

MEMORANDUM OF AGREEMENT between The Atchison, Topeka and Santa Fe Railway Company and its employees represented by the Brotherhood of Locomotive Engineers

Article I - Lump Sum and Deferred Payments

Section 1 - Benefits

- (a) Engineers who held seniority in the craft prior to January 1, 1989 and who were in active engine service as of December 1, 1989 who in the 12-month period October 1, 1988 through September 30, 1989 earned at least 20,000 or more engineer miles (excluding miles or mileage equivalents for vacations, holidays, guarantees and penalties) or made at least 150 tours of duty as engineer will be entitled to the following benefits.
- (1) A \$10,000.00 cash payment less usual deductions will be made prior to January 1, 1990.
 - (2) A lump sum separation benefit of \$15,000.00 will be paid to a qualified engineer upon termination of employment, retirement or death.
- (b) Engineers who held seniority in the craft prior to January 1, 1989 and who were in active engine service as of December 1, 1989 who in the 12-month period October 1, 1988 through September 30, 1989 had earnings as an engineer but did not meet the qualifying criteria under paragraph (a) will be entitled to the following benefits.
- (1) A \$5,000.00 cash payment less usual deductions will be made prior to January 1, 1990.
 - (2) A lump sum separation benefit of \$10,000.00 will be paid to engineers under this paragraph (b) upon termination of employment, retirement or death.
 - (3) Engineers under this paragraph (b) may qualify for an additional \$10,000.00 lump sum separation benefit if they meet the criteria in paragraph (a) in any calendar year during this agreement (1990 through 1994). In order to qualify, the engineer must make the 20,000 mile or 150 tour of duty criteria within an individual calendar year.

Section 2 - Separation Benefit

- (a) Each engineer qualified under Section 1 above will be paid a lump sum separation benefit after December 31, 1989, upon termination of employment, retirement or death. The amount of the benefit will be either \$15,000.00, \$10,000.00, or \$20,000.00 plus an adjustment increase of 3.5% per year, for each fiscal year following 1989 through the fiscal year prior to the fiscal year in which the benefit is paid.

(c) The amount of additional cost-of-living adjustment may be equal to, or greater or less than, the additional cost-of-living adjustment from the preceding adjustment period. The total amount of cost-of-living adjustment for any measurement period will be the total of all such adjustments for previous periods under this agreement plus additional adjustment for the current period.

(d) Cap.

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

<u>Effective Date of Adjustment</u>	<u>Maximum C.P.I. Increase Which May Be Taken Into Account</u>
May 1, 1991	8% of December 1989 CPI
May 1, 1992	8% of December 1990 CPI
May 1, 1993	8% of December 1991 CPI
May 1, 1994	8% of December 1992 CPI
May 1, 1995	8% of December 1993 CPI

(ii) Any increase in the BLS Consumer Price Index from the base month of December of one year to the measurement month of December of the following year less than 4% or in excess of 8% of the December base month index, will not be taken into account in the determination of subsequent cost-of-living adjustments.

(e) Formula. The number of points change above 4% in the BLS Consumer Price Index during a measurement period, as limited by paragraph (d) above, will be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion will not be counted.)

The cost-of-living adjustment, if any, will be computed by determining the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change in excess of 4 points, as limited by paragraph (d) above, in the BLS Consumer Price Index during the measurement period from the base month of December 1989 to the measurement month of December 1990, and so on. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be a cents per hour figure which will be applied to each engineer's pay items for earnings listed in paragraph (b) above for service as an engineer during the preceding calendar year. The COLA adjustment for those earnings will be made in a lump sum payment on May 1 of the year following the measurement year period.

