

AGREEMENT
BETWEEN
SOO LINE RAILROAD COMPANY



AND
BROTHERHOOD OF RAILROAD SIGNALMEN



AGREEMENT EFFECTIVE JANUARY 1, 1986

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AGREEMENT
Between The
SOO LINE RAILROAD COMPANY
and
BROTHERHOOD OF RAILROAD SIGNALMEN

PREAMBLE

The rules contained in this schedule constitute an agreement between the Soo Line Railroad Company and the Brotherhood of Railroad Signalmen governing rates of pay, hours of service and working conditions of Signal Department employees.

The obligation that rests upon the Management to provide and the Signalmen to render honest, courteous and efficient service is recognized.

A spirit of good-will and cooperation between the Signalmen, the Management and their respective representatives is essential to safe and efficient operations, and all concerned should so conduct themselves so as to promote that spirit.

The responsibility for success rests equally with the Management and the Signalmen.

NON-DISCRIMINATION

It is the policy of the Carrier and the Union that the provisions of this agreement be applied to all employees covered by said agreement without regard to race, creed, color, age, sex, national origin, or physical handicap, except in those cases where a bona fide occupational qualification exists.

It is understood that the masculine terminology included herein is for purposes of convenience only and does not designate a sex preference.

RULE 1 - SCOPE

This Agreement governs the scope of all employees engaged in the construction, reconstruction, reconditioning, installation, reclamation, maintenance, repair, inspection, and test, either in the Signal Shop or in the field, of the following:

(a) All automatic block signals and signal systems, traffic control systems; cab signal systems; car retarder systems; railroad-highway grade crossing warning systems and appurtenances thereto in connection with Signalmen's work;

detector systems, including broken flange, broken wheel, dragging equipment (excluding dragging equipment detectors associated with hot box detector system), slide, high and/or wide load, flood, and other similar systems; train order, take siding, call-on start or dwarf signals; power and electrically locked switches; spring switches and buffers; track occupancy indicators; car counting devices connected to or through signal systems; signal impulses transmitted by fibre optics and the signal equipment associated therewith; solid state electronic devices used in connection with signal apparatus.

- (b) All appurtenances, devices, and equipment used in connection with the systems cited in paragraph (a), regardless of where located or how operated, and devices covered by the scope of this Agreement as well as any other work generally recognized as signal work.
- (c) 120 volt, 220 volt, 440 volt, 4,400 volt, alternating current transmission lines, aerial and underground, including poles, cables, crossarms, wires, tie wires, insulators, guy wires, messenger cables, cable rings and other fixtures and equipment used in connection therewith; conduit and conduit systems; arrestors and distribution blocks used in connection with the systems, devices, or equipment covered by this Agreement.

Inside and outside wiring of all instruments, houses, cases, panels, boards, as well as all cable where used in connection with the systems, devices, and equipment covered by this Agreement.

Installation of track bonds, including lightning and static electricity bonding; electrical lighting of all instrument houses, cases, panels, boards, etc., used in the systems and devices covered by the scope of this Agreement, including the general lighting of interlocking tower buildings, shop building and common headquarters buildings.

- (d) Gas or electrically operated blowers or other types of automatic snow removal systems permanently located at switches and wheel checkers.
- (e) Electrically lighted switch lamps, either AC or battery operated.
- (f) Pipe lines and pipe line connections used for the mechanical operation of derails, switches, locks, etc.
- (g) Carpentry, painting, welding, cutting, foundation supports, concrete and form work of all classes in connection with installing, repairing, or maintaining any signal apparatus or device (excluding the erection and maintenance of buildings).

- (h) The operation of lathes, backhoes, trenchers, boom trucks, hole diggers or pipe pushers in connection with the construction, installation, maintenance or repair of the signal systems covered by this Agreement.
- (i) When signal circuits are handled on communications systems and equipment of other sub-departments, such as fibre optic or microwave systems, the employees covered by this Agreement shall install and maintain the signal circuits leading to and from common terminals where signal circuits are connected with other circuits.
- (j) It is the intent of this scope rule to identify and preserve to the Signalmen work which traditionally and regularly had been performed by Signalmen on the Soo Line prior to February 19, 1985 and to identify and preserve to the Signalmen work which traditionally and regularly had been performed by Signalmen on the Milwaukee Road prior to February 19, 1985, but will not expand or extend the Signalmen's jurisdiction on the Soo line Railroad (combined Soo Line and Milwaukee Road) to work performed prior to February 19, 1985 on the Milwaukee Road by other than Signalmen, nor to work performed prior to February 19, 1985 on the former Soo Line by other than Signalmen.

NOTE: The reference to inspection and testing shall not be interpreted to restrict inspections and tests made by supervisors or officials for the purpose of determining whether employees coming within the scope of this Agreement are properly installing or maintaining Signal Department apparatus, appliances, circuits and appurtenances; neither is it to be interpreted as restricting testing and inspecting by any other qualified Signal Department employee covered by the scope of this Agreement as a part of his regular duties and at his regular rate.

RULE 2 - CLASSIFICATION

- (a) **FOREMAN:** A qualified employee assigned to the duties of supervising the work of a crew with six or more other employees in the Signal Department, and who is not required to perform the work over which he has supervision, except when incidental to or as a consequence of his principal duties. Signal Foreman in charge of a crew with five or less employees working under him may be required to work with the employees under his supervision.
- (b) **SIGNAL ELECTRONIC TECHNICIAN:** An employee assigned the duties of adjusting, repairing, testing and replacing electronic and electromagnetic components, and equipment used in connection with the systems and devices covered by this agreement. Such employee may, in performance of his duties, supervise, instruct or direct any employees who may be

assisting him in his work. He must possess a valid FCC license, or its equivalent, and pass an examination. The format of the examination shall be agreed upon by the Chief Engineer Signals and the General Chairman. This rule shall not be construed as prohibiting signal electronic maintainers or other qualified signalmen from making tests, inspections and repairs as necessary.

- (c) SIGNAL TESTMAN: An employee assigned to a territory and whose principal duties are the inspection and field testing of appliances, appurtenances and equipment covered by the scope of this agreement. Such employee shall make all relay and apparatus inspections and tests, including meggering required by and reported to a federal or state agency and the Carrier, but who may perform any Signal Department work. Signal testman may work together or with signalmen or signal maintainers with or without their assistants in connection with testing and inspecting.
- (d) LEADING SIGNAL MAINTAINER/SIGNALMAN: A signal maintainer or signalman working with or supervising the work of one or more signal maintainers or signalmen with or without their assistants. The number of employees so supervised shall not exceed five. A leading signalman will work and be under the direction of a Signal Foreman and have common headquarters with the latter.
- (e) SIGNAL MAINTAINER: An employee assigned to maintain a designated territory, to inspect, test, adjust, repair, clear trouble on, and maintain signal equipment including signal electronic equipment. He shall also perform installations incidental to the maintenance of his designated territory.
- (f) SIGNALMAN: An employee assigned to perform work generally recognized as Signalmen's work, which work includes the construction and crew repair work as referred to in the scope of this Agreement.
- (g) ASSISTANT: An employee in training for the position of signalman, or maintainer, working with and under the direction of a signalman or maintainer.

RULE 3 - SENIORITY DATUM

- (a) Each of the following classes shall constitute a separate seniority class:
 - Class 1. Signal Electronic Technician

Class 2. Foreman
Signal Testman
Leading Signal Maintainer/Signalman
Signal Maintainer
Signalman

Class 3. Assistant

- (b) Seniority begins at the time an employee's pay starts in the seniority class in which employed, except that employees will not accumulate seniority until after ninety (90) days of continuous service, and that temporary service in a higher class does not establish seniority in that class.
- (c) Seniority of employees promoted to bulletined positions will date from the day first service is performed after having been assigned by bulletin, except that when an employee so promoted fails to qualify on such bulletined position within sixty (60) days, he will not acquire a seniority date as a result of filling such position.
- (d) Assistants who establish seniority under the provisions of paragraph (c) of this rule will forfeit seniority as assistant.
- (e) A new employee entering the service in any class above assistant will thereby establish the same seniority date for himself in all lower classes.
- (f) Employees will be permitted to exercise seniority only under any one of the following conditions:
 1. When positions are bulletined or rebulletined.
 2. When their positions are abolished.
 3. When displaced in the exercise of seniority.
- (g) An employee occupying a position within the scope of this agreement covering Signal Department employees, who retires under the disability provisions of the Railroad Retirement Act, will retain and accumulate seniority until he attains the retirement age.

RULE 4 - SENIORITY DISTRICT AND ROSTER

- (a) Seniority rights shall extend over the entire system.
- (b) A system seniority roster will be compiled. The name, seniority datum and relative ranking of each person holding seniority on the system under the provisions of this agreement shall be shown on the seniority roster. Rosters will be revised in January of each year. A seniority date not protested within ninety (90) days from its first posting on a roster will be considered permanently established. Typographical errors on subsequent rosters may be corrected

at any time. Copies of the revised rosters will be furnished all employees affected. The General Chairman will be furnished copies of the seniority roster and all revisions. Sample roster is shown below.

(c) Employees in the seniority districts existing prior to the effective date of this Agreement shall have their names placed on the consolidated seniority roster, taking their standing thereon in accordance with their present seniority dates in each class where seniority has been established.

RULE 5 - REDUCTION AND RESTORATION OF FORCES

(a) When positions are abolished, employees occupying same shall be given at least five (5) working days' advance notice except:

1. Rules, agreements or practices, however established, that require advance notice to employees before abolishing positions or making force reductions are hereby modified to eliminate any requirement for such notices under emergency conditions, such as flood, snow storm, hurricane, tornado, earthquake, fire or labor dispute other than as covered by paragraph (2) below, provided that such conditions result in suspension of a Carrier's operations in whole or in part. It is understood and agreed that such force reductions will be confined solely to those work locations directly affected by any suspension of operations. It is further understood and agreed that notwithstanding the foregoing, any employee who is affected by an emergency force reduction and reports for work for his position without having been previously notified not to report, shall receive four (4) hours' pay at the applicable rate for his position. If an employee works any portion of the day he will be paid in accordance with existing rules.
2. Rules, agreements or practices, however established, that require advance notice before positions are abolished or forces are reduced are hereby modified so as not to require advance notice where a suspension of a Carrier's operations in whole or in part is due to a labor dispute between said Carrier and any of its employees.

(b) Employees whose positions are abolished and those displaced thereby may, within fifteen (15) days after the date affected, seniority and qualifications permitting, exercise their seniority by displacing junior employees occupying bulletined positions in the same class or a lower class in which they hold seniority. Employees holding seniority in class (2) who cannot displace in that class will be permitted to displace an Assistant, after which they will assume the permanent position of Signalman on that crew. Employees so affected will continue to accumulate seniority in the

seniority class from which they were displaced. Employees who do not and/or cannot exercise seniority rights will be considered furloughed on the sixteenth (16th) day after having been affected by a job abolishment or displacement. An employee who, on account of reduction in force, has performed no service for the railroad company for a period of three years will be dropped from the seniority roster.

NOTE: Except as otherwise provided in Rule 12 (the test rule), a declaration of an employee's intent to displace is not of and by itself sufficient to constitute the full exercise of seniority. In addition, the employee must occupy and perform service on the position on/or before the fifteenth (15th) day after having been affected; otherwise, the employee will be furloughed.

- (c) When Assistants are affected by a force reduction, senior Assistants will be retained in service and junior Assistants furloughed.
- (d) Employees furloughed under the provisions of this rule desiring to protect their seniority rights must, within ten (10) days from the date actually reduced to a furlough status, file name and address with the Chief Engineer-Signals or other designated officer, with copy to the General Chairman, and advise of any change in address within 30 days thereof; otherwise, seniority will be forfeited and the employee's name removed from the roster.
- (e) When a new position or vacancy is not filled by an employee covered by this agreement through the bulletin procedure, a furloughed senior employee who has protected his seniority as provided in this rule will be called to fill the position and will return within ten (10) days after being notified at his last known address given. Employees failing to return to work when called without having satisfactory reason for not doing so will forfeit seniority. The provisions of Rule 12 will apply in the event of disqualification.

NOTE: Furloughed employees will not be required to return to work on positions with less than three (3) months' anticipated employment.

RULE 6 - PROMOTIONS AND TRANSFERS

- (a) Promotions to positions within the Scope of this agreement shall be based on ability and seniority; ability being sufficient, seniority shall govern.
- (b) Positions of Foremen will not be bulletined for seniority choice; however, when promotions are to be made to fill permanent vacancies or new positions of Signal Foremen, circular notification thereof will be given to Signal

Department employees. Appointment to these positions will be selected from employees covered by this Agreement, with the Management making the final decision. Permanent appointments will not be made prior to expiration of 15 days following the date of the circular notification.

RULE 7 - BULLETINING NEW POSITIONS AND VACANCIES

(a) New positions or vacancies which are expected to be of more than six months' duration shall be bulletined as permanent within thirty (30) days previous to or ten (10) days following the date such new position is created or vacancy occurs. New positions or vacancies of more than thirty (30) days and less than six (6) months duration will be bulletined within the above stated time limit as temporary. Except when temporary vacancy is due to physical disability of employee, a position which has been bulletined as temporary and does, in fact, exceed six months, will be rebulletined at the end of six months as permanent unless otherwise agreed on by the organization and management. Employees assigned to temporary positions may, at their request, be relieved from such positions within fifteen (15) days by agreement between the Chief Engineer Signals and General Chairman but may not displace onto another temporary position.

Employees may apply for and be assigned to new positions or vacancies pending bulletin or where bulletin will not be issued, senior applicant to be given preference.

(b) Positions of less than thirty (30) days' duration need not be bulletined. Such positions or vacancies when filled may be filled by using any qualified crew employee available, and his expenses will be allowed in accordance with Rule 24.

RULE 8 - BULLETINS

(a) Bulletins covering new positions or vacancies shall be of standard form showing the title of position, assigned territory, headquarters, rate of pay, hours of service, rest days, and whether position is permanent or temporary. Bulletins shall be dated and mailed to the employee on the first (1st) and sixteenth (16th) of each month, or on the first work day thereafter if such date should fall on other than a work day.

(b) Bulletins advertising new positions or vacancies and assigning positions to the successful applicants will be furnished all employees with copies to the General and Local Chairmen.

RULE 9 - APPLICATIONS FOR BULLETINED POSITIONS

(a) Applications for positions advertised by bulletin must be received by the officer whose name appears on the bulletin on

or before 12:00 Noon on the twelfth (12th) day following date of bulletin, or on the first work day thereafter if such date should fall on other than a work day, and assignment made on next regular semi-monthly bulletin.

(Sample Signal Position Bulletin)

SIGNAL POSITION BULLETIN
(Number)

_____ - (Date)

TO ALL SIGNAL EMPLOYEES:

Applications will be received by the undersigned until 12:00 Noon
(Date) for the following position(s):

Title _____

Position # _____

Rate of Pay _____

Headquarters or Crew # _____

Hours of Service _____

Rest Days _____

Assigned Territory _____

Permanent or Temporary _____

Reason for Bulletin _____

Vacated By _____

(Signed) _____

Soo Line Railroad Company

cc: General Chairman
Local Chairman

(b) When an applicant applies for more than one position, he must indicate on the application his order of choice.

NOTE: Application by wire will not be accepted. Application for bulletined position will be honored when received through the United States Mail and post mark indicates it was mailed two (2) days in advance of the closing date of the bulletin.

(Sample Application Showing Necessary Information)

APPLICATION

To: (Individual whose signature
is on bulletin) Date: _____

Please accept this as my bid for the position advertised in:

Bulletin No.	Dated	Choice
(100-78)	(11-1-78)	(1)
(103-78)	(11-1-78)	(2)

Signed J. R. Doe

Seniority Date 6-6-49

Title (Signal Maintainer)

Address or Location 45 Maple Avenue

Whitetail, Montana 56334

Return to:

(Signed)
Soo Line Railroad Company
(Address)

cc: General Chairman
Local Chairman

RULE 10 - ASSIGNMENTS TO BULLETINED POSITIONS

(a) Assignments to positions will be made on standard form. Transfer of successful applicants to new assignments will be made within fifteen (15) days after assignment. If the successful bidder is not placed on the new assignment within fifteen (15) days from the date of assignment, the employee shall be paid compensation equal to that of the new assignment but not less than that being received on the old assignment, plus \$5.00 per work day until placed on new assignment.

(Sample Assignment Bulletin)

SIGNAL ASSIGNMENT BULLETIN
(Number)

- (Date)

TO ALL SIGNAL EMPLOYEES:

The permanent Temporary position of (title) at (location) as
advertised on signal bulletin (number) is assigned to (name).

OTHER BIDDERS

(Signed)

Soo Line Railroad Company

cc: General Chairman
Local Chairman

- (b) Any employee awarded a signal maintainer's position after the effective date of this Agreement shall establish residence within a 30-mile radius of his headquarters, within six (6) months of placement on said position.
- (c) If the Carrier moves the headquarters subsequent to the date an employee establishes residence, in accordance with the provision of paragraph "b" of this Rule, and the Carrier requires the employee to relocate his residence, the employee will then be provided a relocation allowance in accordance with Appendix 1 of the Employee Protective Agreement with the Brotherhood of Railroad Signalmen dated December 5, 1985.

RULE 11 - TIME TO QUALIFY

An employee, accepting promotion or transfer and failing to qualify within sixty (60) days, must return to his former position unless filled by a senior employee or abolished, in which event the employee may exercise displacement rights. This will not prohibit an employee from being removed prior to sixty (60) days when it is determined that the employee is not qualified.

RULE 12 - DISQUALIFICATION

An employee who considers himself unfairly declared disqualified may make written request to the Chief Engineer Signals or other designated officer within seven (7) days of date of receipt of disqualification notice that he be given a practical test conducted jointly by the Carrier and the General Chairman to determine if the individual can demonstrate ability or qualifications to be assigned to the position. Such test will be given within ten (10) days after notice, unless extended by mutual agreement. If the applicant passes the test, he shall be assigned to the position.

RULE 13 - HEADQUARTERS

All employees covered by this Agreement shall be designated a headquarters point from which their time shall begin and end each day as follows:

- (a) The headquarters for employees regularly assigned to maintenance on a territory, at a plant or in a shop and fixed headquarter crews, shall be designated by bulletin.
- (b) Employees who are employed in the type of service the nature of which regularly requires them throughout their work week to live away from home, shall begin and end their time at the site where their tool car is located. If tool car is not used, the work day will begin and end at the designated commercial lodging facility.

RULE 14 - TERRITORIES - SIGNAL CONSTRUCTION CREWS

Territories are established for mobile signal construction crews in conjunction with the attached Appendix No. 1. Mobile signal construction crews will be assigned by bulletin in one of the three territories as shown in Appendix 1. The number of men assigned in each territory will be designated by the Carrier.

RULE 15 - FIXED HEADQUARTER CREWS

- (a) Fixed-headquarter crews will have a designated reporting point, which facility will be adequately heated and lighted and provided with locker and washing facilities.

- (b) Fixed-headquarter crews will not be established for periods of less than 12 months, nor will the headquarter point of such crews be changed more often than once every 12 months. When a fixed-headquarter point is moved more than thirty (30) route miles, the employees affected shall be entitled to the benefits of paragraph (e) below.
- (c) Fixed-headquarter crews will continue to perform signal work similar to that which has generally been assigned to the present floating construction gangs.
- (d) Fixed-headquarter crews and/or mobile crews will have no rigid territorial boundaries and may be worked together or adjacent to each other on the same or similar projects or any other signal construction work that is being performed in the general area.
- (e) Signal employees whose positions are abolished or who are displaced as a result of the change over to fixed headquarters shall, if required to change their place of residence, be subject to the benefits contained in Section 10 of the Washington Job Protection Agreement, except that the employee shall be granted five (5) working days instead of "two working days" provided in Section 10 (n) of said Agreement and in addition to such benefits, employees shall receive a transfer allowance of \$400.00. A change of residence shall not be considered as "required" if the headquarter point to which the employee transfers is not more than thirty (30) route miles from his residence.

