mexico, Missouri to East St. Louis, IL, and from Mexico, Missouri to Springfield, IL; and (5) KCSR between Kansas City and Pittsburg, Kansas. CP anticipates consolidating certain of the work currently performed by KCSR employees in the Consolidated Territory with work currently performed by DM&E employees.

Effective as of the date on which CP assumes control of KCS, CP intends that KCSR will certify each of the KCSR employees identified above, as having been "placed in a worse position with respect to his compensation and rules governing his working conditions" as a result of the Transaction, within the meaning of Article I, section 1(b) of the *New York Dock* conditions. Following such certification, CP intends that KCSR will promptly provide your Organization with

Information as to each such employee's average monthly compensation. Each certified employee will, upon certification, become a "displaced employee" within the meaning of Article I, section 1(b) of the *New York Dock* conditions, and may, for the duration of the employee's individual protective period as defined in Article I, section 1(d) of the conditions, receive a displacement allowance if so entitled under Article I, section 5 of the conditions.

Certification as outlined in this letter will not diminish an employee's right to claim any other monetary benefits available to such employee under the *New York Dock* conditions as imposed by the Surface Transportation Board on the Transaction. Obligations that an employee may have under the *New York Dock* conditions as a precondition to obtaining monetary benefits are similarly not impaired.

I ask that you work with Myron Becker, CP's Chief Labor Officer, to memorialize this commitment should we be successful in acquiring KCS.

Sincerely,



Keith Creel  
President and Chief Executive Officer

Addendum No. 12 (a)

MEMORANDUM OF AGREEMENT

Between

CHICAGO, MILWAUKEE, ST. PAUL AND  
PACIFIC RAILROAD COMPANY

(Henry A. Sandrett, Walter J. Cummings and George  
I. Haight, Trustees),

THE KANSAS CITY SOUTHERN RAILWAY  
COMPANY

And

SWITCHMEN'S UNION OF NORTH AMERICA

(Representing Kansas City Southern Switchmen),

BROTHERHOOD OF RAILROAD TRAINMEN

(Representing Milwaukee Railroad Yardmen)

In connection with the coordination of terminal facilities of the two companies at Kansas City, effective on or about May 1, 1945, it is understood and agreed as follows:

1. The coordinated forces will be under the supervision of Milwaukee - Kansas City Southern Joint Agency officers and will be carried on the Joint Agency payrolls. The proposed arrangement shall not limit or infringe upon the rights under the Railway Labor Act, Railroad Retirement Act, or existing or future vacation agreements, of any employee carried on the Joint Agency payroll, nor shall it infringe upon or limit their respective home road privileges with respect to group insurance, hospital association and/or pass privileges.

2. The assignment of switchmen (yardmen) to the Joint Agency switching service as between the employees of the Kansas City Southern and the employees of the Milwaukee, shall be on a crew basis and shall be made according to percentages based on engine hours worked in the Kansas City Terminals of each company for the three year period ending December 31, 1939. This percentage basis has been developed and is as follows:

Kansas City Southern Railway . . . . .	67.30
Milwaukee Railroad . . . . .	32.70

3. Initially all assignments will be unnumbered consecutively, and will be identified as to location, starting time, point where to commence work, number of days, whether 6 or 7 days per week assignment.

Duly authorized representatives of Kansas City Southern switchmen and Milwaukee yardmen, respectively, will choose originally which assignments shall be considered Kansas City Southern and which shall be considered Milwaukee assignments on each of the three tricks (as defined in Section 6 hereof) on the following basis:

First choice	Kansas City Southern
Second choice	Milwaukee
Third	Kansas City Southern
Fourth choice	Kansas City Southern
Fifth choice	Milwaukee
Sixth choice	Kansas City Southern
Seventh choice	Kansas City Southern
and so on	

4. The following table has been worked out on the percentage basis referred to in Section 2 hereof and will govern in the assignment of crews, both regular and extra:

TABLE TO GOVERN ASSIGNMENT OF  
SWITCH CREWS AS BETWEEN ROADS

---

When total number of crews assigned to a trick is—	1	2	3	4	5	6	7	8	9	10
KCS Proportion—	1	1	2	3	3	4	5	5	6	7
Milw. Proportion—	0	1	1	1	2	2	2	3	3	3

---

When total number of crews assigned to a trick is—	11	12	13	14	15	16	17	18	19	20
KCS Proportion—	7	8	9	9	10	11	11	12	13	13
Milw. Proportion—	4	4	4	5	5	5	6	6	6	7

---

When total number of crews assigned to a trick is—	21	22	23	24	25	26	27	28	29	30
KCS Proportion—	14	15	15	16	17	17	18	19	20	20
Milw. Proportion—	7	7	8	8	8	9	9	9	9	10

---

When total number of crews assigned to a trick is—	31	32	33	34	35	36	37	38	39	40
KCS Proportion—	21	22	22	23	24	24	25	26	26	27
Milw. Proportion—	10	10	11	11	11	12	12	12	13	13

---

When total number of crews assigned to a trick is—	41	42	43	44	45	46	47	48	49	50
KCS Proportion—	28	28	29	30	30	31	32	32	33	34
Milw. Proportion—	13	14	14	14	15	15	15	16	16	16

---

In reducing or increasing crews the above table will govern.

5. To illustrate the working of the above table:

Assuming there are 38 engines assigned to work in the terminal: Of the 38 engines assigned, assuming 14 are first trick, 13 second trick and 11 third trick and 11 third trick; then observing the column under 14 it is seen that the KCS will man 9 of the first trick engines and the Milwaukee 5. Observing column 13, it is seen that the KCS will man 9 and the Milwaukee 4 of the second trick engines. Observing column 11, it is seen that the KCS will man the Milwaukee 4 of the third trick engines.

6. In order to differentiate between first, second and third trick assignments, it is agreed that all engines with working hours beginning between 6:30 a.m., and prior to 2:30 p.m., shall be known as first trick engines; engines with working hours beginning between 2:30 p.m. and prior to 10:30 p.m., shall be known as second trick engines, and engines with working hours beginning between 10:30 p.m., and prior to 6:30 a.m., shall be known as third trick engines. It is understood and agreed that this paragraph governs only in determining first, second and third trick engines and does not in any way refer to starting time which is covered by respective agreements.

7. At expiration of ninety (90) days from the date the coordination takes effect, and at the end of each 90-day period thereafter, the Joint Agency will furnish the General and Local Chairmen of the respective Organizations a statement of the total number of engine hours worked, segregated as between those manned by Kansas City Southern switchmen and those manned by Milwaukee yardmen, respectively, so that adjustments in the manning of engines may be made to bring the percentage of engine hours on each trick (as defined in Section 6 hereof) manned by Kansas City Southern Switchmen to 67.3% and by Milwaukee yardmen to 32.7%, or as nearly thereto as practicable.

8. Only switchmen working off the Kansas City Southern switchmen's seniority roster will be privileged to exercise seniority to the engines allotted to Kansas City Southern switchmen, and only yardmen working off the Milwaukee yardmen's seniority roster will be privileged to exercise seniority to the engines allotted to Milwaukee yardmen. This does not prevent the use of a Kansas City Southern Switchman to fill a temporary vacancy on a Milwaukee assignment when there are no Milwaukee yardmen available under the hours of service law, nor does it prevent the use of a Milwaukee yardmen to fill a temporary vacancy on a Kansas City Southern assignment when there are no Kansas City Southern switchmen available under the hours of service law. Penalty time payment will not affect switchmen's (yardmen's) availability for service.

9. It is agreed that the coordination permits the use of Kansas City Southern and/or Milwaukee yard crews anywhere within the territory under the jurisdiction of the Joint Agency officers.