- (f) Offsets. The amounts calculated in accordance with the formula set forth in paragraph (e) will be offset by any payments due under Article IV, Profit Sharing, payable for the same calendar year measurement period. If a COLA adjustment would otherwise be due but is offset because of a higher profit sharing payment, no COLA adjustment will be paid. The amount of COLA adjustment will be carried over for each succeeding year of this agreement. In the subsequent years, any new COLA adjustment will be added to the cumulative COLA adjustment under this agreement for purposes of measuring the profit sharing offset in a particular year.
- (g) Continuance of the cost-of-living adjustments is dependent upon the availability of the official months BLS Consumer Price Index (CPI-W) calculated in the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor, should during the effective period of this Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W Index during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W Index during such measurement period.

Application of Cost-of-Living Adjustments

- (h) In application of the cost-of-living adjustments provided for by Section 1 of this Article II, the cost-of-living adjustment will not become part of the basic rates of pay.

Article III - 401(K) Retirement Plan

A 401(K) Retirement Plan will be established for engineers, as described on Attachment A.

Article IV - Profit Sharing

A Profit Sharing plan will be established for engineers as described on Attachment B. in the June, 1990 Agreement

Article V - Annual Leave Days

- (a) All engineers will be entitled to one annual leave day for each two months of injury-free service, with a maximum of six annual leave days per calendar year. "Injury-free" means not sustaining a reportable, on-duty injury in the two-month period.

- (b) For qualifying purposes, an employee must be assigned to an engineer's position the entire two-month period. Leaves of absence, suspensions or dismissals will disqualify an engineer from earning annual leave days during these time periods. An engineer in yard or road service covered by the Holiday Pay Rule or on an engineer's extra board is eligible to earn annual leave days.
- (c) Ungranted or unused annual leave days each year may be accumulated and carried over to each succeeding year.
- (d) An engineer may elect to receive payment for part or all carry-over days in his account. Payment for such days will be a basic day at the rate of the last service performed for each annual leave day.
- (e) If an engineer resigns, retires, dies or is dismissed from service, the number of annual leave days in his account as of the date leaving service, will be payable to the engineer or his estate.
- (f) Requests to observe annual leave days must be approved by designated carrier representatives and are subject to the needs of the service.

Article VI - Basic Day

Section 1

- (a) The miles encompassed in the basic day in through freight service and the divisor used to determine when overtime begins will be changed effective January 1, 1990 to 120 miles and 15 miles per hour respectively.
- (b) The 3200-3800 mile regulating factor for pools in unassigned freight service will be changed to correspond with changes in the basic day. In accordance with paragraph (a) above, pool freight boards will be regulated between 3,840 and 4,560 miles effective January 1, 1990. The BLE local chairman and local management may agree to regulate the pools as close to 4200 miles as possible. Mileage will be checked at ten-day intervals or pools may be regulated once a week based on miles made in the last ten days, multiplied by three. Pools on two-ended, variable calling interdivisional runs may be regulated every two weeks to avoid adverse fluctuations.
- (c) The personal mileage limitation for engineers in various schedules is eliminated. An engineer who accumulates 4,200 miles in his assigned checking period will be allowed to lay off on miles.

Article X - Holidays

- (a) Road engineers in unassigned pool freight service who meet the qualifications in paragraph (b) below and who commence a trip in pool service on one of the following holidays:

Thanksgiving Day
Day After Thanksgiving
Christmas Eve Day
Christmas Day
New Year's Eve Day
New Year's Day

will receive one basic day's pay at the rate for the trip worked commencing on the holiday in addition to all other earnings.

- (b) To qualify for holiday pay, a pool freight engineer must be available and commence a tour of duty on the holiday. The engineer must also have been in pool freight service and made a trip without lay off immediately preceding the holiday and remain in pool freight service and make at least one trip immediately following the holiday.

NOTE: An engineer going on duty prior to the holiday whose tour of duty extends into the holiday will not be entitled to the basic day payment.

(This Article X will become effective February 1, 1990.)

Article XI - Bereavement

- (a) Bereavement leave will be allowed in case of death of an engineer's brother, sister, parent, child, spouse, or spouse's parent.