RULE 16 - STARTING TIME

- (a) The starting time of all employees where one (1) shift is worked shall be established between the hours of 6:00 a.m. and 8:00 a.m.
- (b) A second shift may be started within four (4) hours prior to the expiration of the first shift or at any time thereafter, but not later than 12:00 midnight.
- (c) Where three (3) shifts are worked the second shift shall immediately follow the first and the third shall immediately follow the second.
- (d) The established starting time of a regular position shall not be changed without at least twenty-four (24) hours' notice to the employee affected.

RULE 17 - FORTY-HOUR WORK WEEK

NOTE: The expressions "positions" and "work" used in this Rule 17 refer to service, duties, or operations necessary to be performed the specified number of

days per week, and not to the work week of individual employees.

- (a) GENERAL - There is hereby established, for all employees, subject to the exceptions contained in this Rule 17, a work week of forty (40) hours, consisting of five days of eight hours each, with two consecutive days off in each seven; the work weeks may be staggered in accordance with the Carrier's operational requirements; so far as practicable the days off shall be Saturday and Sunday. The foregoing work week rule is subject to the provisions of this agreement which follows:
- (b) FIVE-DAY POSITIONS - On positions the duties of which can reasonably be met in five days, the days off will be Saturday and Sunday.
- (c) SIX-DAY POSITIONS - Where the nature of the work is such that employees will be needed six days each week, the rest days will be either Saturday and Sunday or Sunday and Monday.
- (d) SEVEN-DAY POSITIONS - On positions which have been filled seven days per week any two consecutive days may be the rest days with the presumption in favor of Saturday and Sunday.
- (e) REGULAR RELIEF ASSIGNMENTS - All possible regular relief assignments with five days of work and two consecutive rest days will be established to do the work necessary on rest days of assignments in six or seven-day service or combinations thereof, or to perform relief work on certain days and such types of other work on other days as may be assigned under this agreement.

Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees of the same class in the same seniority district, provided they take the starting time, duties and work locations of the employee or employees whom they are relieving.

- (f) DEVIATION FROM MONDAY-FRIDAY WEEK - If in positions or work extending over a period of five days per week, an operational problem arises which the Carrier contends cannot be met under the provisions of paragraph (b) of this rule and requires that some of such employees work Tuesday to Saturday instead of Monday to Friday, and the employees contend the contrary, and if the parties fail to agree thereon, then if the Carrier nevertheless puts such assignments into effect, the dispute may be processed as a grievance or claim under this agreement.
- (g) NONCONSECUTIVE REST DAYS - The typical work week is to be one with two consecutive days off, and it is the Carrier's obligation to grant this. Therefore, when an operating problem is met which may affect the consecutiveness of the

rest days of positions or assignments covered by paragraphs (c), (d) and (e), the following procedure shall be used:

1. All possible regular relief positions shall be established pursuant to paragraph (e) of this rule.
2. Possible use of rest days other than Saturday and Sunday, by agreement or in accordance with other provisions of this agreement.
3. Efforts will be made by the parties to agree on the accumulation of rest time and the granting of longer consecutive rest periods.
4. Other suitable or practicable plans which may be suggested by either of the parties shall be considered and efforts made to come to an agreement thereon.
5. If the foregoing does not solve the problem, then some of the relief or extra men may be given nonconsecutive rest days.
6. If after all the foregoing has been done there still remains service which can only be performed by requiring employees to work in excess of five days per week, the number of regular assignments necessary to avoid this may be made with two nonconsecutive days off.
7. The least desirable solution of the problem would be to work some regular employees on the sixth or seventh days at overtime rates and thus withhold work from additional relief men.
8. If the parties are in disagreement over the necessity of splitting the rest days on any such assignments, the Carrier may nevertheless put the assignments into effect subject to the right of the employees to process the dispute as a grievance or claim under this agreement, and in such proceedings the burden will be on the Carrier to prove that its operational requirements would be impaired if it did not split the rest days in question and that this could be avoided only by working certain employees in excess of five days per week.

(h) REST DAYS OF EXTRA OR FURLOUGHED EMPLOYEES - Rest days of extra or furloughed employees need not be consecutive; however, if they take the assignment of a regular employee they will have as their days off the regular days off of that assignment.

(i) BEGINNING OF WORK WEEK - The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and for

unassigned employees shall mean a period of seven consecutive days starting with Monday.

- (j) SUNDAY WORK - Existing provisions that punitive rates will be paid for Sunday as such are eliminated. The elimination of such provisions does not contemplate the reinstatement of work on Sunday which can be dispensed with. On the other hand, a rigid adherence to the precise pattern that may be in effect immediately prior to September 1, 1949, with regard to the amount of Sunday work that may be necessary is not required. Changes in amount or nature of traffic or business and seasonal fluctuations must be taken into account. This is not to be taken to mean, however, that types of work which have not been needed on Sundays will hereafter be assigned on Sunday. The intent is to recognize that the number of people on necessary Sunday work may change.
- (k) SERVICE ON REST DAYS - Service rendered by employees on assigned rest days shall be paid for under the call provisions of Rule 20.
- (l) WORK ON UNASSIGNED DAYS - Where work is required by the Carrier to be performed on a day which is not a part of any assignment, it may be performed by an available extra or unassigned employee who will otherwise not have 40 hours of work that week; in all other cases by the regular employee.
- (m) TRAVEL TIME FOR REST DAY RELIEF SERVICE - Regularly assigned relief employees, extra, furloughed or unassigned employees sent out to relieve regularly assigned employees on rest days, either regularly each week or on an accumulative basis, will be paid, at the straight time rate, for time consumed in traveling, except no travel time will be paid between 10:00 p.m. and 6:00 a.m. when sleeping accommodations are available. While at point where relief work is performed they will be paid in accordance with the bulletined hours of the position relieved.
- (n) The regularly established working hours will not be reduced below eight (8) per day nor will the regularly established number of working days be reduced below five (5) per week to avoid making force reductions unless agreed to in writing by a majority of the employees affected through their general committee, excepting that this number may be reduced in a week in which holidays occur by the number of such holidays.

RULE 18 - WORK WEEK - SIGNAL CREWS

The basic work week of a signal crew will consist of five eight-hour days Monday through Friday. However, when the majority of the employees in a crew elect and Carrier agrees, the work week may consist of one of the following:

1. Four nine-hour days Monday through Thursday and one four-hour day Friday.
2. Four ten-hour days other than Saturday and Sunday.
3. Eight consecutive nine-hour days and one eight-hour day encompassing not more than one weekend.
4. Eight consecutive ten-hour days, encompassing not more than one weekend.

RULE 19 - MEAL PERIODS

- (a) The meal period for signal employees shall not be less than thirty (30) minutes nor more than one (1) hour, and will be established between the ending of the fourth hour and the beginning of the seventh hour after starting work. If the assigned meal period is not afforded, it shall be paid for at the straight time rate and thirty (30) minutes with pay in which to eat shall be afforded at the first opportunity.
- (b) Where two (2) or three (3) shifts are worked, the spread of each shift shall be eight (8) hours including an allowance of twenty (20) minutes for lunch without loss of time.
- (c) Employees will not be required to work more than two (2) hours, except in extreme emergency, after and continuous with their regular work period without a second meal period. The meal periods subsequent to the second meal period shall be at intervals of four (4) hours.
- (d) Employees called to perform service outside of their regularly assigned working hours will not be required to perform such service for more than four (4) hours without a meal period. Subsequent meal periods shall be allowed at intervals of four (4) hours.
- (e) Time taken for such meals in paragraphs (c) and (d) will be paid for up to thirty (30) minutes.

RULE 20 - OVERTIME FOR CALLS, REST DAYS, HOLIDAYS, ETC.

An employee will not be required to suspend work during regular working hours to absorb overtime.

The hourly rates named herein are for an eight (8) hour day. All service performed outside of the regularly established work period by hourly rated employees shall be paid for as follows:

- (a) Time worked following and continuous with a regularly assigned eight-hour work period shall be computed on actual minute basis and paid for at time and one-half rates, with double time computed on actual minute basis after sixteen hours of work in any twenty-four hour period computed from

starting time of the employees' regular shift. In the application of this paragraph (a) to new employees temporarily brought into the service in emergencies, the starting time of such employees will be considered as of the time that they commence work or are required to report.

- (b) For the purpose of applying the double time provisions of this rule the regular starting time during the week will be considered as the starting time on holidays or rest days.
- (c) Work in excess of 40 straight time hours in any work week shall be paid for at one and one-half times the basic straight time rate except where such work is performed by an employee due to moving from one assignment to another or to or from an extra or furloughed list, or where days off are being accumulated under paragraph (g) of Rule 17. This rule does not apply to monthly rated employees.
- (d) Employees worked more than five days in a work week shall be paid one and one-half times the basic straight time rate for work on the sixth and seventh days of their work weeks, except where such work is performed by an employee due to moving from one assignment to another or to or from an extra or furloughed list, or where days off are being accumulated under paragraph (g) of Rule 17.
- (e) Work performed on the following holidays:

New Year's Day
Washington's Birthday
Good Friday
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas
New Year's Eve

shall be paid for on the minute basis at the rate of time and one-half with a minimum of two (2) hours and forty (40) minutes. This rule does not apply to monthly rated employees. On each occasion where a day designated as a holiday falls on a day other than the first or last day of their work week employees engaged in construction may, at the option of the majority of the employees engaged in such work, elect to work on such holiday at the straight time rate of pay and to observe the first or last work day of that work week as their designated holiday. Under the foregoing arrangement, all employees of the crew shall observe the holiday on the same date.

NOTE: When any of the above holidays falls on Sunday, the day observed by the state, nation or by proclamation shall be considered the holiday.

- (f) Employees released from duty and notified or called to perform service outside of and not continuous with regular working hours will be paid a minimum allowance of two (2) hours and forty (40) minutes at the time and one-half rate; if held longer than two (2) hours and forty (40) minutes they will be paid at the time and one-half rate computed on the actual minute basis. The time of employees so notified will begin at the time required to report and end when released at headquarters. The time of employees so called will begin at the time called and end at the time they return to headquarters.
- (g) Employees temporarily changed from one shift to another will be paid overtime rates for the first shift of each change. This will not apply when shifts are temporarily changed at the request of the employees involved. Relief assignments consisting of different shifts will be excepted from the penalty payments.
- (h) When overtime service is required of a part of a group of employees who work together, the senior qualified available employees of the class involved shall have preference to such overtime if they so desire.

EXAMPLE: Crew 1 has fifteen men in it. Five are engaged, for instance, in tying in line wire. If overtime on such work is necessary, say, of two employees, the senior of the five (group) will be given preference. If entire five men are needed, the five will work the overtime regardless of seniority in the crew of fifteen men as a whole. When there is planned overtime work or service to be performed on rest days, the senior man of the class involved will be given preference to perform such overtime service. This rule and example apply to crew and signal shop.

- (i) There shall be no overtime on overtime, neither shall overtime hours paid for, other than hours not in excess of eight paid for at overtime rates on holidays or for changing shifts, be utilized in computing the 40 hours per week, nor shall time paid for in the nature of arbitraries or special allowances, such as attending court, travel time, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours.

RULE 21 - SIGNAL MAINTAINERS - SUBJECT TO CALL

Signal Maintainers subject to call will notify the person designated by the Management where they may be called and will, if called, respond promptly. On any day when such employees desire

to leave their regular point of call, they must notify the person designated by the Management that they will be absent, about when they will return, and, when possible, where they can be found. When an employee desires to leave his point of call outside of regularly assigned hours of service and is over 50 miles from his point of call, he will be considered absent and need not be called. A Maintainer cannot register absent or unavailable and remain at his point of call. Unless registered absent, regular assignees will be called except when unavailable due to rest requirements under the Hours of Service Act.

RULE 22 - RATES OF PAY

The following rates of pay are hereby established effective January 1, 1986, and are made a part of this Agreement:

Signal Foreman	\$2,842.46 per mo.
Signal Electronic Tech.	13.96 per hr.
Signal Testman	13.75 per hr.
Leading Signal Maintainer/Sig.	13.60 per hr.
Signal Maintainer	13.44 per hr.
Signalman	13.33 per hr.
Asst. Signalman -4 (4th 6 mos.)	12.07 per hr.
3 (3rd 6 mos.)	11.90 per hr.
2 (2nd 6 mos.)	11.80 per hr.
1 (1st 6 mos.)	11.69 per hr.

NOTE: The above rates include 13 cents per hour COLA.

- (a) A monthly rate will be paid Signal Foreman based on 213 hours per month, which shall include 16 hours for making reports outside of hours of normal assignment and covers all service performed between the start and end of the normal work week, except as provided in Paragraph (b) of this rule. Such employees shall be assigned two (2) regular rest days per week, normally Saturday and Sunday. Rules applicable to hourly rated employees covered by this agreement shall apply to service on such assigned rest days.
- (b) When a foreman is assigned to supervise a crew regularly assigned to work in excess of the normal assignment for the day, such foreman shall be paid, in addition to the monthly rate, overtime at the rate of time and one-half of the hourly rate for actual time worked in excess of the normal assignment for that day by the crew he is supervising. The hourly rate of foreman shall be determined by dividing the monthly rate by 213.

RULE 23 - PRESERVATION OF RATES

- (a) When an employee is required to fill the place of another employee receiving a higher rate of pay, he shall receive the higher rate, but if required to fill temporarily the place of

another employee receiving a lower rate, his rate will not be changed.

(b) Established positions shall not be discontinued and new ones created covering relatively the same class of work for the purpose of reducing the rate of pay or evading the application of the rules in this agreement.

RULE 24 - EXPENSES

(a) FIXED HEADQUARTER CREWS:

1. Fixed headquarter crews' time will begin and end at their home station or reporting point. They will not be entitled to noon meal expenses, unless they are sent away from their headquarters and are not returned on the same day. They will be allowed straight time for traveling or waiting during normal working hours. Traveling and waiting time outside normal hours will be allowed straight time rates, with a maximum of eight (8) hours, if sleeping accommodations are not available.
2. When these crews are sent away from their headquarters and do not return on the same day, they will be allowed reasonable, actual expenses, if meals and lodging are not provided by the Carrier. Lodging in motels, hotels, or other comparable facilities shall be suitable for the purpose in the community. Under normal circumstances not more than two men will occupy a twin-bedded room. Carrier may designate the lodging establishment.

(b) MOBILE CREWS:

1. Mobile crews will be headquartered in motels, hotels, or other comparable facilities suitable for the purpose in that community. Under normal circumstances not more than two men will occupy a twin-bedded room. Carrier may designate the lodging establishment.
2. Reasonable, actual meal expenses will be allowed for each day on which the employee performs service for the Carrier.
3. The crew's work day shall begin and end at a designated point on railroad property, i.e., depot, tool house, or signal material car, located within the city or town where meals and lodging are available. In locations where there is no depot, tool house, or signal material car, the employee's time will begin and end at the common lodging facilities.
4. Mobile crew members regularly assigned throughout their work week required to live away from their home residence shall be granted a travel allowance on week-ends or rest

days when they actually make the trip to their home residence and return to the crew, regardless of the mode of transportation used, except where the Carrier provides suitable transportation.

5. If an employee works at least 3 days in a work week and he is required to lay off account his own illness or serious illness of an immediate member of his family, or a death in his family, he will be allowed the travel allowance established by this Section. If requested, the employee will furnish satisfactory evidence of illness or death in his family.
6. Employees electing not to return to their home residence shall not be provided rest day lodging and/or meal expenses, nor receive payment in lieu of travel allowance.
7. Lodging will not be provided by the Carrier for the night immediately following the last tour of duty of that work week, except as provided in paragraph "9" below.

(Example: Tour of duty completed at 5:00 P.M. on Friday - Lodging will not be provided for Friday night.)
8. Lodging will be provided, at Carrier's expense, for the evening preceding the new work week if the employee so desires. It will be the individual employee's responsibility to make such reservation, and he shall be financially responsible for the reservation if not utilized.
9. An employee having in excess of two hundred (200) miles to return to his home residence will be provided lodging, at Carrier's expense, for the night immediately following his tour of duty on the last day of his work week, providing he actually makes the trip to his home residence on the following calendar day. When such lodging is provided, he shall not be entitled to lodging at Carrier's expense, on the night immediately preceding the start of his new work week.
10. Travel allowance will be computed on the actual mileage of the most reasonable and direct highway route to and from the town in which his home residence is located, with a maximum of one thousand (1,000) miles. Allowance will be determined in accordance with the following schedule:

<u>Actual Mileage</u>	<u>Allowance</u>
0 - 60	-
61 - 100	5.81
101 - 150	8.73
151 - 200	11.63
201 - 250	14.54
251 - 300	17.44
301 - 350	20.35
351 - 400	23.25
401 - 450	26.16
451 - 500	29.06
501 - 550	31.98
551 - 600	34.88
601 - 650	37.79
651 - 700	40.69
701 - 750	43.60
751 - 800	46.50
801 - 850	49.41
851 - 900	52.31
901 - 950	55.23
951 - 1,000	58.13

11. When the Carrier requires employees to perform work off their assigned territory, the Carrier will reimburse employees utilizing their personal vehicles the applicable mileage rate set by Company policy from the nearest boundary of the assigned territory to the work location in the adjacent territory.

(c) No meal or lodging allowance will be made for any meal or lodging expense not actually incurred by the employee and no meal or lodging allowance will be provided when the employee's home is within thirty (30) miles of headquarters, or in the case of mobile crews, the work location.

RULE 25 - ATTENDING COURT OR INVESTIGATIONS

Employees attending court, inquests, investigations or hearings under instructions from the Railroad Company will be paid compensation equal to what they would have earned outside or during their regular assignment for each day so used. Actual expenses will be allowed while away from headquarters. Any fees or mileage accruing for such service will be assigned to the Railroad Company.

RULE 26 - TRAVEL TIME

Except as provided in paragraph (m), Rule 17, hourly rated employees performing service requiring them to leave and return to headquarters daily will be paid continuous time, exclusive of meal period, from time reporting for duty until released at headquarters. Straight time for straight time worked. Overtime for all overtime worked. Riding on motor cars, operating motor

cars and operating company vehicles is considered work as referred to in this rule. Actual time at the straight time rate will be allowed for all time traveling on or waiting for authorized Company or commercial transportation between the end of the regular working hours of one day and the beginning of the regular working hours of the following day, except when suitable sleeping accommodations are available between 10:00 P.M. and 6:00 A.M. When such employees are notified or called to leave their headquarters after their regular work period, they will be paid no less than a minimum call under the provisions of Rule 20(f).

An employee sent from headquarters to fill a temporary vacancy will be paid in accordance with the above provisions of this rule.

RULE 27 - LEAVE OF ABSENCE

- (a) When the requirements of the service permit, an employee may, upon written request to the Chief Engineer Signals, be granted a leave of absence. Except in case of physical disability, a leave of absence in excess of 90 days within a calendar year will not be granted without the approval of the General Chairman.
- (b) An employee absent on leave of absence who engages in other employment will forfeit his seniority unless special provisions have been made between the Chief Engineer Signals and the General Chairman.
- (c) An employee returning from leave of absence shall return to his former position if in existence, but if abolished, or employee has been displaced by a senior employee during his absence, he may exercise his displacement rights as provided for in Rule 5.
- (d) Employees returning to service under the provisions of this Rule must give the Chief Engineer Signals at least five (5) working days advance notice of his return.
- (e) The seniority and employment of an employee who is absent from duty without proper authority may be terminated, provided such employee is so notified in writing at his last known address by Registered or Certified Mail, Return Receipt Requested, with copy to the General Chairman, advising that his seniority and employment have been terminated due to his absence without proper authority and that he may, within 20 days of the date of such notice, if he so desires, request an investigation which will be held under the provisions of Rule 32.
- (f) Employees returning from temporary absence due to illness or disability, suspension, leave of absence or vacation may revert to their regular position, or may, within ten (10) days after return to duty, exercise seniority to any position

bulletined during their absence. If, during this absence, their regular position has been abolished or permanently filled by a senior employee, the employees may exercise seniority according to the provisions of Rule 5.