10. All rules governing conditions of employment, service performed, rates of pay and other provisions of the agreement which is now in effect, or which may be hereafter negotiated by the Switchmen's Union of North America and the Kansas City Southern, will apply to Kansas City Southern switchmen, except as specifically modified by this agreement. All rules governing conditions of employment, service performed, rates of pay and other provisions of the agreement which is now in effect, or which may be hereafter negotiated between the Brotherhood of Railroad Trainmen and the Milwaukee, will apply to Milwaukee yardmen except as specifically modified by this agreement.

11. Discipline and grievance cases arising on the Joint Agency and not disposed of satisfactorily by the Superintendent in charge, shall be appealed to the Vice President of the Kansas City Southern Railway Company in charge of labor matters, who is designated by the two railroads as the highest official to whom appeals shall be made before cases arising on the Joint Agency are appealed to the National Railroad Adjustment Board or other agencies established under the Railway Labor Act

12. This agreement shall become effective as of the date the actual coordination takes effect, and shall not be changed except upon thirty days notice in writing by either party to the agreement.

Signed at Kansas City, Missouri, this 13th day of April, 1945.

For

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

By J. M. Frickett  
Vice President

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD COMPANY,

By F. H. Allard  
Assistant to Chief Operating Officer

SWITCHMEN'S UNION OF NORTH AMERICA

By F. H. Lynch  
General Chairman

BROTHERHOOD OF RAILROAD TRAINMEN

By W. E. Smith  
General Chairman

Addendum No. 12 (b)

MEMORANDUM OF AGREEMENT

between the

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC

RAILROAD COMPANY

THE KANSAS CITY SOUTHERN RAILWAY

COMPANY

and the

BROTHERHOOD OF RAILROAD TRAINMEN

(Representing Milwaukee and Kansas City Southern affiliated yardmen employed in the Milwaukee - Kansas City Southern Joint Agency)

Effective June 1, 1959, it is hereby understood and agreed that ~~Sections (4), (5), (6) and (7) of the Coordination Agreement of April 13, 1945) are deleted and in their places are substituted the following:~~

SECTION 4.

The following table has been worked out on the percentage basis referred to in Section 2 of the Memorandum of Agreement of April 13, 1945 and will govern in the number of yard crews actually worked on each trick each day of the week, both regularly assigned yard crews and extra yard crews:

TABLE TO GOVERN THE NUMBER OF YARD CREWS ACTUALLY WORKED AS BETWEEN MILWAUKEE AFFILIATED AND KCS AFFILIATED YARDMEN

When the total number of crews worked on a trick is—										
KCS Proportion—	1	2	3	4	5	6	7	8	9	10
Milw. Proportion—	1	1	2	3	3	4	5	5	6	7
When the total number of crews worked on a trick is—										
KCS Proportion—	11	12	13	14	15	16	17	18	19	20
Milw. Proportion—	7	8	9	9	10	11	11	12	13	13
When the total number of crew worked on a trick is—										
KCS Proportion—	21	22	23	24	25	26	27	28	29	30
Milw. Proportion—	14	15	15	16	17	17	18	19	20	20
Milw. Proportion—	.7	7	8	8	8	9	9	9	9	10

When the total number of crews worked on a trick is—	31	32	33	34	35	36	37	38	39	40
KCS Proportion—	21	22	22	23	24	24	25	26	26	27
Milw. Proportion—	10	10	11	11	11	12	12	12	13	13

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When the total number of crews worked on a trick is—	41	42	43	44	45	46	47	48	49	50
KCS Proportion—	28	28	29	30	30	31	32	32	33	34
Milw. Proportion—	13	14	14	15	15	15	16	16	16	16

Memo: In reducing or increasing the number of yard crews worked on each trick, the above table will govern.