NOTE: In connection with the above, death of a half-brother or half-sister would entitle an engineer to bereavement leave, but death of a stepbrother, stepsister, stepparents or stepchildren would not. However, this rule is applicable to a family relationship through the legal adoption process.

- (b) In such cases, three basic day's pay at the rate of the last service rendered will be allowed for the three days following date of death provided an engineer is off on those days. An engineer need not have stood to work on one or more of the days in order to receive bereavement leave pay.

NOTE: Bereavement pay will not be applicable during an engineer's vacation. Also, if an engineer

- (c) When the foregoing provisions are utilized, an engineer will be considered as having "split" his vacation, and the applicable portions of the so-called "Split Vacation Agreement", Engineers Schedule, will govern.
- (d) The total number of weeks of vacation for a seniority district (or location where applicable) will be divided by 52. The resulting number will then be increased by 10% to arrive at the maximum number allowable to schedule for vacation in any given week. Local supervision and the local chairman may agree to a greater or lesser number, depending upon service requirements.

Article XIV - Moratorium

- (a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement and is in settlement of the disputes growing out of the notices served upon the carrier by the organization dated June 27, 1988 and August 17, 1989, and the notices served on October 20, 1988 and September 22, 1989 by the carrier.
- (b) This Agreement will be effective January 1, 1990 and remain in effect through December 31, 1994 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- (c) Except as provided in paragraphs (d) and (e) of this Article, the parties to this Agreement shall neither serve nor progress prior to July 1, 1994 (not to become effective before January 1, 1995) any notice or proposal for changing any matter contained in:
 - (1) this Agreement,
 - (2) the proposals of the parties identified in Section (d) of this Articleand any pending notices which propose such matters are hereby withdrawn.
- (d) The notices of the parties dated June 27, 1988 and October 20, 1988, concerning Health and Welfare will continue to be progressed and are not affected by this settlement.
- (e) Pending notices and new proposals properly served under the Railway Labor Act covering subject matters not specifically dealt with in paragraphs (c) and (d) of this Article and which do not request compensation may be progressed under the provisions of the Railway Labor Act, as amended.

(e) Penalty payments,

shall not be counted toward the guarantee.

(6) An engineer on a board who lays off shall lay off for a minimum of 12 hours. This shall not preclude his use, however, if he is available and his services are needed due to a shortage of engineers before the minimum time expires. An engineer who lays off more than twice in a pay period forfeits the guarantee and shall only receive pay for work performed in that pay period. Missing a call for service or calling for rest with less than 10 hours on duty under the Hours of Service law shall be considered the same as laying off under the guarantee provisions of this Agreement.

When an engineer misses a call, the engineer will not be placed on the board until he reports for duty, at which time the engineer will be placed to the bottom of the board.

Engineers who have tied up for rest, in accordance with that rule, will remain on the board.

Layoffs for jury duty, bereavement leave, or lay-offs by officers or committeemen laying off for union business will not be counted a "lay-off" toward forfeiture of guarantee in that pay period. If the engineer lays off in advance of that necessary and/or does not report for service after complete or temporary release from jury duty, such time will be considered as a "lay-off" against the two toward forfeiture of guarantee.

An engineer laying off for jury duty will not be subject to the minimum lay off of 12 hours.

(7) The Carrier will furnish separate ten days advance notice for each board it intends to establish.

(8) If the Carrier cuts all engineers off of a guaranteed board, that board will not be considered as abolished.

(9) Either party may abolish a guaranteed extra board by serving a 6-month written notice. If a guaranteed extra board is abolished it may be reinstated at the end of a six month period, calculated from date of abolishment, unless mutually agreed to an earlier reinstatement date.

(10) A BLE local chairman may request periodic review of a guaranteed extra board to ascertain the amount of service provided by said extra board as well as the amount of guaranteed days paid. Carrier will consider this data in determining that a reasonable number are assigned to the board, taking into consideration the number of assignments to be protected for all causes known and unknown.