- (g) Duly authorized representatives of the BRS will be granted necessary leave of absence for union business.
- (h) Employees displaced as a result of the return of another employee from military service, either directly or indirectly, may, in turn, exercise displacement rights over any junior employee in the class from which displaced who might be holding a position which became vacant or was bulletined during the returning veteran's absence in military service, except that a returning veteran electing to return to his former position will not be displaced therefrom in the handling incident to his return from military service so long as such handling does not result in a senior employee being reduced to a lower class or cut off in force reduction.
- (i) When the requirements of the service will permit, an employee, on request, will be granted a layoff or a leave of absence, as provided for below.

An absence of less than seven (7) days will be considered a layoff. Except in cases of illness, an employee who desires to lay off will get permission from his immediate superior. If he desires to be absent more than seven (7) days it will be considered a leave of absence and he must make application in writing. Any request for an extension of leave of absence must be in writing. If the leave or extension is granted it will be in writing.

If an employee is unable to protect his assignment due to illness, he must notify his supervisor as soon as possible.

RULE 28 - OFFICIAL POSITIONS

Employees promoted to official positions on this Carrier and employees accepting official positions with the Brotherhood of Railroad Signalmen, or serving in elected governmental positions shall retain all their seniority. They may exercise displacement rights as provided in this agreement in the event their positions are abolished or they are demoted.

NOTE: An employee who voluntarily relinquishes his official position may exercise his seniority only by bidding on vacancies or new positions.

RULE 29 - ASSISTANTS

- (a) The number of assistants shall be consistent with the requirement of the service and the signal apparatus to be installed and maintained; however, the number of assistants

shall not at any time be greater than one (1) assistant for each three (3) employees in the next higher seniority class.

- (b) It is the intent of this rule that men will receive their training on this Carrier and will be promoted to signalmen and signal maintainers rather than employing new men for such positions.
- (c) Men will be assigned to the position of assistant for a period during which they will receive training.
- (d) A man failing to show sufficient aptitude to learn the work within a period of 90 days will relinquish his seniority and be considered resigned.
- (e) Assistants shall be promoted in the order of their seniority to signalmen or signal maintainers if a position is open and they have qualified. If a man so promoted fails to meet the requirements of the position within sixty (60) days, he will be restored to a position of assistant where he may secure the necessary training and experience to complete his apprenticeship.
- (f) An assistant will be classified and paid in accordance with his previous experience in signal work on this and other Carriers.
- (g) At the expiration of two (2) years' service as Assistant, an employee will be paid the highest Assistant's rate until he establishes seniority in Class 2 by bidding for and being assigned to a permanent bulletined position.
- (h) Assistants who have served as such less than two years will be placed on positions where they will receive proper training and experience to qualify them for positions of signalmen or signal maintainers. Such men will be subject to transfer systemwide to other locations without regard to seniority, and without the necessity of bulletining the positions in order to require them to secure knowledge and training in all branches of the work. Such transfer, however, will not be made more than once in each three months.
- (i) Assistants who have served as such for two (2) years or more shall be subject to transfer to other locations within their assigned territory without regard to seniority, and without the necessity of bulletining the positions. Such transfer, however, will not be made more than once in each three months.
- (j) Assistants so transferred in accordance with paragraphs "h" or "i" above, will be allowed expenses in accordance with Rule 24 "b" and "c".

RULE 30 - ASSISTANTS - TRAINING

- (a) Assistants shall be eligible for participation in the training program after six months' service in the Signal Department and will be required to participate in the training program. In the event training requirements exceed the available number of men with six months' service, the Carrier may temporarily reduce or waive the eligibility period.
- (b) Employees participating in the training program will be required to complete the classroom instruction and assigned home-work portions thereof.
- (c) Classes will be held at such points as may be designated by the Carrier.
- (d) The classroom portion of the training program will consist of six (6) sessions, each session one (1) week, Monday through Friday, in length. The number of sessions and their length may be changed at the discretion of the Carrier; however, at no time will more than two (2) sessions be held consecutively. Where it becomes necessary to schedule sessions on two consecutive weeks, students who elect to remain at the training point during the intervening weekend will be allowed actual necessary meal expense and suitable lodging will be provided by the Carrier.
- (e) The Carrier will be responsible for developing and establishing all course content, materials, text, training methods, selection of instructors, and other related training personnel.
- (f) Textbooks and other study material will be supplied by the Carrier at no cost to the employees except that the employees will sign receipts therefor acknowledging responsibility for payment for loss of or damage, excluding normal wear, to such training material during the course. Upon successful completion of the course such materials will become the property of the employee. Employees who fail to complete the course must return all course materials to the Carrier or make payment in lieu thereof.
- (g) Uniform written progressive examinations based on the course will be required. Examinations will be based on course training material and/or material presented in class by the instructor. A grade of seventy five percent (75%) or better shall be considered a passing grade. Those who fail to pass any examination will be given a re-examination within thirty (30) days from date of failure. Failure of any employee to pass a re-examination will result in such employee's forfeiture of all seniority and rights and such employee will be considered as having resigned from the service.

- (h) Subject to the provisions of Paragraph (g) hereof, Assistants promoted to other positions within the scope of the Signalmen's Agreement after starting the training program must remain in the training program. Employees restored to positions of Assistant under provisions of Rule 29(e) of the Agreement shall remain in the training program subject to provisions of Paragraph (g) hereof.
- (i) When an employee is notified to attend a training class, the form of transportation to be used going to and from the point where classes are held will be specified by the Carrier and the employee will be reimbursed for authorized transportation expense.
- (j) Employees while attending the classes will be allowed actual necessary meal expense and suitable lodging will be provided by the Carrier. Expenses for meals and lodging incurred while traveling to and from the point where classes are held must be authorized by the Carrier prior to departure.
- (k) Employees will not be compensated for time spent in travelling to and from the point where classes are held except during the hours of assignment. Classes will not start before 1:00 P.M. on Monday and will end by Noon on Friday.
- (l) Employees will be compensated at their regular straight time rate of pay while attending classes. Should one of the National Holidays specified in the Signalmen's Agreement occur during a session on a day which would normally be a work day for the employee(s) they shall choose a mutually acceptable alternate date. The Carrier will, to the extent possible, schedule classes in weeks that do not include National Holidays.

RULE 31 - CLAIMS OR GRIEVANCES

- (a) All claims or grievances must be presented in writing by or on behalf of the employee involved, to the officer of the Carrier authorized to receive same, within sixty (60) days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Carrier shall, within sixty (60) days from the date same is filed, notify whoever filed the claim or grievance (the employee or his representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.
- (b) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within sixty (60) days from receipt of notice of disallowance, and the

representative of the Carrier shall be notified in writing within that time of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, at any state of the handling of a claim or grievance on the property, extend the sixty (60) day period for either a decision or appeal, up to and including the highest officer of the Carrier designated for that purpose.

(c) The requirements outlined in paragraphs (a) and (b), pertaining to appeal by the employee and decision by the Carrier, shall govern in appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest officer designated by the Carrier to handle such disputes. All claims or grievances involved in a decision by the highest designated officer shall be barred unless within nine (9) months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3 Second of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the nine (9) months' period herein referred to.

(d) A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such, continues.

However, no monetary claim shall be allowed retroactively for more than 60 days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(e) This rule recognized the right of representatives of the Organizations, parties hereto, to file and prosecute claims and grievances for and on behalf of the employees they represent.

(f) This agreement is not intended to deny the right of the employees to use any other lawful action for the settlement of claims or grievances provided such action is instituted within nine (9) months of the date of the decision of the highest designated officer of the Carrier.

- (g) This rule shall not apply to requests for leniency.
- (h) While questions of grievances are pending there will neither be a shutdown by the employer nor a suspension of work by the employees.

RULE 32 - DISCIPLINE AND INVESTIGATION

- (a) Except as otherwise provided in this agreement, an employee in service for more than ninety (90) days will not be disciplined or dismissed until after a fair and impartial investigation has been held.
- (b) Such investigation will be held within thirty (30) days from the date of the occurrence to be investigated or not later than thirty (30) days from the date the carrier had knowledge of the alleged offense.
- (c) An employee may be held out of service for serious offenses commencing with the date of occurrence to be investigated or with the next following workday pending investigation and decision theron. An employee held out of service will be notified in writing at the time held out of service of the reasons therefor. The investigation will be held within ten (10) days from the date employee is held out of service.
- (d) At least five (5) days advance written notice of the investigation shall be given the employee in order that the employee may arrange for representation by a duly authorized representative(s) and for presence of necessary witnesses he may desire. The notice must specify the precise charge(s) for which investigation is being held.
- (e) After the date the notice to appear for the investigation has been issued and prior to the date of the investigation, the employee cited to appear for the investigation may, in company with his duly authorized representative(s), confer with the officer of the carrier preferring the charge(s) against the employee for the purpose of reaching an agreement on the validity of the charge(s) preferred against the employee and the proposed discipline to be administered.

In the event an agreement is reached in such conference on the validity of the charge(s) preferred against the employee and the measure of discipline, the carrier will issue an appropriate letter to the employee involved setting forth the fact that at a pre-investigation conference the validity of the charge(s) and the measure of discipline was agreed to and that no appeal will be taken from the discipline administered and that the investigation will be cancelled and the discipline administered should then be stated.

In the event an agreement is not reached in the pre-investigation conference on the validity of the charge(s) preferred

against the employee and the measure of discipline, the investigation will be conducted at the time and place designated and during the course of such investigation, no reference will be made to statements made by either party during the pre-investigation conference.

- (f) A decision shall be rendered within twenty (20) days following the investigation, and written notice of discipline will be given the employee.
- (g) The employee and the duly authorized representative shall be furnished a copy of the transcript of investigation.
- (h) The time limits specified in this Rule may upon written request be extended in a particular case by agreement between the carrier and the employee involved or his duly authorized representative.
- (i) If it is found that an employee has been unjustly disciplined or dismissed, such discipline will be set aside and removed from the record. The employee shall be reinstated with all rights unimpaired including wage loss, if any, suffered by him resulting from such discipline or dismissal, less any amount earned in other employment during such period the disciplinary action was in effect.
- (j) The provisions of Rule 31-Claims or Grievances, shall be applicable to the filing of claims and to the appeal of claims in discipline cases.

RULE 33 - UNJUST TREATMENT

An employee who considered himself unjustly treated in matters other than discipline, or in matters other than those arising out of the interpretation and application of the rules of this agreement shall have the same right of investigation as provided in Rule 32 if written request is made to his immediate supervisor within thirty (30) days after the date of the occurrence of the cause for complaint.

RULE 34 - PHYSICAL EXAMINATION

Employees required by the Carrier to take routine periodic physical and/or visual examination will not suffer reduction in compensation if such examination is directed to be taken during hours of their regular assignment. If required to do so during other than regularly assigned hours of their assignment, they will be allowed payment for time consumed in taking such examination at the basic pro rata rate but not to exceed four hours at such rate.

When an employee is withheld from service because of his physical condition as a result of examination by the Carrier's physician, the Organization, upon presentation of a dissenting opinion as to the employee's condition by a competent physician,

may make written request within fifteen (15) days of the date withheld to his employing officer for a neutral medical authority to review the withheld employee's case.

In case the employee is unable to obtain a dissenting opinion due to causes beyond his control, such as, but not limited to, absence of his personal physician, it may be submitted within 30 days provided he submits his written request within the 15-day period prescribed above and indicates the reasons for his inability to concurrently present the dissenting opinion.

Within fifteen days of the receipt of such request, the Carrier and the Organization shall, by mutual agreement, appoint such neutral medical authority, which medical authority shall be expert on and specializing in the disability from which the employee is alleged to be suffering.

The neutral medical authority so selected will review the employee's case from medical records furnished by the parties hereto and, if it considers it necessary, will make an examination of the employee. Said medical authority shall then make a complete report of its findings in duplicate, one copy to the Carrier and one copy to the Organization, setting forth the employee's condition and an opinion as to his fitness to continue service in his regular employment which will be accepted as final.

The Carrier and the employee shall each pay one-half of the fee and expenses of the neutral medical authority and any examination expenses which may be incurred, such as hospital, laboratory and X-ray services.

In the event the neutral medical authority concludes that the employee is fit to continue in service in his regular employment, such neutral medical authority shall also render a further opinion as to whether or not such fitness existed at the time the employee was withheld from service. If such further conclusion states that the employee possessed such fitness at the time withheld from service, the employee will be compensated for actual loss of earnings and benefits, which are a condition of employment, during the period so withheld.

In the event the neutral medical authority concludes that the employee is not fit to continue in service in his regular employment, the Organization may, upon presentation of an opinion from a competent physician that the employee's condition has improved, request re-examination by the Carrier's physician. Such request will not be made for the first 90 days thereafter, nor more often than once in any 90-day period.

The above provisions are not applicable to new employees with less than 90 days of service.

RULE 35 - FURNISHING OF TOOLS

- (a) The Carrier will furnish the employees such tools and equipment as are necessary to perform their work, except pocket tools, i.e., standard electrician knife, 8-inch adjustable wrench, 6-inch chisel point screwdriver, 8-inch electrical lineman pliers.
- (b) It is recognized that equipment, the operation of which is dependent upon special calculating circuits, programmed chips or other special electronics, may be repaired by the vendor at the option of the electronic technician.

RULE 36 - MOTOR CARS

Employees required to operate on-track vehicles will be given train lineups. All on-track vehicles will be properly equipped in accordance with applicable rules and regulations suitable to the needs and protection of the employees.

RULE 37 - TRANSPORTATION

Employees covered by this Agreement and those dependent upon them for support will be given the same consideration in granting free transportation as is granted any other employees in the service of the Carrier. Committees representing employees covered by these rules will be granted the same consideration as is granted committees representing other employees in the service of the Carrier.

RULE 38 - INSTRUCTIONS

All employees upon request shall be given any advice, instructions, literature and assistance needed, relating to the work of the position or assignment, or equipment to be installed, repaired, maintained, tested or inspected.

RULE 39 - MISCELLANEOUS

- (a) Employees who have given long and faithful service in the employ of the Company who have become unable to perform general signal department duties to advantage will be given preference of such work as they are able to handle.
- (b) Employees will not be required to do janitor work except they will be required to keep all space in buildings and equipment outfit, assigned to their exclusive use, neat and clean.
- (c) Employees injured while at work will be given medical attention at the earliest possible moment and shall be permitted to return to work without signing a release, pending final settlement of the case.
- (d) An employee covered by this agreement who suffers loss of earnings because of violation or misapplication of any

portion of this agreement will be reimbursed for such loss by the Railroad Company.

RULE 40 - RULE INTERPRETATION

Final resolution of questions involving the interpretation of these rules will be by the Assistant Vice President of Labor Relations, or the highest designated officer, and the General Chairman.

RULE 41 - COPY OF AGREEMENT

This agreement of rules, working conditions and rates of pay shall be printed by the Carrier, and any employee affected thereby shall be provided with a copy on request.

RULE 42 - GENERAL PROVISIONS

This agreement takes effect January 1, 1986. It supersedes all previous agreements, understandings and interpretations which are in conflict with this agreement and shall continue in effect until it is changed as provided herein, or under the provisions of the Amended Railway Labor Act. Should either party to this agreement desire to revise or modify these rules, thirty (30) days' written advance notice, stating the proposed change or changes desired, shall be given by either party to the other. The parties to this agreement recognize the applicability of all other national agreements not reproduced herein, to which the Soo Line and Milwaukee Road and the Brotherhood of Railroad Signalmen are signatories.

Signed at Minneapolis, Minnesota, this 5th day of December,
1985.

FOR:

BROTHERHOOD OF RAILROAD
SIGNALMEN

Carl H. Hodges
General Chairman

J. H. Stone
General Chairman

FOR:

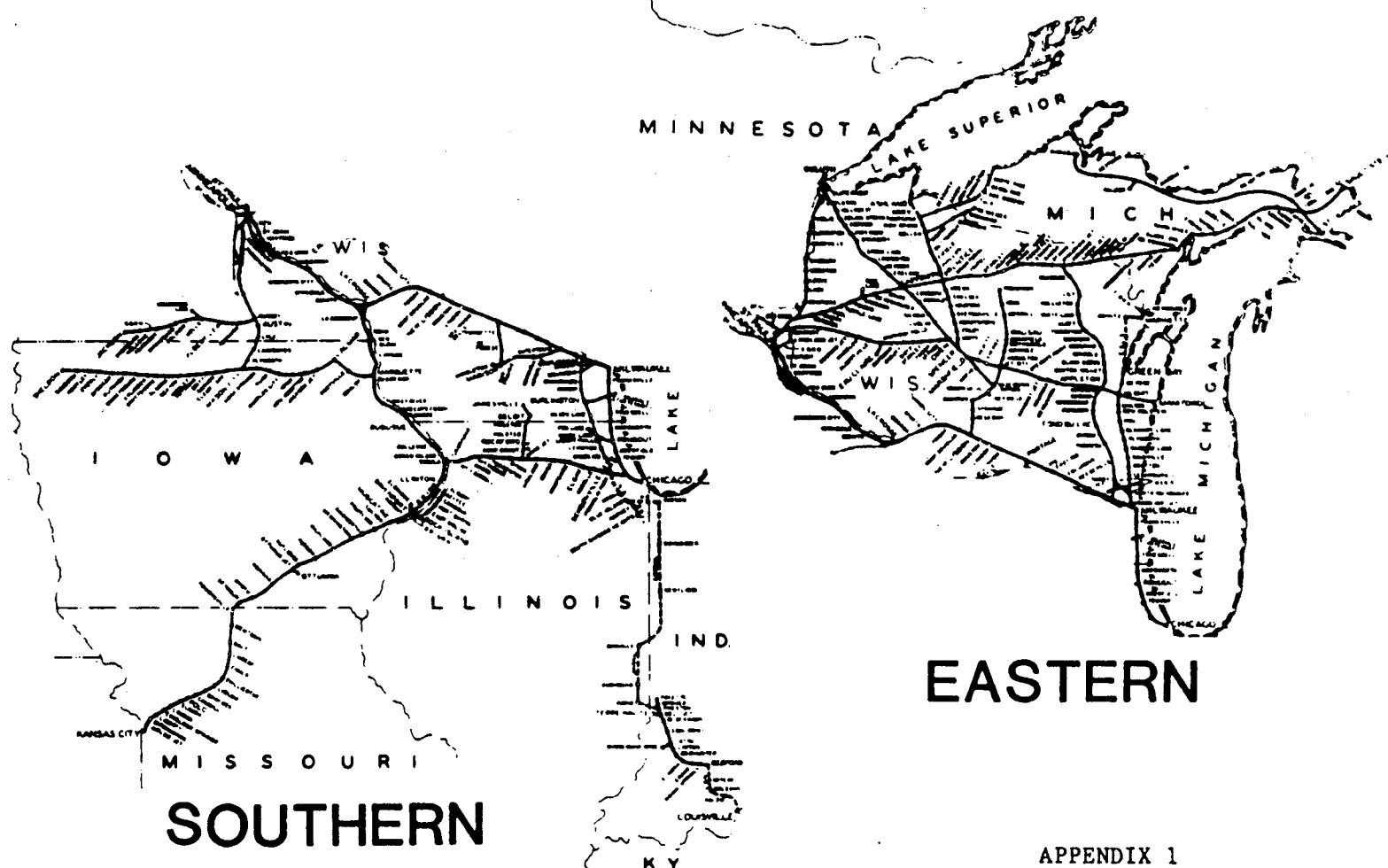
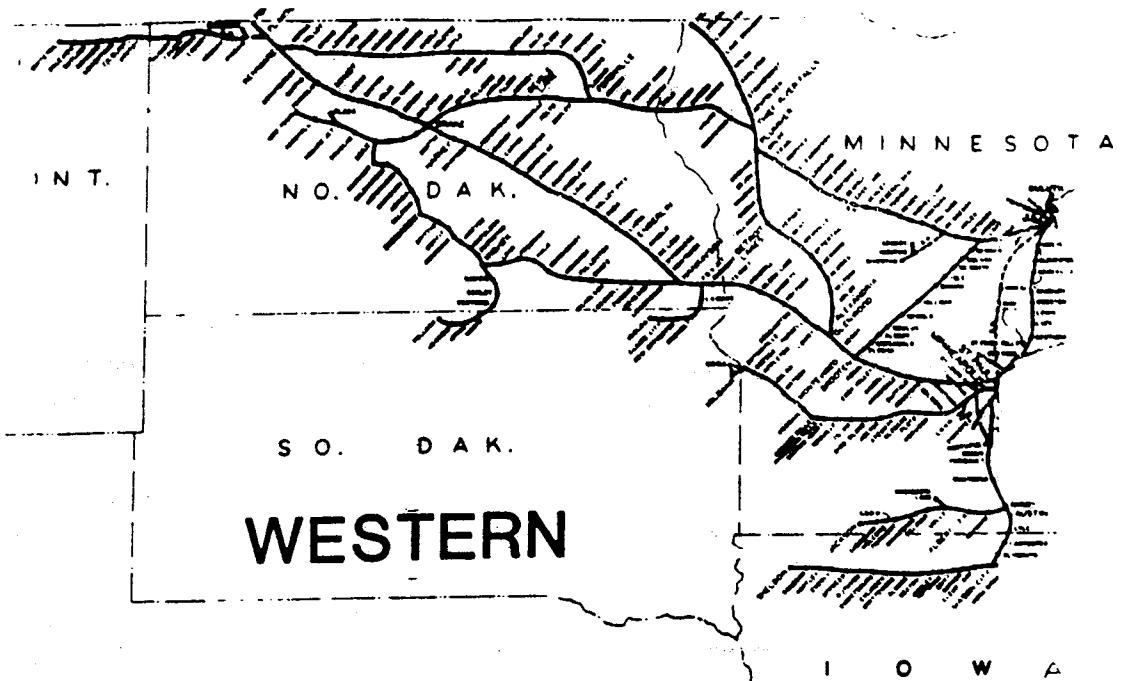
SOO LINE RAILROAD COMPANY

C. H. Stelzer
Assistant Vice President
Labor Relations

APPROVED:

V. Van Lisek
Vice President - BRS

WB Hamrell
Vice President - BRS



APPENDIX 1

TERRITORIES
Mobile Signal
Construction Crews

Office of
Chief Engineer - Signals
January 17, 1986

ARTICLE 1 -- VACATION

The following represents a synthesis in one document, for the convenience of the parties, of the current provisions of the December 17, 1941 National Vacation Agreement and amendments thereto provided in the National Agreements of August 21, 1954, August 19, 1960, November 20, 1964, January 13, 1967, April 21, 1969, November 16, 1971, January 29, 1975, July 27, 1978, and January 8, 1982, with appropriate source identifications.