**SECTION 5.**

To illustrate the working of the above table:

Assuming there are 38 yard crews actually working on the Joint Agency; Of the 38 yard crews actually working assuming 14 are first trick, 13 second trick, and 11 third trick; then observing the column under 14 it is seen that the KCS Yardmen will man 9 of the first trick crews and the Milwaukee Yardmen will man 5. Observing column 13 it is seen that the KCS Yardmen will man 9 and the Milwaukee Yardmen will man 4 of the second trick crews. Observing column 11 it is seen that the KCS Yardmen will man 7 and the Milwaukee Yardmen will man 4 of the third trick crews.

**SECTION 6.**

In order to differentiate between first, second and third trick crews, it is agreed that all crews with starting hours beginning between 6:30 AM and 2:30 PM shall be known as first trick crews; crews with starting hours beginning between 2:30 PM and 10:30 PM shall be known as second trick crews; and crews with starting hours beginning between 10:30 PM and 6:30 AM shall be known as third trick crews. It is understood and agreed that this section governs only in determining first, second, and third trick crews in the compliance with this supplemental agreement and does not in any way apply to the starting time which is covered by respective agreements.

In connection with the foregoing it is also agreed:

A. That not more than one assignment will be split on a trick or shift in equalizing yard crews in accordance with Section 4 above.

B. That the provisions of Article 21 of the Kansas City Southern Yardmen's Agreement, effective December 1, 1946, are waived, for the purpose of applying this agreement.

**SECTION 7.**

At the expiration of ninety (90) days from the date the coordination takes effect, and at the end of each 90-day period thereafter, the

Joint Agency will furnish the General and Local Chairmen of the respective Organizations a statement of the total number of engine hours worked, segregated as between those manned by Kansas City Southern switchmen and those manned by Milwaukee yardmen, respectively, so that adjustments in the manning of engines may be made to bring the percentage of engine hours on each trick (as defined in Section 6 hereof) manned by Kansas City Southern switchmen to 67.3% and by Milwaukee yardmen to 32.7%, or as nearly thereto as practicable.

Adjustments under this Section 7 of the net engine hours of all three tricks will be made on transfer assignments, as follows:

Effective June 1, 1959, and to be in effect for the nine (9) calendar months beginning with March 1, 1959: The local chairman (of the group owing engine hours) will designate the transfer run and the trick to be used for adjustment.

Effective March 1, 1960, and to continue for a period of nine (9) calendar months, beginning with December 1, 1959, engine hours adjustments will be made on a rotation basis (first, second and third tricks, in that order), the local chairman (of the group owing engine hours) to designate the transfer job.

The parties hereto will meet within a period between 60 and 90 days prior to the expiration of the second nine (9) months period referred to in the next foregoing paragraph, for the purpose of working out an arrangement to handle engine hours adjustments beyond that period; provided, however, that if an understanding is not reached in that 30-day period, the parties promptly will request the National Mediation Board to designate a neutral to determine the question of which procedure will be followed thereafter; and provided further that until it is determined how the matter will be handled at the end of said second nine (9) months period, adjustments will continue to be handled on a rotation basis.

During the period that a KCS affiliated crew is working a Milwaukee job for adjustment purposes, the hours of the KCS affiliated crew will be charged against the KCS and the job will be charged against the Milwaukee; and vice versa.

NOTE: It is understood and agreed that the foregoing agreement shall not be considered as prejudicing the positions of the parties hereto, respectively, in any controversy which may have arisen prior to the effective date of this agreement.

Signed at Kansas City, Missouri, this 6th day of May, 1959.