This Agreement shall become effective 12:01 a.m., January 1, 1990, and shall remain in effect subject to the provisions of the Railway Labor Act, as amended.

QUESTIONS AND ANSWERS

Article VIII Road/Yard

- Q-1: A road engineer yards his train at the final terminal in Receiving Yard Track No. 8, sets out 10 cars to Receiving Yard Track No. 7, picks up 14 cars from Receiving Yard Track No. 12, and returns them to his train in Track No. 8. He then goes off duty. Are such moves permissible?
- A-1: Yes.
- Q-2: In the above example, could the outbound engineer be required to make the set-out and pick-up instead of the inbound engineer?
- A-2: Yes.
- Q-3: If the engineer in Question 1 stops his train on the main line and makes a set-out and a pick-up on adjacent yard tracks, is this permissible?
- A-3: Yes.
- Q-4: Can an inbound engineer after yarding his train then be required to make set-outs to two different tracks in the same yard?
- A-4: Yes, if he has not made a prior pick-up or set-out in the final terminal.
- Q-5: May the Carrier require a road engineer to make a pick-up of cars within the initial or final terminal and make a set-out of the same cars in another location within the same terminal?
- A-5: No, such pick-ups and set-outs must be in connection with his own train.
- Q-6: In the application of the provisions of Section 1(a) of Article VIII, an engineer after receiving his train in the make-up track in yard A is required to make a pick-up or set-out of cars in an adjacent track prior to departing the initial make-up track. Is this permissible under the agreement?
- A-6: Yes.
- Q-7: In the application of Section 1(a) an engineer arrives at his final terminal and is required to make a set-out of cars in A Yard, make a pick-up of cars in B Yard, yard his train in C Yard and double a cut of cars to an adjacent track. Is such movement permissible?
- A-7: No, such movement exceeds the maximum of two pick-ups and/or set-outs.
- Q-8: An engineer receives his train in the A Yard and is required to double his train together. He then makes one pick-up before departing the terminal. Is such permissible under the application of Section 1(a)?
- A-8: Yes.
- Q-9: An engineer arrives at his final terminal and is required to make one set-out or pick-up in the A Yard, then proceed to the B Yard to yard his train. After yarding train in B Yard, the engineer is required to take a cut of cars from his train back to the A Yard for set-out and then takes his power to the tie up track. Is such movement permissible under the Agreement?
- A-9: No, because reverse movements of this nature are not contemplated under Article VIII.

Q-10: In the application of Section 1(b) may an engineer, after taking charge of a solid-over-the-road train, make a pick-up in a foreign Carrier's yard.

A-10: No.

Q-11: May an engineer make a set-out in the foreign Carrier's yard prior to delivering a solid-over-the-road train.

A-11: No.

Q-12: An engineer goes on duty at his regular on-duty point, handles his engine to a foreign line yard and couples to a solid-over-the-road train. He departs the foreign line yard, travels back into his initial terminal, and makes a pick-up before continuing his road trip. Is this move permissible?

A-12: Yes.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

80 E. Jackson Blvd.,
Chicago, Illinois 60604

December 19, 1989

Mr. C. A. McDaniel, Jr., General Chairman
Brotherhood of Locomotive Engineers
3910 South Georgia
Amarillo, Texas 79109-4837

Dear Sir:

SIDE LETTER NO. 1

This has reference to Article I of the Memorandum of Agreement effective January 1, 1990.

An eligible engineer under Article I, Section 1(a), will include those employees who on the effective date of this agreement have met the qualifying criteria and are on disciplinary suspension or authorized leave of absence, but only if the engineer first returns to active service for a period of 90 days.

An eligible engineer under Article I, Section 1(b), will include those employees who on the effective date of this agreement have not met the qualifying criteria in Article I, Section 1(a) and are on disciplinary suspension or authorized leave of absence, but only if the engineer first returns to active service and fulfills the requirements in Article I, Section 1(b)(3).