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any provision, the terms of the appropriate vacation agreement shall govern.

Articles of Agreement

1. (a) Effective with the calendar year 1973, an annual vacation of five (5) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.
- (b) Effective with the calendar year 1973, an annual vacation of ten (10) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred ten (110) days during the preceding calendar year and who has two (2) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred ten (110) days (133 days in the years 1950 - 1959 inclusive, 151 days in 1949, and 160 days in each of such years prior to 1949) in each of two (2) of such years, not necessarily consecutive.
- (c) Effective with the calendar year 1982, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has eight (8) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950 - 1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of eight (8) of such years, not necessarily consecutive.
- (d) Effective with the calendar year 1982, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has seventeen (17) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950 - 1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of seventeen (17) of such years, not necessarily consecutive.

- (e) Effective with the calendar year 1973, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950 - 1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty-five (25) of such years, not necessarily consecutive.
- (f) Paragraphs (a), (b), (c), (d) and (e) hereof shall be construed to grant to weekly and monthly rated employees, whose rates contemplate more than five days of service each week, vacations of one, two, three, four or five work weeks.
- (g) Service rendered under agreements between a carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.
- (h) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for an employee with less than three (3) years of service; a maximum of twenty (20) such days for an employee with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) years or more years of service with the employing carrier.
- (i) In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such employees in the Armed Forces subsequent to their employment by the employing carrier 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 employing carrier.
- (j) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year preceding his return to railroad service had rendered compensated service on fewer days than are required to qualify for a vacation in the calendar year of his return to railroad service, but could qualify for a vacation in the year of his return to railroad service if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he

will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.

- (k) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the following calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.
- (l) An employee who is laid off and has no seniority date and no rights to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an employee does not return to service in the following year for the same carrier he will be compensated in lieu of the vacation he has qualified for provided he files written request therefor to his employing officer, a copy of such request to be furnished to his local or general chairman.

(From Article III—Vacations—Section 1 of 11-16-71 Agreement with Paragraphs 1(c) and 1(d) revised by Article III of the July 27, 1978 Agreement)

2. (Not reproduced here as it has no application to employees represented by the Brotherhood of Railroad Signalmen.)
3. The terms of this agreement shall not be construed to deprive any employee of such additional vacation days as he may be entitled to receive under any existing rule, understanding or custom, which additional vacation days shall be under and in accordance with the terms of such existing rule, understanding or custom.

(From Section 3 of 12-17-41 Agreement)

An employee's vacation period shall not be extended by reason of any of the ten recognized holidays (New Year's Day, Washington's Birthday, Good Friday, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Christmas Eve (the day before Christmas is observed) and Christmas) or any day which by agreement has been substituted or is observed in place of any of the ten holidays enumerated above, or any holiday which by local agreement has been substituted therefor, falling within his vacation period.

(Article III—Vacations—Section 3 of 11-16-71 Agreement as revised by Article III—Holidays—1-29-75 Agreement)

4. (a) Vacations may be taken from January 1st to December 31st and due regard consistent with requirements of service shall be given to the desires and preferences of the employees in seniority order when fixing the dates for their vacations.

The local committee of each organization signatory hereto and the representatives of the Carrier will cooperate in assigning vacation dates.

(b) The Management may upon reasonable notice (of thirty (30) days or more, if possible, but in no event less than fifteen (15) days) require all or any number of employees in any plant, operation, or facility, who are entitled to vacations to take vacations at the same time.

The local committee of each organization affected signatory hereto and the proper representative of the Carrier will cooperate in the assignment of remaining forces.

(From Sections 4-(a) and 4-(b) of 12-17-41 Agreement)

5. Each employee who is entitled to vacation shall take same at the time assigned, and, while it is intended that the vacation date designated will be adhered to so far as practicable, the management shall have the right to defer same provided the employee so affected is given as much advance notice as possible; not less than ten (10) days' notice shall be given except when emergency conditions prevent. If it becomes necessary to advance the designated date, at least thirty (30) days' notice will be given affected employee.

If a carrier finds that it cannot release an employee for a vacation during the calendar year because of the requirements of the service, then such employee shall be paid in lieu of the vacation the allowance hereinafter provided.

(From Section 5 of 12-17-41 Agreement)

Such employee shall be paid the time and one-half rate for work performed during his vacation period in addition to his regular vacation pay.

NOTE: This provision does not supersede provisions of the individual collective agreements that require payment of double time under specified conditions.

(From Article I – Vacations – Section 4 of 8-21-54 Agreement)

6. The carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers. Where a vacation relief worker is not needed in a given instance and if failure to provide a vacation relief worker does not burden those employees remaining on the job, or burden the employee after his return from vacation, the carrier shall not be required to provide such relief worker.

(From Section 6 of 12-17-41 Agreement)

7. Allowances for each day for which an employee is entitled to a vacation with pay will be calculated on the following basis:

- (a) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.
- (b) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this agreement.
- (c) An employee paid a weekly or monthly rate shall have no deduction made from his compensation on account of vacation allowances made pursuant to this agreement.
- (d) An employee working on a piece-work or tonnage basis will be paid on the basis of the average earnings per day for the last two semi-monthly periods preceding the vacation, during which two periods such employee worked on as many as sixteen (16) different days.
- (e) An employee not covered by paragraphs (a), (b), (c), or (d) of this section will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service.

(From Section 7 of the 12-17-41 Agreement)

8. The vacation provided for in this Agreement shall be considered to have been earned when the employee has qualified under Article 1 hereof. If an employee's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, non-compliance with a union-shop agreement, or failure to return after furlough he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified therefor under Article 1. 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 may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

(From Article IV – Vacations – Section 2 of 8-19-60 Agreement)

9. Vacations shall not be accumulated or carried over from one vacation year to another.

(From Section 9 of 12-17-41 Agreement)

10.(a) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater; provided that if the assignment is filled by a regularly assigned vacation relief employee, such employee shall receive the

rate of the relief position. If an employee receiving graded rates, based upon length of service and experience, is designated to fill an assignment of another employee in the same occupational classification receiving such graded rates who is on vacation, the rate of the relieving employee will be paid.

- (b) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five per cent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the work load is agreed to by the proper local union committee or official.
- (c) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees.

(From Section 10 of 12-17-41 Agreement)

- 11. While the intention of this agreement is that the vacation period will be continuous, the vacation may, at the request of an employee, be given in installments if the management consents thereto.

(From Section 11 of 12-17-41 Agreement)

- 12.(a) Except as otherwise provided in this agreement a carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and was paid in lieu therefor under the provision hereof. However, if a relief worker necessarily is put to substantial extra expense over and above that which the regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.
- (b) As employees exercising their vacation privileges will be compensated under this agreement during their absence on vacation, retaining their other rights as if they had remained at work, such absences from duty will not constitute "vacancies" in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.
- (c) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements.

(From Section 12 of 12-17-41 Agreement)

- 13. The parties hereto having in mind conditions which exist or may arise on individual carriers in making provisions for vacations with pay agree that the duly

authorized representatives of the employees, who are parties to one agreement, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this agreement, provided that such changes or understandings shall not be inconsistent with this agreement.

(From Section 13 of 12-17-41 Agreement)

14. Any dispute or controversy arising out of the interpretation or application of any of the provisions of this agreement shall be referred for decision to a committee, the carrier members of which shall be the Carriers' Conference Committees signatory hereto, or their successors; and the employee members of which shall be the Chief Executives of the Fourteen Organizations, or their representatives, or their successors. Interpretations or applications agreed upon by the carrier members and employee members of such committee shall be final and binding upon the parties to such dispute or controversy.

This section is not intended by the parties as a waiver of any of their rights provided in the Railway Labor Act as amended, in the event committee provided in this section fails to dispose of any dispute or controversy.

(From Section 14 of 12-17-41 Agreement)

15. Except as otherwise provided herein this agreement shall be effective as of January 1, 1973, and shall be incorporated in existing agreements as a supplement thereto and shall be in full force and effect for a period of one (1) year from January 1, 1973, and continue in effect thereafter, subject to not less than seven (7) months' notice in writing (which notice may be served in 1973 or in any subsequent year) by any carrier or organization party hereto, of desire to change this agreement as of the end of the year in which the notice is served. Such notice shall specify the changes desired and the recipient of such notice shall then have a period of thirty (30) days from the date of the receipt of such notice within which to serve notice specifying changes which it or they desire to make. Thereupon such proposals of the respective parties shall thereafter be negotiated and progressed concurrently to a conclusion.

(From Article III—Vacations—Section 2 of 11-16-71 Agreement)

Except to the extent that articles of the Vacation Agreement of December 17, 1941 are changed by this Agreement, the said agreement and the interpretations thereof and of the Supplemental Agreement of February 23, 1945, as made by the parties, dated June 10, 1942, July 20, 1942 and July 18, 1945 and by Referee Morse in his award of November 12, 1942, shall remain in full force and effect.

In Sections 1 and 2 of this Agreement certain words and phrases which appear in the Vacation Agreement of December 17, 1941, and in the Supplemental Agreement of February 23, 1945, are used. The said interpretations which defined such words and phrases referred to above as they appear in said Agreements shall apply in construing them as they appear in Sections 1 and 2 hereof.

(From Article I – Vacations – Section 6 of 8-21-54 Agreement)

INTERPRETATIONS
Dated June 10, 1942

In connection with the Vacation Agreement dated Chicago, Illinois, December 17, 1941, the following interpretations have been agreed to:

General

After the basic interpretations have been disposed of, it may be necessary to agree upon some questions and answers in order to make clear to those, other than members of the respective committees, the proper application of this Vacation Agreement. Whether or not this shall be done is a matter for determination in the light of developments.

Inasmuch as there are so many matters about which we disagree, in the interest of agreement, the parties have agreed to present to the referee agreements herein evidenced. In so presenting them, it is agreed that the referee is requested not to use such agreements for the purpose of interpreting any article or section of the Vacation Agreement which may be in dispute, as these agreements are made without prejudice.

Preamble

The Vacation Agreement is a separate agreement by and between and in behalf of each carrier and each group of its employees, as shown by the appendices attached thereto, for whom a request was made.

Article 1

The days referred to in the term "not less than 160 days" must be:

(a) Days under one rules agreement with one organization, or one rules agreement with two or more federated organizations parties to the Vacation Agreement which were parties to such rules agreement on a particular carrier, which carrier and employees were both listed in appendices to the Vacation Agreement, or

(b) Days under two or more rules agreements with one organization, or one federation of organizations, party to the Vacation Agreement which was party to such rules agreements on a particular carrier, which carrier and employees were both listed in appendices to the Vacation Agreement.

- (c) Where employees of a joint facility or operation periodically become subject to agreements with different carriers, the change from an agreement with one carrier to an agreement with the same organization with another carrier shall not affect the vacation status of employees of such joint facility or operation.
- (d) Except as above provided, an employee cannot combine days under more than one rules agreement.

Article 3

This article is a **savings clause**; it provides that an employee entitled, under existing rule, understanding, or custom, to a certain number of days vacation each year, in addition to those specified in Articles 1 and 2 of the Vacation Agreement, shall not be deprived thereof, but such additional vacation days are to be accorded under the existing rule, understanding, or custom in effect on the particular carrier, and not under this Vacation Agreement.

If an employee is entitled to a certain number of days vacation under an existing rule, understanding, or custom on a particular carrier, and to no vacation under this Vacation Agreement, such vacation as the employee is entitled to under such rule, understanding, or custom shall be accorded under the terms thereof.

Article 5

As the vacation year runs from January 1 to December 31, payment in lieu of vacation may be made prior to or on the last payroll period of the vacation year; if not so paid, shall be paid on the payroll for the first payroll period in the January following, or if paid by special roll, such payment shall be made not later than during the month of January following the vacation year.

Article 7

Article 7(a) provides:

"An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment." This contemplates that an employee having a regular assignment will not be any better or worse off, while on vacation, as to the daily compensation paid by the carrier than if he had remained at work on such assignment, this not to include casual or unassigned overtime or amounts received from others than the employing carrier.

Article 8

Within the application of Article 8:

- (1) An employee's employment relation is not terminated when (a) laid off or cut off on account of force reduction if he maintains rights to be recalled; or (b) on furlough or leave of absence; or (c) absent on account of sickness or disability.
- (2) An employee, who loses his seniority because of moving from one seniority roster or seniority district to another established under one rules agreement

made with one organization or with two or more federated organizations or under two or more rules agreements made with one organization or federation of organizations parties to the Vacation Agreement, shall not be deemed to have terminated his "employment relation" under this article.

Signed at Chicago, Illinois, this 10th day of June, 1942.

INTERPRETATIONS
Dated July 20, 1942

In connection with the Vacation Agreement dated Chicago, Illinois, December 17, 1941, the following interpretations, in addition to the interpretations evidenced by the agreement as to interpretations dated June 10, 1942, have been agreed to subject to the understanding as expressed under the heading "General" of the interpretations of June 10, 1942, which is herewith included by reference.

Article 4

Question 1: Meaning and intent of the second paragraph of Article 4(a)?

Answer: The second paragraph of Article 4(a) requires cooperation between local committees of each signatory organization and representatives of carriers in assigning vacation dates. To carry out this cooperative assignment of vacation dates, a list will be prepared showing the date assigned to each employee entitled to a vacation, and this list will be made available to the local committee of the signatory organizations; such portion of any list as may be necessary for the information of particular employees will be made available to them in the customary manner.

Article 5

Question 1: May an employee at his option forego the taking of a vacation, remain at work and accept pay in lieu thereof?

Answer: No.

Article 8

Question 1: Is an employee, who has qualified for a vacation and who enters the armed service of the United States prior to taking his vacation, retaining his seniority, entitled to payment in lieu thereof?

Answer: Yes.

Articles 7 and 8

Question 1: Is an employee who is qualified for vacation and who, before his vacation is taken, either while on furlough, on leave of absence, or through under-

- (c) Where employees of a joint facility or operation periodically become subject to agreements with different carriers, the change from an agreement with one carrier to an agreement with the same organization with another carrier shall not affect the vacation status of employees of such joint facility or operation.
- (d) Except as above provided, an employee cannot combine days under more than one rules agreement.

Article 3

This article is a **savings** clause; it provides that an employee entitled, under existing rule, understanding, or custom, to a certain number of days vacation each year, in addition to those specified in Articles 1 and 2 of the Vacation Agreement, shall not be deprived thereof, but such additional vacation days are to be accorded under the existing rule, understanding, or custom in effect on the particular carrier, and not under this Vacation Agreement.

If an employee is entitled to a certain number of days vacation under an existing rule, understanding, or custom on a particular carrier, and to no vacation under this Vacation Agreement, such vacation as the employee is entitled to under such rule, understanding, or custom shall be accorded under the terms thereof.

Article 5

As the vacation year runs from January 1 to December 31, payment in lieu of vacation may be made prior to or on the last payroll period of the vacation year; if not so paid, shall be paid on the payroll for the first payroll period in the January following, or if paid by special roll, such payment shall be made not later than during the month of January following the vacation year.

Article 7

Article 7(a) provides:

"An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment." This contemplates that an employee having a regular assignment will not be any better or worse off, while on vacation, as to the daily compensation paid by the carrier than if he had remained at work on such assignment, this not to include casual or unassigned overtime or amounts received from others than the employing carrier.

Article 8

Within the application of Article 8:

- (1) An employee's employment relation is not terminated when (a) laid off or cut off on account of force reduction if he maintains rights to be recalled; or (b) on furlough or leave of absence; or (c) absent on account of sickness or disability.
- (2) An employee, who loses his seniority because of moving from one seniority roster or seniority district to another established under one rules agreement

made with one organization or with two or more federated organizations or under two or more rules agreements made with one organization or federation of organizations parties to the Vacation Agreement, shall not be deemed to have terminated his "employment relation" under this article.

Signed at Chicago, Illinois, this 10th day of June, 1942.

INTERPRETATIONS
Dated July 20, 1942

In connection with the Vacation Agreement dated Chicago, Illinois, December 17, 1941, the following interpretations, in addition to the interpretations evidenced by the agreement as to interpretations dated June 10, 1942, have been agreed to subject to the understanding as expressed under the heading "General" of the interpretations of June 10, 1942, which is herewith included by reference.

Article 4

Question 1: Meaning and intent of the second paragraph of Article 4(a)?

Answer: The second paragraph of Article 4(a) requires cooperation between local committees of each signatory organization and representatives of carriers in assigning vacation dates. To carry out this cooperative assignment of vacation dates, a list will be prepared showing the date assigned to each employee entitled to a vacation, and this list will be made available to the local committee of the signatory organizations; such portion of any list as may be necessary for the information of particular employees will be made available to them in the customary manner.

Article 5

Question 1: May an employee at his option forego the taking of a vacation, remain at work and accept pay in lieu thereof?

Answer: No.

Article 8

Question 1: Is an employee, who has qualified for a vacation and who enters the armed service of the United States prior to taking his vacation, retaining his seniority, entitled to payment in lieu thereof?

Answer: Yes.

Articles 7 and 8

Question 1: Is an employee who is qualified for vacation and who, before his vacation is taken, either while on furlough, on leave of absence, or through under-

standing with management, accepts another position with the same carrier, which position is not covered by the rules agreement applying to his former assignment, but who retains his seniority in his former class, entitled to the vacation as qualified for or payment in lieu thereof?