FOR THE CARRIERS:

D. E. Farrar  
Assistant to President  
The Kansas City Southern Ry. Co.

**FOR THE BROTHERHOOD OF RAILROAD  
TRAINMEN:**

**E. L. Dirks**  
General Chairman - Milwaukee Road

**R. D. Jones**  
General Chairman - Kansas City Southern

**APPROVED:**

**George W. Legge**  
Deputy President - Brotherhood of Railroad Trainmen



**Myron Becker**  
VP & Chief Labor Officer

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## **MEMORANDUM OF UNDERSTANDING**

DATE

Mr. Samuel Habjan  
General Chairperson  
SMART Transportation Division  
300 N. Cherokee Street  
Frontenac, KS 66763-2146

Dear Sir,

This will confirm the parties' continued discussions regarding the tentative Hourly Agreement dated \_\_\_\_\_ and certain additional agreement terms that would apply to Consolidated Territory train service employees represented by SMART-TD with the successful ratification of the Agreement. As we discussed, subject to ratification of the Hourly Agreement, current and future Consolidated Territory train service employees represented by SMART-TD will be afforded the following agreement rights or privileges as contained in this stand-alone agreement.

### **Paid Personal Leave Days (PLDs)**

Consolidated Territory employees represented by SMART-TD and covered by this stand-alone agreement who work in a pool or extra board to meet personal scheduled commitments they may elect to shift the start time of an approved scheduled personal leave day as follows:

1. Not less than twenty-four (24) hours prior to the start time of a PLD or at the time of tie up on the trip which ends during the 24-hour period an employee must notify Crew Management of their intent to shift a PLD.
2. When the employee becomes first out in a pool or extra board they can request with crew management to shift their PLD to begin at the time they stand to be called for work.
3. Employees mark-up time will be adjusted accordingly, to occur 24-hours from the beginning of the start time of their PLD.



**Example:**

Employee Smith has an approved PLD to begin at 0001 on Wednesday that he previously advised crew management he would shift its start time. Employee Smith reaches first out in his pool at 1700 hours on Tuesday. He may call crew management to shift his PLD to begin at the time he stands to be called. Employee Smith's turn is later called for a 2100 start time. Employee Smith's PLD starts at 2100 on Tuesday, ending at 2100 Wednesday.

**Drop Turn into Vacation**

To increase the opportunity for Consolidated Territory employees to be at the home terminal to commence a scheduled week of vacation, exclusive of single day vacation or any other compensated leave, employees in unassigned pool and extra board service shall have the opportunity to drop their turn ("DT") subject to the following conditions.

1. The employee must declare DT with the Crew Management Center not less than twenty-four (24 hours) prior to the start time of the first day of vacation or at the time of tie up on the trip which ends during that 24-hour period, whichever is later.
2. Upon declaring DT for the day preceding the first day of vacation, at such time as the employee becomes first out the employee's turn will be dropped from the Pool/GEB rotation and such time will be placed at the bottom of the board and will continue to rotate up in sequence until:
  - (i) The employee is called for a tour of duty that will tie up at the home terminal, or
  - (ii) The employee commences his first day of vacation days.
3. Employees who do not notify the Company as outlined above, will be subject to a call for service until 21:59 hours for a start time at 23:59 on the day immediately preceding the scheduled start of vacation.



4. Employees utilizing the DT provision remain and are considered available for service while in DT and may be used in other than first in/first out order without penalty so long as they are used for service with an on-duty time prior to 1200 hours and called for service that will tie up at the home terminal.

NOTE: The term, "utilizing the DT provision" in (4) above does not require the employee to reach the top of the board and have his turn dropped prior to being available for call in other than first in/first out order.

5. At the end of either the vacation period an employee utilizing the DT provisions of this Article shall be marked up last out on the respective Extra Board or Pool.
6. Employees assigned to a GEB who elect to utilize DT ahead of their rest days under Article 7 and subsequently elect to utilize DT ahead of vacation under this Article 21 or vice-versa, and who do not perform service between their rest days, and the onset of their vacation will forfeit their guarantee for that prior week.

Please indicate your concurrence where provided below.

Sincerely,

Myron W. Becker  
VP & Chief Labor Officer  
CPKC

I concur,

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Sam Habjan  
General Chairperson  
SMART Transportation Division