An engineer who was dismissed the entire 12-month qualification period (October 1, 1988 through September 30, 1989) will be entitled to the provisions of Article I only if reinstated with all seniority rights unimpaired and pay for time lost.

If the foregoing correctly sets forth the understanding reached, please signify by signing in the space provided below.

Yours truly,

/s/

Russell E. Hagberg
Vice President-Human Resources

AGREED:

/s/

C. A. McDaniel, Jr.
General Chairman, BLE

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

80 E. Jackson Blvd.
Chicago, Illinois 60604

December 19, 1989

Mr. C. A. McDaniel, Jr., General Chairman
Brotherhood of Locomotive Engineers
3910 South Georgia
Amarillo, Texas 79109-4837

Dear Sir:

SIDE LETTER NO. 2

This has reference to Article I of the Memorandum of Agreement effective January 1, 1990.

Article I provides for an annual increase of 3.5% in the amount of the lump sum separation benefit regardless of whether the actual inflation rate is higher or lower than 3.5%. As you know, this has a compounding effect since it is applied each year. In the last six years, the inflation rate has been less than 3.5% in three years and in the other three years has not exceeded 4%.

Nevertheless, concern has been expressed that the inflation rate may substantially exceed 3.5% in many years and the engineers' benefit would not be sufficiently protected in that event. It was agreed, therefore, that Carrier would share equally with the engineer the risk of sustained inflation above 6%. Accordingly, the inflation adjustment of 3.5% annually will be increased by 1/2% for every full percentage by which the average annual inflation rate exceeds 6%, as measured by the CPI-W index issued by the Bureau of Labor Statistics, for each fiscal year during the measurement period January 1-December 31.

For example, assume an engineer retires in 1993 and the average inflation rate was 8% in 1990, 10% in 1991 and 6% in 1992, or an average of 8%. The employee would be entitled to an additional 1% each year, i.e., 50% of the difference between 8% and 6%. The 3.5% adjustment would then be increased by 1% to 4.5% for each of the three years.

If the foregoing correctly states our understanding, please signify in the space provided below.

Yours truly,

/s/
Russell E. Hagberg
Vice President-Human Resources

AGREED:

/s/
C. A. McDaniel, Jr.
General Chairman, BLE

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

80 E. Jackson Blvd.
Chicago, Illinois 60604

December 19, 1989

Mr. C. A. McDaniel, Jr., General Chairman
Brotherhood of Locomotive Engineers
3910 South Georgia
Amarillo, Texas 79109-4837

Dear Sir:

SIDE LETTER NO. 6

This has reference to Article IX of the Memorandum of Agreement effective January 1, 1990.

This will confirm our understanding that in the application of Article IX - Guaranteed Extra Boards, the Carrier cannot abolish a guaranteed board or reduce it to zero and then establish a mileage extra board.

If the foregoing correctly states our understanding, please signify in the space provided below.

Yours truly,

/s/
Russell E. Hagberg
Vice President-Human Resources

AGREED:

/s/
C. A. McDaniel, Jr.
General Chairman, BLE

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

80 E. Jackson Blvd.
Chicago, Illinois 60604

December 19, 1989

Mr. C. A. McDaniel, Jr., General Chairman
Brotherhood of Locomotive Engineers
3910 South Georgia
Amarillo, Texas 79109-4837

Dear Sir:

This has reference to Article VI of the Memorandum of Agreement effective January 1, 1990.

This will confirm our interpretation of Article VI, Section 1(b), concerning the regulation of engineer's freight pools. It is the intent of the parties that should the BLE Local Chairman desire establishing a lesser regulation level in order to maintain a sufficient supply of engineers in a particular pool, the BLE Local Chairman and local supervision will cooperate in establishing the regulation level.

If the foregoing correctly sets forth the interpretation reached, please signify by signing in the space provided below.

Yours truly,

/s/
Russell E. Hagberg
Vice President-Human Resources

AGREED:

/s/
C. A. McDaniel, Jr.
General Chairman, BLE