Answer: It is agreed that such an employee would be entitled to vacation or payment in lieu thereof, such payment to be made under the provisions of Article 7(e). This means that such employee would receive no more vacation pay than he would have received had he taken vacation while on the position last held by him which was covered by the Vacation Agreement.

The foregoing will not apply, however, should such employee be granted a vacation or payment in lieu thereof in his new occupation on a basis as favorable as to pay as though granted under the provisions of this agreement.

Articles 10 and 13

Question 1: The words "regularly assigned vacation relief employee" are used in Article 10(a). The words "regular relief employee" are used in Article 12(b). The words "regular assigned relief employee" are used in Article 12(c). Do these terms refer to different types of employees than are referred to by the terms "vacation relief workers" as used in Article 6, and "relief worker" as used in Articles 10(b) and 12(a)?

Answer: It is agreed that the terms "vacation relief workers", as used in Article 6, and "relief workers" as used in Articles 10(b) and 12(a), describe in general terms all persons who fill the positions of vacationing employees. The terms used in Articles 10(a), 12(b) and 12(c) are more restrictive and describe only those persons described generally in Articles 6, 10(b) and 12(a) who are assigned to regularly fill positions of absent employees. It is agreed that under Article 13 of the Vacation Agreement it may be desirable to negotiate special arrangements and rates for the establishment of regular relief positions to relieve certain employees while on vacation.

Article 10(b)

Question 1: Does the word "hiring" in Article 10(b) contemplate that the relief worker referred to must be a newly hired employee?

Answer: No. This word may be interpreted and should be applied as though it read "providing" or "furnishing" a relief worker. It does not require that a relief worker necessarily be a newly hired employee.

Signed at Chicago, Illinois, this 20th day of July, 1942.

(Signatures are not here reproduced.)

ARTICLE 2 -- HOLIDAYS

The following represents a synthesis in one document, for the convenience of the parties, of the current Holiday provisions of the National Agreement of August 21, 1954, and amendments thereto provided in the National Agreements of August 19, 1960, November 20, 1964, April 21, 1969, November 16, 1971, January 29, 1975, June 16, 1975, and January 8, 1985, with appropriate source identifications.

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any provision, the terms of the appropriate agreement shall govern.

Section 1. Subject to the qualifying requirements contained in Section 3 hereof, and to the conditions hereinafter provided, each hourly and daily rated employee shall receive eight hours' pay at the pro rata hourly rate for each of the following enumerated holidays:

New Year's Day	Thanksgiving Day
Washington's Birthday	Day after Thanksgiving
Good Friday	Christmas Eve (the day before
Memorial Day	Christmas is observed)
Fourth of July	Christmas
Labor Day	New Year's Eve Day

provided that on railroads on which some holiday other than Good Friday has been substituted, by agreement, for the birthday holiday, unless the employees now desire to have Good Friday included as a holiday in place of such holiday which has been substituted for the birthday holiday such substitution will continue effective, and Good Friday will be eliminated from the holidays enumerated above and from the provisions of this Article II which follow. (Art. II -- Holidays -- Sections 1(a) and 2(a), 11/16/71 Agreement as revised by 6/16/76 Agreement)

(a) Holiday pay for regularly assigned employees shall be at the pro rata rate of the position to which assigned.

(b) For other than regularly assigned employees, if the holiday falls on a day on which he would otherwise be assigned to work, he shall, if consistent with the requirements of the service, be given the day off and receive eight hours' pay at the pro rata rate of the position which he otherwise would have worked. If the holiday falls on a day other than a day on which he otherwise would have worked, he shall receive eight hours' pay at the pro rata hourly rate of the position on which compensation last accrued to him prior to the holiday.

(c) Subject to the applicable qualifying requirements in Section 3 hereof, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in paragraph (b) above, provided (1) compensation for service paid him by the carrier is credited 11 or more of the 30 calendar days immediately preceding the holiday and (2) he has had a seniority date for at least 60

calendar days or has 60 calendar days of continuous active service preceding the holiday beginning with the first day of compensated service, provided employment was not terminated prior to the holiday by resignation, for cause, retirement, death, non-compliance with a union shop agreement, or disapproval of application for employment.

(d) The provisions of this Section and Section 3 hereof applicable to other than regularly assigned employees are not intended to abrogate or supersede more favorable rules and practices existing on certain carriers under which other than regularly assigned employees are being granted paid holidays.

NOTE: This rule does not disturb agreements or practices now in effect under which any other day is substituted or observed in place of any of the above enumerated holidays. (Art. III - - Holidays - - Section 1, 4/21/69 Agreement)

Section 2. (a) Monthly rates, the hourly rates of which are predicated upon 169-1/3 hours, shall be adjusted by adding the equivalent of 56 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The hourly factor will thereafter be 174 and overtime rates will be computed accordingly.

Weekly rates that do not include holiday compensation shall receive a corresponding adjustment.

(b) All other monthly rates of pay shall be adjusted by adding the equivalent of 28 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The sum of presently existing hours per annum plus 28 divided by 12 will establish a new hourly factor and overtime rates will be computed accordingly.

Weekly rates not included in Section 2(a) shall receive a corresponding adjustment. (Art. II - - Holidays - - Sections 2(a) and 2(b) of 8/21/54 Agreement)

Effective January 1, 1973, the monthly rates of monthly rated employees shall be adjusted by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. Weekly rates shall be adjusted by adding the equivalent of 8 pro rata hours to the annual compensation and a new weekly rate established in the same manner as under Article II, Section 2 of the August 21, 1954 Agreement. The hourly factor will be correspondingly increased and overtime rates will be computed accordingly. (Art. II - - Holidays - - Section 2(d) of 11/16/71 Agreement)

Effective January 1, 1976, after application of the cost-of-living adjustment effective that date, the monthly rates of monthly rated employees shall be adjusted by adding the equivalent of 8 pro rata hours' pay to their annual compensation (the rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. That portion of such 8 pro rata hours' pay which derives from the cost-of-liv-

ing allowance will not become part of basic rates of pay except as provided in Article II, Section 1(d) of the Agreement of January 29, 1975. The sum of presently existing hours per annum plus 8, divided by 12, will establish a new hourly factor for purposes of applying cents-per-hour adjustments in such monthly rates of pay and computing overtime rates.

A corresponding adjustment shall be made in weekly rates and hourly factors derived therefrom. (Section 5, 6/16/76 Agreement)

The hourly factor as shown in Section 2(a) above, was as a result of the addition of the birthday holiday increased, effective January 1, 1965, to 174 2/3; as a result of the addition of Veterans Day as a holiday, effective January 1, 1973, increased to 175 1/3; and as a result of the addition of Christmas Eve as a holiday, effective January 1, 1976, increased to 176.

Section 3. A regularly assigned employee shall qualify for the holiday pay provided in Section 1 hereof if compensation paid him by the carrier is credited to the workdays immediately preceding and following such holiday or if the employee is not assigned to work but is available for service on such days. If the holiday falls on the last day of a regularly assigned employee's workweek, the first workday following his rest days shall be considered the workday immediately following. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday.

Except as provided in the following paragraph, all others for whom holiday pay is provided in Section 1 hereof shall qualify for such holiday pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

- (i) Compensation for service paid by the carrier is credited; or
- (ii) Such employee is available for service.

NOTE: "Available" as used in subsection (ii) above is interpreted by the parties to mean that an employee is available unless he lays off of his own accord or does not respond to a call, pursuant to the rules of the applicable agreement, for service.

For the purposes of Section 1, other than regularly assigned employees who are relieving regularly assigned employees on the same assignment on both the workday preceding and the workday following the holiday will have the workweek of the incumbent of the assigned position and will be subject to the same qualifying requirements respecting service and availability on the workdays preceding and following the holiday as apply to the employee whom he is relieving.

Compensation paid under sick-leave rules or practices will not be considered as compensation for purposes of this rule. (Art. III - Holidays - Section 2, 4/21/69 Agreement)

An employee who meets all other qualifying requirements will qualify for holiday

pay for both Christmas Eve and Christmas Day if on the "workday" or the "day", as the case may be, immediately preceding the Christmas Eve holiday he fulfills the qualifying requirements applicable to the "workday" or the "day" before the holiday and on the "workday" or the "day", as the case may be, immediately following the Christmas Day holiday he fulfills the qualifying requirements applicable to the "workday" or the "day" after the holiday.

An employee who does not qualify for holiday pay for both Christmas Eve and Christmas Day may qualify for holiday pay for either Christmas Eve or Christmas Day under the provisions applicable to holidays generally. (Section 4, 6/16/76 Agreement)

Section 4. Provisions in existing agreements with respect to holidays in excess of the ten holidays referred to in Section 1 hereof shall continue to be applied without change. (Section 3(b), 6/16/76 Agreement)

Section 5. (a) Existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are extended to apply to Good Friday, to Veterans Day and to Christmas Eve in the same manner as to other holidays listed or referred to therein. (Art. II - - Holidays - - Section 2(b), 11/16/71 Agreement as revised by 6/16/76 Agreement)

(b) All rules, regulations or practices which provide that when a regularly assigned employee has an assigned relief day other than Sunday and one of the holidays specified therein falls on such relief day, the following assigned day will be considered his holiday, are hereby eliminated.

(c) Under no circumstances will an employee be allowed, in addition to his holiday pay, more than one time and one-half payment for service performed by him on a holiday which is also a work day, a rest, and/or a vacation day.

NOTE: This provision does not supersede provisions of the individual collective agreements that require payment of double time for holidays under specified conditions.

(d) Except as provided in this Section 5, existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are not changed hereby. (Art. II - - Holidays - - Section 1(c), 11/16/71 Agreement)

Section 6. Article II, Section 6 of the Agreement of August 21, 1954, which was added by the Agreement of November 20, 1964, is eliminated. However, the adjustment in monthly rates of monthly rated employees which was made effective January 1, 1965, pursuant to Article II of the Agreement of November 20, 1964, by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and dividing this sum by 12 in order to establish a new monthly rate, continues in effect. Effective January 1, 1972, weekly rates shall be adjusted by adding the equivalent of 8 pro rata hours to the annual compensation

and a new weekly rate established in the same manner as under Article II, Section 2 of the August 21, 1954 Agreement. The hourly factor will be correspondingly increased and overtime rates will be computed accordingly. This adjustment will not apply to any weekly rates of pay which may have been earlier adjusted to include pay for the birthday holiday. (Art. II - - Holidays - - Section 1(d), 11/16/71 Agreement)

Section 7. When any of the ten recognized holidays enumerated in Section 1 of this Article II, or any day which by agreement, or by law or proclamation of the State or Nation, has been substituted or is observed in place of any of such holidays, falls during an hourly or daily rated employee's vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The "workdays" and "days" immediately preceding and following the vacation period shall be considered the "workdays" and "days" preceding and following the holiday for such qualification purposes. (Art. II - - Holidays - - Sections 1(e) and 2(c), 11/16/71 Agreement as revised by 6/16/76 Agreement)

ARTICLE 3 -- BEREAVEMENT LEAVE AND INTERPRETATIONS

Bereavement Leave

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

INTERPRETATIONS

Q-1: How are the three calendar days to be determined?

A-1: An employee will have the following options in deciding when to take bereavement leave:

- a) three consecutive calendar days, commencing with the day of death, when the death occurs prior to the time an employee is scheduled to report for duty;
- b) three consecutive calendar days, ending the day of the funeral service; or
- c) three consecutive calendar days, ending the day following the funeral service.

Q-2: Does the three (3) calendar days allowance pertain to each separate instance, or do the three (3) calendar days refer to a total of all instances?

A-2: Three days for each separate death; however, there is no pyramiding where a second death occurs within the three-day period covered by the first death.

Example: Employee has a work week of Monday to Friday – off-days of Saturday and Sunday. His mother dies on Monday and his father dies on Tuesday. At a maximum, the employee would be eligible for bereavement leave on Tuesday, Wednesday, Thursday and Friday.

Q-3: An employee working from an extra board is granted bereavement leave on Wednesday, Thursday and Friday. Had he not taken bereavement leave he would have been available on the extra board, but would not have performed service on one of the days on which leave was taken. Is he eligible for two days or three days of bereavement pay?

A-3: A maximum of two days.

Q-4: Will a day on which a basic day's pay is allowed account bereavement leave serve as a qualifying day for holiday pay purposes?

A-4: No; however, the parties are in accord that bereavement leave non-availability

should be considered the same as vacation non-availability and that the first work day preceding or following the employee's bereavement leave, as the case may be, should be considered as the qualifying day for holiday purposes.

Q-5: Would an employee be entitled to bereavement leave in connection with the death of a half-brother or half-sister, stepbrother or stepsister, stepparents or stepchildren?

A-5: Yes as to half-brother or half-sister, no as to stepbrother or stepsister, stepparents or stepchildren. However, the rule is applicable to a family relationship covered by the rule through the legal adoption process.

ARTICLE 4 -- JURY DUTY

Article IV -- Jury Duty of the Agreement of November 16, 1971 is hereby amended to read as follows:

When a regularly assigned employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each 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 carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.
- (2) The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.
- (3) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.
- (4) When an employee is excused from railroad service account of jury duty the carrier shall have the option of determining whether or not the employee's regular position shall be blanked, notwithstanding the provisions of any other rules.
- (5) Except as provided in paragraph (6), an employee will not be required to work on his assignment on days on which jury duty:
 - (a) ends within four hours of the start of his assignment;
or
 - (b) is scheduled to begin during the hours of his assignment or within four hours of the beginning or ending of his assignment.
- (6) On any day that an employee is released from jury duty and four or more hours of his work assignment remain, he will immediately inform his supervisor and report for work if advised to do so.

ARTICLE 5 -- CHANGE OF RESIDENCE

CHANGES OF RESIDENCE DUE TO TECHNOLOGICAL, OPERATIONAL OR ORGANIZATIONAL CHANGES

When a carrier makes a technological, operational, or organizational change requiring an employee to transfer to a new point of employment requiring him to move his residence, such transfer and change of residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement, notwithstanding anything to the contrary contained in said provisions, except that the employee shall be granted 5 working days instead of "two working days" provided in Section 10(a) of said Agreement; and in addition to such benefits the employee shall receive a transfer allowance of \$400. Under this provision, change of residence shall not be considered "required" if the reporting point to which the employee is changed is not more than 30 miles from his former reporting point.

ARTICLE 6 -- HOURS OF SERVICE ACT

MEMORANDUM OF UNDERSTANDING

The parties hereto agree that certain modifications to existing collectively bargained rules are desirable because of restrictions imposed by the Hours of Service Act, as amended by Public Law 94-348 and further amended on July 27, 1978.

NOW, THEREFORE, IT IS AGREED:

1. The following provisions will apply to any employee who is required by the Carrier to perform service outside of his regularly assigned hours and because of such service is unable to work some or all of his regularly assigned hours because of restrictions contained in the Hours of Service Act, as amended by Public Law 94-348.
 - (a) Provided the employee fulfills the obligations set forth in subparagraph (b), he will be compensated for his regularly assigned hours at the straight-time rate of pay.
 - (b) On any day on which application of the Hours of Service law would prevent an employee from performing work during some or all of his regularly assigned hours, the carrier will have the right without payment of additional compensation to temporarily extend the employee's assigned quitting time to permit the employee to work a full 8 hours, provided that such extension shall not exceed one hour. The number of such extensions shall not exceed four in each calendar month.
2. In order to minimize situations in which an employee is prevented from working some or all of his regularly assigned hours because of restrictions contained in the Hours of Service Act, representatives of the Organization signatory hereto will cooperate with the individual carriers parties hereto in modifying other collectively bargained rules such as those governing starting times, meal periods, rights and obligations respecting calls, and assigned rest days.
3. This Memorandum of Understanding shall be effective on December 1, 1976 and shall continue in effect thereafter (subject to change in accordance with the Railway Labor Act, as amended) unless cancelled pursuant to Item 3 of the letter dated November 19, 1976, from W.H. Dempsey to C.J. Chamberlain. In the event this Memorandum of Understanding is not cancelled pursuant to such letter, the pay provisions of paragraph 1 of this Memorandum of Understanding will be applied retroactively to July 8, 1976 to claims either timely filed under the pertinent rules on each carrier or filed within 60 days from the effective date of this agreement.

ARTICLE 7 - - HEALTH AND WELFARE BENEFITS; EARLY RETIREMENT
MAJOR MEDICAL EXPENSE BENEFITS; AND DENTAL
BENEFITS.

PART A. HEALTH AND WELFARE BENEFITS

Section 1. Continuation of Plan. The benefits now provided under The Railroad Employees National Health and Welfare Plan, modified as provided in Sections 2 and 3 below, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to the Plan will be offset by the expeditious use of such amounts as may at any time be in Special Account A or in one or more special accounts or funds maintained by the insurer in connection with Group Policy Contract GA-23000, and by the use of funds held in trust that are not otherwise needed to pay claims, premiums or administrative expenses which are payable from trust. Detailed contract language specifying the new benefits and the changes in existing benefit and eligibility provisions is to be worked out by the Joint Policyholder Committee with the insurer.

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

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

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

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

d. Pre-Admission Testing. Charges incurred by an employee or depen-

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

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

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

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

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

i. Physician's Fee Benefit.

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

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

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

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

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

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

PART B. EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFIT

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

a. Employee Eligible:

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

(ii) Disability.

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

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

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

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

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

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

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

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

c. Scope of Coverage:

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

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

d. Duration of Coverage:

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

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

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

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

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

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

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

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

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

(a) becomes eligible for Medicare, or

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

or

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

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

e. Plan:

(i) Elements:

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

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

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

(ii) Benefits: Covered benefits will be benefits of the same categories

as are covered major medical expense benefits under The Railroad Employees National Health and Welfare Plan.

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

Section 2. Administration.

a. The railroads, which will be sole policyholder, will work out arrangements for the Plan to be administered and insurance thereunder to be provided by the same insurer as in handling those functions under The Railroad Employees National Health and Welfare Plan.

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

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

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

Section 3. Employees of Hospital Association Railroads.

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

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

PART C. DENTAL BENEFITS

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

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

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

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

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

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

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

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

PART D. GENERAL

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

ARTICLE 8 -- SUPPLEMENTAL SICKNESS BENEFITS

ATTACHMENT "A"

SUPPLEMENTAL SICKNESS BENEFIT AGREEMENT AS REVISED EFFECTIVE JULY 1, 1978

THIS AGREEMENT, made this _____ day of _____, by and between the participating carriers listed in Exhibit A, attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS AGREED:

1. Revision of Supplemental Sickness Benefit Plan. Effective July 1, 1978, the Supplemental Sickness Benefit Plan (hereinafter referred to as this Plan) established by the Supplemental Sickness Benefit Agreement of May 9, 1973 as revised July 14, 1976, is further revised with respect to employees subject to this Agreement as set forth in the paragraphs which follow.

2. Eligibility for Benefits: Eligible Employees, Insured Employees, Qualified Employees.

(a) Eligible Employees. Subject to the provisions of Paragraph 3, benefits will be provided employees under this Plan if, as the result of an accidental bodily injury which occurred or a sickness which commenced while the employee was insured, the employee is disabled to the extent that he is unable to perform the duties of any job available to him in his craft, or, if there is no job available to him in his craft, to the extent that he is unable to perform the duties of the last job on which he worked prior to commencement of the disability. Employees eligible for benefits under this Plan are designated "Eligible Employees."

(b) Insured Employees. A qualified employee will be insured each month which follows a month in which he rendered compensated service for a participating railroad under the coverage of a schedule agreement held by the Brotherhood of Railroad Signalmen, or took vacation with pay for which he had qualified under a schedule agreement held by the Brotherhood of Railroad Signalmen. A qualified employee previously insured who ceased to be insured because of disability (as defined in Paragraph 2(a)), furlough, leave of absence or discharge, and who returns to work for the same railroad, or who commences work for another railroad at the direction of the management of his home road or by virtue of his seniority on his home road or under the provisions of a protective agreement, a statute, or an order of a regulatory authority within twelve calendar months after his insurance had terminated, shall again become insured on the day on which he again renders compensated service under the coverage of a schedule agreement held by the Brotherhood of Railroad Signalmen, and his insurance shall continue for the remainder of that calendar month. An employee who while insured leaves the service of one railroad, and without missing more than one week of work returns to work for another railroad on which he is already a qualified employee, will continue to be insured for

the remainder of that calendar month. A qualified employee who has ceased to render compensated service may continue to be insured if the participating railroad by which he is employed is obligated to provide him continued benefits under compensation maintenance provisions of an agreement, a statute, or an order of a regulatory authority and makes premium payments under the applicable insurance contract in the same manner as if the employee had rendered compensated service.

Note: The term "insured" in this Paragraph 2 does not necessarily imply coverage by a contract of insurance as referred to in Paragraph 7.

(c) Qualified Employees. A qualified employee is one who —

- (i) has completed 30 days of continuous employment relationship with the same participating railroad, in a capacity in which he has been represented by the Brotherhood of Railroad Signalmen and covered by its schedule agreement, and
- (ii) has completed the requirements to be a "Qualified Employee" as that term is used in Section 3 of the Railroad Unemployment Insurance Act, reading as follows:

"An employee shall be a 'qualified employee' if the Board finds that his compensation will have been not less than \$1,000 with respect to the base year, and, if such employee has had no compensation prior to such year, that he will have had compensation with respect to each of not less than five months in such year"

The term "base year" means the completed calendar year immediately preceding the beginning of a benefit year. The term "benefit year" means for purposes of the above definition the twelve-month period beginning July 1 of any year and ending June 30 of the next year. In arriving at the \$1,000, only the first \$400 of compensation in any month is counted. If the Act should be amended so as to change the definition of "qualified employee" or the associated elements mentioned above during the life of this Agreement, this Paragraph 2(c) will be regarded as amended in conformity with the Act.

An employee will become a qualified employee the first day of the calendar month after he fulfills both such conditions. The requirement of Subparagraph (c)(i) will be waived with respect to an insured employee who is furloughed and while insured commences work for another participating railroad.

3. Exclusions and Limitations. No benefits will be provided under this Plan—

- (a) for a longer period, with respect to any disability, than thirty-six months. Continuing or successive periods of disability will be considered as the same disability unless separated by return to work on a full-time basis for a period of 30 calendar days or more, or unless due to entirely unrelated causes and separated by return to work on at least one day. If benefits are denied in accordance with Subparagraph (h) below because the employee received vacation pay during his disability, the thirty-six months period specified above shall be extended by the period during which benefits were denied for that reason;

- (b) for any disability for which the employee is not treated by a duly qualified

physician or surgeon, as certified by the physician or surgeon pursuant to Paragraph 8;

- (c) for any day on which the employee performs work for "subsidiary remuneration" as defined in the Railroad Unemployment Insurance Act;
- (d) for any disability commencing after the employee had commenced work on a regular or permanent basis for the participating railroad on a position other than a position coming under a schedule agreement held by the Brotherhood of Railroad Signalmen, unless the last position on which he rendered service prior to the disability was a position coming under a schedule agreement held by the Brotherhood of Railroad Signalmen;
- (e) for any intentionally self-inflicted disability;
- (f) for disability to which the contributing cause was the commission or attempted commission by the employee of an assault, battery or felony;
- (g) for disability due to war or act of war, whether war is declared or not, insurrection or rebellion, or due to participating in a riot or civil commotion;
- (h) subject to the provisions of Paragraph 5(a), for any period during which an employee eligible to receive sickness benefits under the Railroad Unemployment Insurance Act is denied such benefits for any reason. However, the employee will be eligible for benefits under this plan for the first four days not covered under RUIA;
- (i) for any disability commencing after the employee's employment relationship has terminated, except as provided in the next last sentence of Paragraph 2(b).

4. Benefits

- (a) Subject to the provisions of this Agreement, effective July 1, 1978, for periods of disability commencing after January 1, 1976, the monthly benefit payable under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act will be an amount which would equal the difference between such RUIA sickness benefits and eighty percent (80%) of the earnings for the position held at the time disability occurred, adjusted to include subsequent wage increases.
- (b) Subject to the provisions of this Agreement, effective July 1, 1978, for periods of disability commencing after January 1, 1976, the monthly benefit payable under this Plan for employees who have exhausted RUIA sickness benefits will be an amount which would equal eighty percent (80%) of the earnings for the position held at the time disability occurred, adjusted to include subsequent wage increases.

5. Offsets.

- (a) Benefits Provided under Laws. In any case in which an eligible employee who is not eligible for sickness benefits under the Railroad Unemployment Insurance Act receives annuity payments under the Railroad Retirement Act, or insurance benefits under Title II of the Social Security Act, or unemployment, maternity or sickness benefits under an unemployment, maternity or sickness compensation law, or any other social insurance payments under any law, the benefit which would otherwise be payable to him under this Plan will be reduced to the extent that the sum of such payments or benefits in a month plus the monthly benefit payable under this Plan will not exceed the amount shown in Paragraph 4. In keeping with Paragraph 3(h), in any case in which an eligible employee who is eligible for

sickness benefits under the Railroad Unemployment Insurance Act does not receive such benefits because of the operation of Section 4(a-1)(ii) of such Act, the benefit which would otherwise be payable to him under this Plan will be reduced to the extent that the sum of the monthly payments or benefits referred to in such Section 4(a-1)(ii) plus the monthly benefit payable under this Plan will not exceed the amount shown in Paragraph 4. In any case of retroactive award of annuity payments or pensions under the Railroad Retirement Act or insurance benefits under Title II of the Social Security Act, or unemployment, maternity or sickness benefits under an unemployment, maternity or sickness compensation law, or other social insurance payments under any law, the insuring agent may recover from the employee the excess of benefits paid under this Plan over the benefits which would have been payable under this paragraph if the retroactively awarded payments, pensions or benefits had been in effect from their retroactive effective date.

(b) Benefits Provided under Other Private Plans. In any case in which an eligible employee is eligible also for benefits under any plan, fund or other arrangement, by whatever name called, toward the cost of which any employer shall have contributed, including but not limited to any group life policy providing installment payments in event of permanent total disability, any group annuity contract, any pension or retirement annuity plan, or any group policy of accident and health insurance (other than an insurance policy insuring this supplemental sickness benefit plan as referred to in Paragraph 7) providing benefits for loss of time from employment because of disability, his benefit under this Plan shall be reduced to the extent that the sum of the benefit for which he is so eligible in a month, plus 21.75 times the daily sickness benefit payable to him under the Railroad Unemployment Insurance Act, plus the monthly benefit payable to him under this Plan, will not exceed the amount shown in Paragraph 4.

(c) Off Track Vehicle Accident Benefits. The benefit payable under this Plan for an employee who has been injured in an off-track vehicle accident covered under Article IV of the Agreement of April 21, 1969, or similar provisions, will be reduced by the amount of any payment for time lost which such employee may receive under Paragraph (b)(3) of such Article IV or under provisions similar thereto.

6. Liability Cases. In case of a disability for which the employee may have a right of recovery against the employing railroad, benefits will be paid under this Plan pending final resolution of the matter so that the employee will not be exclusively dependent upon his sickness benefits under the Railroad Unemployment Insurance Act. However, the parties hereto do not intend that benefits under this Plan will duplicate, in whole or in part, any amount recovered for loss of wages from the employing railroad, and they intend that benefits paid under this Plan will satisfy any right of recovery for loss of wages against the employing railroad to the extent of the benefits so paid. Accordingly, benefits paid under this Plan will be offset against any right of recovery for loss of wages the employee may have against the employing railroad. For purposes of this Paragraph, a recovery which does not specify the matters covered thereby shall be deemed to include a recovery for loss of wages to the extent of any actual wage loss due to the disability involved.

7. Provisions of Benefits.

(a) The National Carriers' Conference Committee and the Brotherhood of Railroad Signalmen will jointly select insurance companies which will be invited to submit proposals to insure the Signalmen's Supplemental Sickness Benefit Plan written in keeping with the provisions set forth in this Agreement. The insurer which submits the most favorable proposal will be selected as the insurer of the national insurance contract. The National Carriers' Conference Committee in consultation with the Brotherhood of Railroad Signalmen will then work out the details of the national insurance contract, which will be issued to the participating railroads as policyholders.

(b) Such insurance contract may cover, in addition to employees parties to this agreement, other railroad signal employees who are employed by railroads parties to this Agreement or by other railroads, whether or not such employees are represented by the Brotherhood of Railroad Signalmen, and may cover general chairmen or other full-time representatives of signal employees, provided that there will be no difference between the benefits, premium rates and payment obligations applicable to or with respect to such employees and general chairmen and the benefits, premium rates and payment obligations applicable to or with respect to employees covered by this Agreement, except that as to such general chairmen and full-time representatives the payment obligations will be met by the individuals involved who will make their remittances through the Brotherhood of Railroad Signalmen.

(c) It is agreed, and the insurance contract will provide, that the insurer of the national insurance contract will provide the benefits herein provided for under the conditions herein set forth from July 1, 1978 and thereafter as provided in paragraph 11; that the insurer will furnish financial data, statistical and actuarial reports, and claim experience information to the Brotherhood of Railroad Signalmen in the same detail and at the same time that it furnishes such data to the policyholder railroads; and that any dividends or retroactive rate refunds will be paid into the fund established pursuant to the next following paragraph.

(d) The National Carriers' Conference Committee will establish a fund, to be held by the insurer, to which will be credited any dividends or retroactive rate refunds under the national insurance contract and interest on the amount in the fund. Withdrawals may be made from such fund during the period of this Agreement to supplement payments by participating railroads with respect to compensated service rendered during such period. Withdrawals may thereafter be made from such fund only to provide supplemental sickness benefits unless otherwise agreed to.

(e) Benefits at the rates provided by this Plan will become effective July 1, 1978 for qualified employees under this and the previous Plan, as specified in Paragraph 2 above and in the previous Agreement, regardless of whether on July 1, 1978, they are receiving benefits as a result of disability or whether such benefits were exhausted under the previous Plan.

(f) The first premium payment under the national insurance contract will be made in relation to covered employees who will have rendered compensated service in July 1978, and will be payable as of August 15, 1978. A premium payment will be made for each calendar month thereafter during the effectiveness of the insurance contract in relation to covered employees who will have rendered compensated service in the calendar month involved; each payment will be payable by the 15th of

the following calendar month. A grace period of 31 days is to be provided for the payment of every premium after the first. The amounts to be paid by the participating railroads will be at such rates as, when supplemented by withdrawals from the fund as provided under Paragraph 7(d) above, will equal the premium rates charged by the insurer. A one-time payment will be withdrawn from the fund established under Paragraph 7(d) above to provide a premium payment necessary to provide improved benefits for employees on disability as of June 30, 1978.

(g) All employees covered by schedule agreements held by the Brotherhood of Railroad Signalmen who rendered any compensated service in the calendar month involved will be counted in determining the number of covered employees with respect to whom premium payments are made, except that no employee will be counted if he is counted by another railroad in determining the number of its covered employees with respect to whom it is making premium payments. A list of employees for whom premium has been paid will be furnished by the railroads, parties to the Agreement, to the insurer and the Brotherhood of Railroad Signalmen at the time such premium payments are made.

(h) The insurance contract will provide that, if the benefits are reduced as the result of an increase in Railroad Unemployment Insurance Act sickness benefits, there will be an appropriate adjustment in premium rates with the new premium rates to be developed in the light of experience under the insurance contract and actuarial estimates of future experience, making appropriate allowance for cost of administration.

(i) The national insurance contract will be placed on a minimum premium basis similar to the one governing Group Policy Contract GA-23000 of The Travelers Insurance Company pursuant to understanding entered into in connection with the 1975 Health and Welfare negotiations, as follows:

"Agreement in principle to adoption of a premium-plus account approach to funding GA-23000, provided that further thorough exploration confirms the advice given us jointly by Travelers that the interests of the Policyholder will not be adversely affected."

8. Evidence of Disability. Evidence of disability will automatically be satisfied for eligible employees under this plan who meet the eligibility requirements for sickness benefits under RUIA. The continuation of benefits under this plan to eligible employees beyond the RUIA period are subject to presentation of satisfactory evidence of disability and of the continuation thereof. The insuring agent will furnish appropriate forms on which the employee may furnish notice of disability, including information necessary to establish his eligibility for benefits and information pertinent to the amount of benefits due him and any applicable exclusions, limitations and offsets, and forms on which the physician or surgeon treating him may furnish evidence of the date of commencement, nature, extent and probable duration of the disability, and may require completion of such forms or statements covering the same matters within 90 days after the commencement of a disability, provided that failure to furnish completed forms or statements within that time shall not invalidate or reduce any claim if it was not reasonably possible to furnish such completed forms or statements within that time and such completed forms or statements are furnished as soon as reasonably possible; the 90 days will be extended

as necessary to comply with applicable State law. The insuring agent may make such investigations as it deems necessary, including examination of the person of the employee when, so often as, and to the extent that such examination is necessary to the investigation of an employee's claim. Except as delays may be caused by investigation of individual claims, benefits under this Plan will be paid not less frequently than once every month.

9. Disputes. (See detailed Memorandum Agreement dated November 29, 1973)

10. Effect of this Agreement. This Agreement is in settlement of the dispute growing out of notices served on Carriers listed in Exhibit A on or about February 1, 1978.

11. Duration. The Supplemental Sickness Benefit Plan as revised hereby will continue in effect without change until June 30, 1981 and thereafter except as it may be modified or terminated pursuant to the provisions of the Railway Labor Act.

ARTICLE 9 -- OFF-TRACK VEHICLE ACCIDENT BENEFITS

Where employees sustain personal injuries or death under the conditions set forth in paragraph (a) below, the Carrier will provide and pay such employees, or their personal representative, the applicable amounts set forth in paragraph (b) below, subject to the provisions of other paragraphs in this Article.

(a) Covered Conditions —

This Article is intended to cover accidents involving employees covered by this agreement while such employees are riding in, boarding, or alighting from off-track vehicles authorized by the carrier and are

- (1) deadheading under orders or
- (2) being transported at carrier expense.

(b) Payments to be Made —

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

(1) Accidental Death or Dismemberment

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

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

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

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

(2) Medical and Hospital Care

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

(3) Time Loss

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

(4) Aggregate Limit

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

(c) Payment in Case of Accidental Death —

Payment of the applicable amount for accidental death shall be made to the employee's personal representative for the benefit of the persons designated in, and according to the apportionment required by the Federal Employers Liability Act (45 U.S.C.51 et.seq., as amended), or if no such person survives the employee, for the benefit of his estate.

(d) Exclusions —

Benefits provided under paragraph (b) shall not be payable for or under any of the following conditions:

- (1) Intentionally self-inflicted injuries, suicide or any attempt thereat, while sane or insane;
- (2) Declared or undeclared war or any act thereof;

- (3) Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound;
- (4) Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;
- (5) While an employee is a driver or an occupant of any conveyance engaged in any race or speed test;
- (6) While an employee is commuting to and/or from his residence, or place of business.

(e) Offset —

It is intended that this Article is to provide a guaranteed recovery by an employee or his personal representative under the circumstances described, and that receipt of payment thereunder shall not bar the employee or his personal representative from pursuing any remedy under the Federal Employers Liability Act or any other law; provided, however, that any amount received by such employee or his personal representative under this Article may be applied as an offset by the railroad against any recovery so obtained.

(f) Subrogation —

The carrier shall be subrogated to any right of recovery an employee or his personal representative may have against any party for loss to the extent that the carrier has made payments pursuant to this Article.

The payments provided for above will be made, as above provided for covered accidents on or after July 1, 1979.

It is understood that no benefits or payments will be due or payable to any employee or his personal representative unless such employee, or his personal representative, as the case may be, stipulates as follows:

"In consideration of the payment of any of the benefits provided in this Article

(employee or personal representative)
agrees to be governed by all of the conditions and provisions said and set forth by this Article."

July 27, 1978

Mr. R. Thomas Bates
President
Brotherhood of Railroad Signalmen
601 West Golf Road
Mount Prospect, Illinois 60056

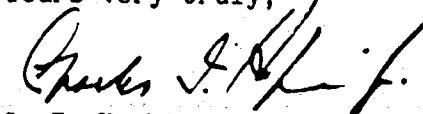
Dear Mr. Bates:

This refers to our discussions about application of the April 21, 1969 National Agreement dealing with off-track vehicle accident coverage under specified circumstances.

It is understood that subject to the terms and conditions of that National Agreement this coverage applies to a signal employee when he is operating a company owned or leased vehicle unless that usage is contrary to authorization. An employee also is covered for use of his personal automobile, while under pay, in directly reporting for or directly returning from trouble calls after release from his normal tour of duty.

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

Yours very truly,



C. I. Hopkins, Jr.

I concur:



R. T. Bates
President,
Brotherhood of Railroad Signalmen

ARTICLE 10 -- EMPLOYEE INFORMATION

Commencing June 1975, the carriers will provide each General Chairman with a list of employees who are hired or terminated, their home addresses, and Social Security numbers if available, otherwise the employees' identification numbers. This information will be limited to the employees covered by the collective bargaining agreement of the respective General Chairmen. The data will be supplied within 30 days after the month in which the employee is hired or terminated. Where railroads cannot meet the 30-day requirement, the matter will be worked out with the General Chairman.

ARTICLE 11 -- DUES DEDUCTION

The following represents a synthesis, in one document, of the provisions of the Dues Deduction Agreement between the Carrier and the Brotherhood of Railroad Signalmen.

The Brotherhood of Railroad Signalmen (hereinafter called the "Brotherhood") has requested that the carriers withhold and deduct from the wages of its employees who are represented by the Brotherhood, monthly membership dues, initiation fees and assessments and to pay over to the Brotherhood the amounts so deducted and withheld.

Section 1. Subject to the terms and conditions of this agreement, the Carrier, shall periodically deduct and withhold from the wages of the employees subject to this agreement, who acquire and maintain membership in the Brotherhood, amounts equal to the monthly membership dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Brotherhood and shall pay the amount so deducted and withheld to the Financial Secretary of each local lodge; provided, however, that this requirement shall not be effective with respect to any individual employee until the Carrier shall have been furnished with a written wage assignment authorization to the Brotherhood of such membership dues, initiation fees and assessments, which wage assignment authorization shall be revocable in writing after the expiration of one year from the date of its execution, or upon the termination of this agreement, or upon the termination of the Rules and Working Conditions Agreement between the parties hereto, whichever occurs sooner.

The wage assignment authorization shall be in the form attached hereto and identified as Attachment "A" which by this reference is made a part hereof, and show all information called for.

The revocation of the wage assignment authorization shall be in the form attached hereto and identified as Attachment "B" which by this reference is made a part hereof.

The Brotherhood shall assume full responsibility for the procurement and execution of the Wage Assignment Authorization or the Wage Assignment Authorization Revocation and for delivery of such forms to the Manager-Payroll Accounting of the Carrier at Chicago, Illinois.

Section 2. (a) - The Financial Secretary of each local lodge shall furnish to the Manager-Payroll Accounting of the Carrier, not later than 30 days in advance of the fifth of the month in which the first payroll deductions are to be made, an initial list, by lodge, of all deductions to be made, showing the name, social security num-

ber and the amount to be deducted from the wages of each member who has signed a Wage Assignment Authorization. The signed wage authorizations shall be attached to the initial list of deductions to be made.

(b) - The deductions will be made on a repetitive basis from the wages earned in the second pay period of the month only. The Financial Secretary of each local lodge shall, each month, furnish to the Manager-Payroll Accounting, a certified statement, by lodge, covering (1) additions, (2) cancellations, and (3) changes in amount to be deducted not later than the fifth of the month in which deductions are to be made. The statement of additions, cancellations and changes shall be prepared in form attached hereto and identified a Attachment "C", which by this reference is madea part hereof. It shall be specifically stated on each such statement submitted the reason each name is being shown thereon, i.e., addition, cancellation or change in amount to be deducted. Statements covering additions or changes shall be supported by signed Wage Assignment Authorizations. Statements covering cancellations shall be supported by signed Wage Assignment Revocations. The following payroll deductions, as a minimum, will have priority over deductions in favor of the Brotherhood as provided for in this Agreement:

1. Federal, state and municipal taxes and other deductions required by law, including garnishments and attachments.
2. Amounts due the Carrier.
3. Insurance and hospitalization premiums.

(c) - If the earnings of an employee are insufficient to remit the full amount of deduction for such employee, no deduction shall be made, and the same will not be accumulated and deducted in subsequent months.

(d) No deductions will be made from other than the regular pay-rolls.

Section 3. The Carrier shall remit to the Financial Secretary of each local lodge the amount deducted from the wages of the members. The Carrier will make such remittance on or before the end of the month succeeding that in which deductions are made. The Carrier will, at the time of such remittance, furnish the Financial Secretary of each local lodge with an alphabetical list, by lodges, in triplicate, of the employees from whom deductions were made, their Social Security Numbers, and the amount of such deductions. The deduction amounts may not be changed more often than once every three months. To initiate this handling, changes in "amounts" shall be shown on Attachment "C" scheduled to be submitted no later than the fifth of June 1974, and every three months thereafter.

Section 4. Responsibility of Carrier under this agreement shall be limited to remitting to the Brotherhood amounts actually deducted from wages of the employees pursuant to this agreement, and the Carrier shall not be responsible to any em-

ployee for making deduction specified on a deduction list or for failure to do so. Any question arising as to the correctness of the amount listed and deducted shall be handled between the employee involved and the Brotherhood, and any complaints against the Carrier in connection therewith shall be handled by the Brotherhood on behalf of the employee concerned.

Section 5. The Manager-Payroll Accounting of the Carrier shall be furnished the name, address and title of Brotherhood Officer to whom deductions made pursuant to this agreement are to be forwarded. The General Chairman of the Brotherhood will also advise the Manager-Payroll Accounting of the Carrier of any changes in names, addresses and titles of the Brotherhood Officer to whom deductions are to be forwarded, such original advice and advice of any changes to be in the hands of the Manager-Payroll Accounting of the Carrier on or before the fifth day of the month in which deductions are to be made.

Section 6. No part of this agreement or any other agreement between the Carrier and the Brotherhood shall be used either directly or indirectly as a basis for any grievance or claim by or on behalf of any employee predicated upon any violation of, or misapplication or non-compliance with, any part of this agreement.

Section 7. The Brotherhood shall indemnify, defend and save harmless the Carrier from any and all claims, demands, liability, losses or damage resulting from the execution of, or compliance with the provisions of this agreement.

Section 8. This agreement shall become effective March 1, 1974, and shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

ATTACHMENT "A"

WAGE ASSIGNMENT AUTHORIZATION

BROTHERHOOD OF RAILROAD SIGNALMEN

Manager-Payroll Accounting
Soo Line Railroad Company

I hereby assign to the Brotherhood of Railroad Signalmen that part of my wages necessary to pay my monthly union dues, initiation fees and assignments (not including fines and penalties), as provided for in the Dues Deduction Agreement entered into between the Carrier and the Brotherhood of Railroad Signalmen, and I hereby authorize the Carrier to deduct and withhold from my wages all such sums and remit them to the Financial Secretary of the local lodge in accordance with the said Dues Deduction Agreement. This authorization may be revoked in writing by the undersigned at any time after the expiration of one year from the date of its execution, or upon the termination of the said Dues Deduction Agreement, or upon the termination of the Rules and Working Conditions Agreement between the Carrier and the Brotherhood of Railroad Signalmen, whichever occurs sooner.

My name is (print) _____
(First Name) _____ (Middle Name) _____ (Last Name) _____

My S.S.A. Number is _____ My Payroll Number is _____

(Signature)

(Position) _____ (Work Location) _____

Date _____

ATTACHMENT "B"

WAGE ASSIGNMENT REVOCATION

BROTHERHOOD OF RAILROAD SIGNALMEN

Manager-Payroll Accounting
Soo Line Railroad Company

Effective _____ I hereby revoke the wage assignment authorization now in effect assigning to the Brotherhood of Railroad Signalmen that part of my wages necessary to pay my monthly dues, initiation fees and assessments now being withheld pursuant to the Dues Deduction Agreement between the Carrier and the Brotherhood of Railroad Signalmen and I hereby cancel the authorization now in effect authorizing the Carrier to deduct and withhold such monthly union dues, initiation fees and assessments from my wages.

My name is (print) _____
(First Name) _____ (Middle Name) _____ (Last Name) _____

My S.S.A. Number is _____ My Payroll Number is _____

(Signature)

(Position) _____ (Work Location) _____

Date _____

ATTACHMENT "C"

Manager-Payroll Accounting
Soo Line Railroad Company

Statement of additions, cancellations and changes in deductions for union dues
authorized by wage assignment forms on file.

VENDOR _____

MONTH _____ 19 _____ SUB-VENDOR _____

S.S.A. Number	Last Name	Initials	Amount to be Deducted

DATE _____

LOCATION _____ CERTIFIED _____

ARTICLE 12 -- ADDENDUM TO DUES DEDUCTION AGREEMENT

The following represents a synthesis, in one document, of the provisions of the Voluntary Payroll Deduction of Political Contributions Agreement signed November 30, 1979, between Carriers represented by the National Railway Labor Conference and the employees of said Carriers represented by the Brotherhood of Railroad Signalmen, amending the Dues Deduction Agreement of November 14, 1973, to the extent necessary to provide for the deduction of employee's voluntary political contributions on the following terms and bases:

1. (a) Subject to the terms and conditions hereinafter set forth, the Carrier will deduct from the wages of employees voluntary political contributions upon their written authorization in the form (individual authorization form) agreed upon by the parties hereto, copy of which is attached, designated "Attachment A" and made a part hereof.

(b) Voluntary political contributions will be made monthly from the compensation of employees who have executed a written authorization providing for such deductions. The first such deduction will be made in the month following the month in which the authorization is received. Such authorization will remain in effect for a minimum of twelve (12) months and thereafter until canceled by thirty (30) days' advance written notice (Attachment B) from the employee to the Brotherhood and the Carrier by Registered Mail. Changes in the amount to be deducted will be limited to one change in each 12-month period and any change will coincide with a date on which dues deduction amounts may be changed under the Dues Deduction Agreement.

2. The General Chairman or his designated representative shall furnish the Carrier, an initial statement (Attachment C) by lodges, in alphabetical order and certified by him, showing the amounts of deductions to be made from each employee, such statement to be furnished together with individual authorization forms to cover, and payroll deductions of such amounts will commence in the month immediately following. Subsequent monthly deductions will be based on the initial statement plus a monthly statement (Attachment C) showing additions and/or deletions furnished in the same manner as the initial statement required hereinabove. If no changes are reported, the most recent list on file with the Carrier shall be used for the purposes of this section.

3. Monthly voluntary political contribution deductions will be made from wages at the same time that membership dues are deducted from the employee's paycheck.

4. Concurrent with making remittance to the Organization of monthly membership dues, the Carrier will make separate remittance of voluntary political contributions to the officer of the Organization's Political League designated to receive same, together with a list prepared in accordance with the requirements of the Dues Deduction Agreement pertaining to the remittance of monthly membership dues, with a copy to the General Chairman.

5. The requirements of this Agreement shall not be effective with respect to any individual employee until the employer has been furnished with a written authorization of assignment of wages of such monthly voluntary political contribution.

ATTACHMENT "A"

WAGE ASSIGNMENT AUTHORIZATION

Voluntary Payroll Deduction
Signalmen's Political League

Local Lodge No. _____

Mr. _____
Soo Line Railroad Company _____
(Title)

(Location)

Name _____
(Last) _____ (First) _____ (Middle) _____

Department _____ Occupation _____

Home Address _____ SSA No. _____

I hereby authorize and direct the Carrier to deduct from my pay the sum of \$ _____ for each month in which compensation is due me, and to forward that amount to the Signalmen's Political League. This authorization is voluntarily made on the specific understanding that the signing of this authorization and the making of payments to the Organization's Political League are not conditions of membership in the Union or of employment with the Carrier; that the Organization's Political League will use the money it receives to make political contributions and expenditures in connection with Federal, State, and Local elections.

It is understood that this authorization will remain in effect for a minimum of 12 months; and, thereafter, I may revoke this authorization at any time by giving the Carrier and the Organization 30 days' advance written notice of my desire to do so.

(Personal Signature)

(Date)

ATTACHMENT "B"

WAGE ASSIGNMENT REVOCATION

Signalmen's Political League

Local Lodge No. _____

Mr. _____

Soo Line Railroad Company

(Title)

_____ (Location)

Name _____

(Last)

(First)

(Middle)

Department _____

Occupation _____

Home Address _____

SSA No. _____

Effective _____, I hereby revoke the Wage Assignment Authorization now in effect assigning to the Signalmen's Political League, that part of my wages now being withheld for political contributions and expenditures in connection with Federal, State, and Local elections, and I hereby cancel the Authorization now in effect authorizing the Carrier to deduct the sum of \$ _____ for such political contributions.

_____ (Personal Signature)

_____ (Date)

STATEMENT OF DEDUCTIONS FOR POLITICAL CONTRIBUTIONS

Signalmen's Political League

Local Lodge No. _____

Mr. _____ Title _____

Location _____ Department _____

Deduction List Covering the Month of _____, 19____

<u>Employee Name</u>	<u>Pr. No.</u>	<u>Soc. Sec. No.</u>	<u>Occupation</u>	<u>Amount</u>
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Total Number of Employees Listed _____

I hereby certify that the above listed individuals are members of the Organization's Political League, and that the deductions as above designated have been authorized by duly executed "Wage Assignment" forms covering deduction of periodic political contributions.

Organization Representative

Street Number

City, State, and Zip Code

Date

ARTICLE 13 -- UNION SHOP AGREEMENT

The following represents a synthesis in one document, of the provisions of the Agreement made by and between the Carrier and the employees thereof represented by the Railway Labor Organizations signatory hereto, through the Employees' National Conference Committee; Seventeen Cooperating Railway Labor Organizations:

IT IS AGREED

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employees of the carrier now or hereafter subject to the rules and working conditions agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this agreement representing their craft or class within sixty calendar days of the date they first perform compensated service as such employees after the effective date of this agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty days within a period of twelve consecutive calendar months. Nothing in this agreement shall alter, enlarge or otherwise change the coverage of the present or future rules and working conditions agreements.

Section 2.

This agreement shall not apply to employees while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this agreement. However, such excepted employees are free to be members of the organization at their option.

Section 3.

(a) Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a period of thirty days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements and continue therein thirty calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within thirty-five calendar days from date of their return to such service.

Section 3 - Continued

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-service men shall not be terminated by reason of any of the provisions of this agreement but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this agreement.

(c) Employees who retain seniority under the rules and working conditions agreements governing their class or craft and who, for reasons other than those specified in subsections (a) and (b) of this section, are not in service covered by such agreements, or leave such service, will not be required to maintain membership as provided in Section 1 of this agreement so long as they are not in service covered by such agreements, but they may do so at their option. Should such employees return to any service covered by the said rules and working conditions agreements they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

(d) Employees who retain seniority under the rules and working conditions agreements of their class or craft, who are members of an organization signatory hereto representing that class or craft and who in accordance with the rules and working conditions agreement of that class or craft temporarily perform work in another class of service shall not be required to be members of another organization party hereto whose agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the agreement covering such other class of service.

Section 4.

Nothing in this agreement shall require an employee to become or to remain a member of the organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is 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. For purposes of this agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time in the same organizational unit.

Section 5.

(a) Each employee covered by the provisions of this agreement shall be considered by a carrier to have met the requirements of the agreement unless and until such carrier is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used shall be agreed upon by the individual railroad and the organizations involved and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon

Section 5 (a) - Continued

receipt of such notice, the carrier will, within ten calendar days of such receipt, so notify the employee concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefor. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the organization, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the carrier of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreement not later than thirty calendar days from receipt of the above described notice from the organization, unless the carrier and the organization agree otherwise in writing.

(b) The Carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this agreement and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision except as hereinafter provided or unless the carrier and the organization agree otherwise in writing.

If the decision is not satisfactory to the employee or to the organization it may be appealed in writing, by Registered Mail, Return Receipt Requested, directly to the highest officer of the carrier designated to handle appeals under this agreement. Such appeals must be received by such officer within ten calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered. The carrier shall promptly notify the other party in writing of any such appeal, by Registered Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty calendar days of the date the notice of appeal is received, and the employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision on such appeal is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and the Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below,

Section 5 (b) - Continued

or unless the carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the organization or the employee involved requests the selection of a neutral person to decide the dispute as provided in Section 5 (c) below. Any request for selection of a neutral person as provided in Section 5 (c) below shall operate to stay action on the termination of seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

(c) If within ten calendar days after the date of a decision on appeal by the highest officer of the carrier designated to handle appeals under this agreement the organization or the employee involved requests such highest officer in writing by Registered Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the carrier designated to handle appeals under this agreement or his designated representative, the Chief Executive of the organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the organization and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The carrier, the employee, and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the organization; if the employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employee.

(d) The time periods specified in this section may be extended in individual cases by written agreement between the carrier and the organization.

(e) Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between a carrier and the organization will not apply to cases arising under this agreement.

(f) The General Chairman of the organization shall notify the carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this agreement. The carrier shall notify the General Chairman of the organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this agreement.

(g) In computing the time periods specified in this agreement, the date on which a notice is received or decision rendered shall not be counted.

Section 6.

Other provisions of this agreement to the contrary notwithstanding, the Carrier shall not be required to terminate the employment of an employee until such time as qualified replacement is available. The carrier may not, however, retain such employee in service under the provisions of this section for a period in excess of

Section 6 - Continued

sixty calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety calendar days from date of receipt of notice from the organization in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the carrier and the organization involved.

Section 7.

An employee whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this agreement or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.

If the final determination under Section 5 of this agreement is that an employee's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement shall arise or accrue during the period up to the expiration of the 60 or 90 day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the carrier predicated upon any action taken by the carrier in applying or complying with this agreement or upon an alleged violation, misapplication or non-compliance with any provision of this agreement. If the final determination under Section 5 of this agreement is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the carrier in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement.

Section 8.

In the event that seniority and employment under the Rules and Working Conditions Agreement is terminated by the carrier under the provisions of this agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the organization shall indemnify and save harmless the carrier against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided, however, that this section shall not apply to any case in which the carrier involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such carrier acts in collusion with any employee; provided further, that the aforementioned liability shall not extend to the

Section 8 - Continued

expense to the carrier in defending suits by employees whose seniority and employment are terminated by the carrier under the provisions of this agreement.

Section 9

An employee whose employment is terminated as a result of non-compliance with the provisions of this agreement shall be regarded as having terminated his employee relationship for vacation purposes.

Section 10

(a) The carrier party to this agreement shall periodically deduct from the wages of employees subject to this agreement periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such organization, and shall pay the amount so deducted to such officer of the organization as the organization shall designate: Provided, however, that the requirements of this subsection (a) shall not be effective with respect to any individual employee until he shall have furnished the carrier with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement, whichever occurs sooner.

(b) The provisions of subsection (a) of this section shall not become effective unless and until the carrier and the organization shall, as a result of further negotiations pursuant to the recommendations of Emergency Board No. 98, agree upon the terms and conditions under which such provisions shall be applied; such agreement to include, but not be restricted to, the means of making said deductions, the amounts to be deducted, the form, procurement and filing of authorization certificates, the frequency of deductions, the priority of said deductions with other deductions now or hereafter authorized, the payment and distributions of amounts withheld and any other matters pertinent thereto.

Section 11

This agreement shall become effective on February 16, 1953, and is in full and final settlement of notices served upon the carrier by the organizations, signature hereto, on or about February 5, 1951. It shall be construed as a separate agreement between the Carrier, and those employees represented by each of the organizations signatory hereto. This agreement shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

EMPLOYEE PROTECTIVE AGREEMENT

This agreement is between Soo Line Railroad Company, The Milwaukee Road Inc., and employees represented by the Brotherhood of Railroad Signalmen (BRS).

The purpose of this agreement is to provide pursuant to 49 U.S.C. Section 11347 of the Interstate Commerce Act, as amended, and the Milwaukee Railroad Restructuring Act, for fair and equitable arrangements to protect the interests of Employees adversely affected by the Acquisition; and to provide for expedited changes in services, facilities, operations, seniority and existing collective bargaining agreements to enable the expanded railroad system created by the Acquisition to be operated in the most efficient manner, as one completely integrated railroad.

Definitions. Whenever used in this agreement unless its context requires otherwise:

- (a) "Railroad" means the Soo Line Corporation, its subsidiaries or affiliates, either before or after February 19, 1985.
- (b) "Milwaukee Road" means The Milwaukee Road Inc.
- (c) "Soo" means the Soo Line Railroad Company.
- (d) "Estate" means the Estate of the bankrupt Chicago, Milwaukee, St. Paul and Pacific Railroad Company.
- (e) "Core Assets" means the property acquired by The Milwaukee Road Inc. from the Estate by purchase agreement dated April 6, 1984, as approved by the Reorganization Court.

(f) "Employee" means a person with an employment relationship with the Railroad on or after February 19, 1985, whose rates of pay, rules and working conditions are subject to the BRS Schedule Agreement.

(g) "Transaction" means a change in operations, services or facilities of the Railroad arising from or growing out of the Acquisition.

(h) "Acquisition" means the acquisition of the Core Assets of the Milwaukee Road by the Railroad pursuant to the Order of the Reorganization Court entered subsequent to the ICC proceedings referred to above.

(i) "Reorganization Court" means the United States District Court for the Northern District of Illinois, Eastern Division, exercising jurisdiction over the reorganization of the Milwaukee Road, pursuant to the Bankruptcy Act in Case 77 B 8999.

(j) "Wage Reductions" means any reduction in wages pursuant to the Wage Reduction Agreement made between various Milwaukee Road labor organizations and Richard B. Ogilvie, Trustee, effective as of January 1, 1982.

(k) "Deferred Wages" means the amount of reduction in wages for the years 1980 and 1981 made pursuant to the Wage Deferral Agreement of August 1, 1980.

(l) "Relocation Allowance" means the benefits described in Appendix 1 hereto.

(m) "New York Dock Conditions" means the conditions imposed by decision of the Interstate Commerce Commission in Finance

Docket No. 28250, attached hereto as Appendix 2 and made part of this agreement thereby.

(n) "Protective Conditions" are those labor protective conditions set forth in the New York Dock Conditions which shall be applicable to "displaced" Employees or "dismissed" Employees as defined in Appendix 2.

(o) "Change of Residence" means any transfer of a head-quarter point to a point outside a 30-mile radius from the Employee's former headquarter point and farther from the Employee's residence than was the former headquarter point.

1. (a) After the effective date of this agreement, all Employees of the Milwaukee Road and Soo shall have the right to exercise seniority between each company in accordance with the provisions hereof.

(b) On the effective date of this agreement, a system seniority roster shall be established on the Railroad. Employees represented by BRS who hold seniority on the Soo or on the Milwaukee Road will have their seniority dovetailed onto the Railroad system roster in accordance with their seniority on the respective rosters as of the effective date of the agreement.

The consolidated seniority roster will be posted or provided to the Employees affected in the normal and customary manner within ten (10) days of the effective date of this agreement, with a copy to the General Chairmen. Such seniority roster will be open for corrections for a period of sixty (60) days from the

date posted. All names and dates not protested within this sixty (60) day period shall be considered as permanently established.

In the process of dovetailing seniority from the Milwaukee Road and the Soo rosters, respectively, onto the system roster, if two (2) or more Employees have the same seniority date their names will rank on the system roster as follows:

- (1) If such Employees come from the same seniority roster, their relative standing as between each other shall remain the same.
- (2) If such Employees come from different rosters, their ranking shall be determined by their employment date with the Soo or Milwaukee Road, and, if this fails, by their attained ages in descending order and, if this fails, alphabetical order.

2. Rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the Railroad's Employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or applicable statutes.

3. Nothing in this agreement shall be construed as depriving any Employee of any rights or benefits or eliminating any obligations which such Employee may have under any existing job security or other protective conditions or arrangements; provided, that if an Employee otherwise is eligible for protection under both this agreement and some other job security

or other protective conditions or arrangements, he shall elect between the benefits under this agreement and similar benefits under such other arrangement and, for so long as he continues to receive such benefits under the provisions which he so elects, he shall not be entitled to the same type of benefit under the provisions which he does not so elect; provided further, that the benefits under this agreement or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits; and, provided, further, that after expiration of the period for which such Employee is entitled to protection under the arrangement which he so elects, he may then be entitled to protection under the other arrangement for the remainder, if any, of this protective period under that arrangement.

4. (a) When the Railroad contemplates a Transaction which is subject to these conditions and which may cause the dismissal or displacement of any Employee, or rearrangement of forces, the Railroad shall give not less than a thirty (30) day written notice of such intended Transaction by posting a notice on bulletin boards convenient to the interested Employees of the Railroad and by sending registered mail notice to the representatives of such interested Employees. Such notice shall contain a full and adequate statement of the proposed changes to be effected by such Transaction, including an estimate of the number of Employees of each class affected by the intended changes.

(b) Transactions may be implemented at the expiration of the notice described in 4(a) above. The Organization and

Railroad will confer, at the Organization's request, as to the benefits accruing under this agreement to an Employee adversely affected. Failure to agree, the matter may be submitted to arbitration as provided for in Section 12 of this agreement.

(c) If, as a result of a Transaction, work is transferred from one Signal Shop to another and a position is established in the Signal Shop receiving the transferred work, such positions will be filled in the following sequential order:

- (1) Employees permanently assigned to the positions to be abolished (whether in active service or not), will be canvassed, in seniority order. Employees will, at the time canvassed, elect to either transfer to one of the positions to be established in the Signal Shop, or designate the Employee whom he will displace in the exercise of seniority.
- (2) Positions remaining unfilled following the provisions outlined in (1) above will be offered to Employees affected in the chain of displacements.
- (3) Positions remaining unfilled following the provisions outlined in (1) and (2) above will be advertised, in accordance with applicable rules, to the Employees holding seniority on the merged railroad system.

5. Except as otherwise specifically provided in this agreement, Protective Conditions are applicable to Employees of the Railroad adversely affected by a Transaction, subject to the following modifications.

(a) If the Employee elects to exercise seniority to a work location which requires a Change of Residence, then such Employee shall be entitled to a Relocation Allowance only if the location to which he exercises seniority is approved in advance by the Railroad. If the location is not approved, benefits established by applicable provisions of the New York Dock Conditions shall be paid.

NOTE: An adversely affected Employee will not be expected to exercise seniority to a non-headquartered position to avoid payment of a Relocation Allowance, but will be entitled to a Relocation Allowance if he exercises seniority to a headquartered position in the same job classification at a location which is approved in advance by the Railroad.

- (b) Test period earnings shall be calculated at 100% so as to adjust for any reductions for Wage Reductions or Deferred Wages, but exclude any payment received on account of Deferred Wages or Wage Reductions
- (c) The test period earnings for other than full-time officers of the Organization will first be arrived at as provided above. The test period earnings as thus determined will then be increased by the amount of a basic day's pay at the rate of service in which engaged at the time the individual laid off to participate in Organization business. The dates, and rate of pay applicable, on which the individual lost time in order

to participate in Organization business will be certified by the individual involved and by an officer of the Organization and furnished to the designated officer of the Railroad.

(d) If, subsequent to the effective date of this agreement, a full time organization representative or an Employee promoted to a supervisory or official position returns to a position subject to the Signalmen's schedule, he shall be entitled to the Protective Conditions and Relocation Allowance provided herein should he be adversely affected by a Transaction. Test period earnings and average hours for an Employee described above shall be computed by averaging the test period earnings and hours of the Employees immediately above and immediately below such Protected Employee on the seniority roster in the same class as the position occupied at the time adversely affected who have performed compensated service more than 50% of each of the twelve (12) months immediately preceding the date of adverse effect.

(6) (a) At such time as the Railroad serves notice pursuant to Section 3 of this agreement of its intent to effect a Transaction which will result in the displacement or dismissal of Employees or the rearrangement of forces, the Railroad may make available to regularly assigned Employees at the location from which the work is to be transferred and/or at the point to which the work is to be transferred, in seniority order, a separation

allowance. The Railroad will determine the number of separation allowances to be made available at each location and each regularly assigned Employee at that location will be provided written notice of the available separation offers. Any regularly assigned Employee so notified may, within five (5) calendar days of such notice, make application in writing to the proper officer of the Railroad of his desire to accept such separation. Each Employee awarded a separation allowance by virtue of his seniority relative to other Employees at that point(s) making application will be so advised in writing within five (5) days of the close of the application period.

(b) Regular assigned Employees awarded a separation allowance per (a) above agree to resign and (in lieu of all other benefits and protection provided in this agreement) accept a lump sum separation payment computed as follows:

<u>Length of Service</u>	<u>Separation Allowance</u>
1 year & less than 2 years	3 months pay
2 years & less than 3 years	6 months pay
3 years & less than 5 years	9 months pay
5 years and over	12 months pay

One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the Employee in the position last occupied prior to time of coordination.

(c) An Employee awarded a separation allowance in accordance with this section shall, upon executing the required resignation form, terminate his seniority and employment relationship with the Railroad. The effective date of such termination shall be the date the resignation form is signed, unless otherwise agreed by the parties hereto. The lump sum

separation allowance shall be paid in two installments, with 50% of the total amount to which entitled paid within sixty (60) days of the Employee's resignation and the balance to be paid six months from the date of resignation. Any compensation due for vacations earned, but not yet taken, will be paid in addition to the lump sum separation allowance.

7. The Railroad may, at its discretion, commingle the signal work arising from the Core Assets with the signal work arising from its assets, and may, at its discretion, transfer signal work throughout its new system. It is recognized that there are no restrictions on the rights of the Railroad throughout the combined system with respect to the routing of trains and traffic.

8. (a) Any Employee who is terminated or furloughed as a result of a Transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when his employment was terminated or he was furloughed, even though in a different craft or class, on the Railroad which he is, or by training or retraining physically and mentally can become, qualified, not, however, in contravention of collective bargaining agreements relating thereto.

(b) In the event such training or retraining is requested by such Employee, the Railroad shall provide for such training or retraining at no cost to the Employee.

(c) If such a terminated or furloughed Employee who had made a request under this section fails without good cause

within ten (10) calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this Employee Protective Agreement.

9. No Employee of the Railroad who is affected by a Transaction shall be deprived, during his protective period, of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, reliefs, et cetera, under the same conditions and so long as such benefits continue to be accorded to other Employees of the Railroad, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

10. Should the Railroad rearrange or adjust its forces in anticipation of a Transaction with the purpose or effect of depriving an Employee of benefits to which he otherwise would have become entitled under this agreement, this agreement will apply to such Employee.

11. All claims for benefits under this agreement must be made in writing to the proper official of the Railroad on forms which the Railroad will supply. Except for claims made under Article I, Sections 9 and 12 of the New York Dock Conditions, or for a Relocation Allowance, which must be made within one (1) year of the Employee's first day of work at the new work

location, a claim must be made on the form provided by the Railroad within 120 days from the last day of the month for which the claim is made, and if not so made, the claim for that month is barred. Failure to so submit a claim for any given month shall apply only to the individual claim involved, and shall not be considered as a bar to any other claim. The disallowance of a claim must be made within 120 days from the date of receipt, and if not so disallowed, shall be paid. Failure to so disallow a claim shall apply only to the individual claim involved, and shall not be considered as a waiver of the contentions of the Railroad as to any other claims. Further appeal of claims will be subject to the corresponding rules on time limits as apply to claims for compensation under Schedule rules and agreements currently in effect.

12. In the event the Railroad and its Employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provisions of this agreement, it may be referred by any party to an arbitration board for resolution in accord with the provisions of Article I, Section 11 of the New York Dock Conditions.

13. This agreement is intended to provide a fair and equitable arrangement for the protection of the interests of the Soo and Milwaukee Road Employees represented by the signatory Organization as provided in 49 U.S.C. 11347 and the Milwaukee Railroad Restructuring Act, and shall constitute the entire obligation for protection of such represented Employees required

in connection with the Acquisition or merger of Soo and Milwaukee Road.

14. The provisions of this agreement shall be effective on September 16, 1985.

15. There shall be no displacing or bumping solely as a result of the merger; thereafter, seniority will be exercised in accordance with the labor agreement(s).

16. The canvassing procedures referred to in this Employee Protective Agreement will be participated in by the designated representatives of the parties signatory hereto and will commence on the first regular work day following the thirteenth calendar day after the date of notice.

17. Where the rules of the respective Schedule agreements conflict herewith, the provisions of this agreement will apply. Rules or portions thereof that are not in conflict with this agreement are preserved.

18. It is agreed that any inadvertent errors, omissions or inclusions in this Employee Protective Agreement, including attachments thereto, recognized by both parties as being inconsistent with the purpose and intent of this agreement, will be corrected, included, or deleted, as the case may be, to properly reflect the understanding reached through negotiations.

19. All attachments and appendices hereto are considered as a part of this agreement with equal force and effect.

Signed at Minneapolis, Minnesota this 5th day of December,
1985.

BROTHERHOOD OF RAILROAD SIGNALMEN

Carl N. Holder
General Chairman Soo Line

SOO LINE RAILROAD COMPANY
and
THE MILWAUKEE ROAD INC.

John G. Miller
Assistant Vice President
Labor Relations

J. H. Stone
General Chairman Milwaukee Road

APPROVED:

W.B. Harwell
Vice President, BRS

V. Van L. Zahn
Vice President, BRS

APPENDIX 1

EMPLOYEE RELOCATION GUIDELINES
FOR TRANSFERRED EMPLOYEES

Eligibility and Coverage

The provisions of these guidelines apply to Railroad approved relocations of employees effective on or after the effective date of this agreement.

I.

Sale of Residence

A relocating homeowner employee has the option of either selling his/her house to a third party relocation service or selling his/her house independently (with or without the aid of a real estate broker). This section applies to the employee's primary residence only, and does not apply to vacation homes, income or investment property, or mobile homes.

1. Sale of Residence to Relocation Service

- A. The employee notifies the Assistant Vice President-Human Resources (AVP-HR) of his/her interest to use a third party relocation service within 15 calendar days of accepting his/her transfer.
- B. The AVP-HR contacts the appropriate Relocation Coordinator, who, in turn, assigns a relocation service.
- C. The third party relocation service will make an offer to purchase the property based on its fair market value, which shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby.
- D. Should a controversy arise in respect to the fair market value of the property and the loss sustained in its sale, it shall be decided through joint conference between the employee, or his/her representatives, and the Railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of licensed real estate appraisers, selected in the following manner. One to be selected by the representatives of the employee and one by the Railroad, and these two, if unable to agree within 30

days upon a valuation, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the Society of Residential Appraisers to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

- E. The employee will have forty-five (45) days from the time the offer is made in which to accept or reject the service's offer. If there is a dispute as to the fair market value of the property, the price accepted shall be subject to adjustment to reflect the price ultimately established under D above. If the offer is accepted by the employee, the service will take title to the property and will pay the employee his/her equity in the property to facilitate purchase of property at the employee's new location. The employee will have sixty (60) days in which to vacate the property starting on the day the offer is accepted.
- F. During the 45-day offer period, the employee may attempt to sell the property independently, subject to a restriction that any real estate broker engaged must agree to cancel the listing of the property without commission or obligation in the event the employee decides to accept the third party relocation service's offer. If the employee successfully sells his/her house in this manner, he/she may assign the sale to the third party service. The service will offer to immediately pay the employee the equity in the property and will handle the details regarding the close of the property. The employee should contact the AVP-HR for advice before accepting an offer arranged outside of the third party firm offer. (Caution: There may be times when the independent offer will net the employee less than the third party offer due to deductions from the overage in assigned sales situations for such items as points, repairs and buyer's closing costs which the seller agrees to pay.)

- C. If the employee accepts the purchase offer made by the third party relocation service, any loss/gain on the subsequent resale of the property will be assessed to the Railroad.
- H. If the third party relocation firm's services are utilized, the Railroad will be directly billed by the party firm for all expenses incurred in connection with the handling of the sale of the employee's property.

2. Personal Sale of Residence

An employee wishing to sell his/her house may do so by personally handling the transaction or by utilizing a real estate broker. The reimbursed expenses incurred to sell the property are subject to the following conditions.

- A. The employee indicates to the AVP-HR his/her intention to sell his/her house independently of the third party relocation service.
- B. If the employee sells his/her house without the aid of a real estate broker, the employee will receive four percent (4%) of the sale price of the home from the Railroad at the time of closing. To receive the four percent payment when selling the house independently of a broker, the following conditions must be met:
 - 1) The employee must have a contract of sale before the expiration of the employee's third party relocation offer.
 - 2) The employee must pay his/her own selling expenses (e.g., advertising/promoting the house, maintenance costs, etc.).
- C. When the employee elects to utilize the services of a real estate broker, the employee must consummate the sale and close of his/her property within four (4) months from the effective date of transfer in order to be reimbursed for expenses incurred.
- D. Reimbursement will be made for reasonable and customary expenses incurred in the marketing and sale of the property. FHA, VA or conventional seller's points are

not covered. Representative expenses eligible for reimbursement include:

- real estate broker's fee
- attorney's fee
- title expense or title insurance
- transfer taxes
- mortgage pre-payment penalties

E. Reimbursement of the above costs are subject to the submission of a final, legible, executed copy of the closing statement document(s) and other necessary statements or receipts substantiating expenses incurred in the transaction.

3. Lump Sum Real Estate Settlement

An employee who owns his/her home or is purchasing his/her home may, in lieu of all benefits contained in this Appendix 1, elect the following:

- A. Each qualified homeowner electing this option will be paid twenty (20) percent of the fair market value of his home, or \$20,000, whichever amount is less. In each case the fair market value shall be determined as of a date sufficiently prior to the date he is required to move to be unaffected thereby.
- B. The protected employee will be permitted to retain title to his home and will retain responsibility for any and all indebtedness outstanding against his home. The Carrier will assume no liability whatever in connection therewith.
- C. If the protected employee purchases a different home between the date of the Employee Protective Agreement and the date he is required to move, he will be entitled to the benefits in this Article on the basis of application of the terms hereof to the home he owned prior to the date of the Employee Protective Agreement. This paragraph C shall no longer be in effect on July 1, 1987.
- D. The protected employee qualified to participate in this property settlement and electing this Option (1) will notify the Carrier within thirty (30) days of the date he is required to move, providing evidence of ownership

and length of such ownership, whereupon payment provided herein shall be made within thirty (30) days thereafter.

E. Should a controversy arise with respect to the fair market value as referred to in this option, it shall be decided in accordance with Section 1, Paragraph "D", of this Article.

II.

Double Housing Expenses

The Railroad will reimburse an employee for certain expenses in connection with his/her primary residence at the old location if it remains unsold after the employee begins making payments on his/her primary residence at the new location. Expenses will be reimbursed for a period of up to sixty (60) days.

Representative expenses at the old location which will be reimbursed are:

- mortgage interest payments
- prorated real estate taxes
- utilities
- maintenance costs

If the third party service is used, double housing normally will not be paid.

III.

Disposal of Leased Residence at "Old" Location

A transferring employee who is renting his/her residence will be reimbursed for expenses incurred in terminating his/her lease.

IV.

Finding a New Residence

The transferring employee will be reimbursed for reasonable and customary expenses incurred while selecting and securing a residence at the employee's new location. Homefinding assistance will be offered to the employee and arranged through the Railroad.

1. "House Hunting" Visits: Reimbursement will be made to the employee and spouse for reasonable expenses up to a maximum of two (2) trips for six (6) days total for visits to the

new location for the purpose of selecting a residence and moving. (Reimbursement will include reasonable child care expenses in lieu of children accompanying the employee.)

2. Purchase of Residence: Reimbursement will be made to employees who own a home at the old location for reasonable and customary out-of-pocket expenses incurred in purchasing a home at the new location, up to a maximum of three percent (3%) of the purchase price of the employee's new home. Buyer's discount points which serve to reduce the mortgage interest rate will not be reimbursed. Seller's points passed on to the buyer will not be reimbursed. Representative costs for purchasing a home include:

- attorney fees
- closing costs
- title insurance (non-refundable)
- loan origination fees
- legally required inspections
- transfer taxes
- credit reports
- title search

3. Securing a Lease: Reimbursement will be made to the employee for reasonable and customary non-refundable expenses incurred in securing a lease at the new location. (This provision does not cover refundable charges such as damage, cleaning or security deposits.) Representative allowance expenses include:

- apartment broker's fee
- credit check
- non-refundable cleaning or pet

V.

Actual Movement to the New Location

1. Personal and Family Travel

Reimbursement will be made to the employee for actual and necessary expenses incurred in transporting the employee and his/her family to the new location. It is expected that a direct route to the new location will be followed. If a personal automobile is used, reimbursement will be made at the standard reimbursement rate for each automobile. If a common carrier is used, reimbursement will be made on the basis of "family plan" or "coach" fares. Additional en route transportation expenses which will be reimbursed are

tolls, meals and lodging. Any reimbursement for actual wage loss will be in accordance with Section IV of this Agreement.

2. Shipment of Household Goods and Personal Effects

- A. The transportation of an employee's household goods will be arranged by the Human Resources Department. They will select, schedule and reimburse the moving company, working cooperatively with the employee.
- B. The Railroad will pay for the costs of packing, shipping, unpacking and insuring the normal household furnishings and personal effects belonging to the employee and his/her family.
- C. This provision does not include coverage for the movement of boats over fourteen (14) feet in length, mobile homes or heavy power tools, household pets and the insurance for personal collections.

3. Storage of Household Goods

The Railroad will pay for reasonable and necessary storage costs for household goods if approved in advance by the AVP-HR, which approval shall not be unreasonably withheld. The maximum time the employee's goods may be stored is sixty (60) days.

VI.

Mobile Homes

Railroad will authorize the movement of an employee's mobile home in lieu of moving household effects by a household goods carrier.

Authorized Allowances

Actual and reasonable charges for transportation, including fees and permits, will be paid by Railroad.

If the employee chooses to sell his/her mobile home, Railroad shall authorize payment of a real estate fee of up to ten percent (10%). The amount of the fee will be paid upon proof of completion of the sale by a licensed real estate broker. Sale of the mobile home must be completed within one (1) year of the date of the employee's relocation.

Insurance for the contents of mobile homes is covered under the transport rate and includes full coverage based on replacement cost at location of loss or damage caused by collision, upset, accident or theft. Coverage excludes tire failure, mechanical or structural breakdown.

Insurance on the contents, not a fixed part of the unit, should be based on the actual value, but limited to \$10,000 maximum. Employees owning mobile homes should be aware that there are more than ordinary risks involved in moving large mobile homes, and the employee must be prepared to fully insure the mobile home against any and all possible damage, even if a commercial hauler pulls the home.

Actual charges for disconnecting and connecting water, electricity, gas or fuel, sanitation, blocking and unblocking and appliance servicing will be reimbursed upon submission of expense receipts.

Packing and unpacking service is authorized.

If employees choose to transport their own home trailer (i.e., pull it with their own vehicle), Railroad will reimburse them for special state and local fees and tolls involved in moving the trailer only on the basis of receipt for actual cost and will allow a total of 26¢ per mile allowance. Railroad assumes no liability for damage to or loss of the trailer or its contents.

VII.

Interim Living

1. Employee

A. A transferring employee will be reimbursed for actual reasonable temporary living expenses at the new location for a period not to exceed sixty (60) days from the effective date of transfer if he/she is unable to move directly into his/her residence. Temporary living expenses include:

- cost of lodging
- cost of meals that would normally be eaten at home (morning and evening meals)
- grocery costs in lieu of meals eaten outside the home

Receipts are required for all expenses over \$25. The maximum reimbursement hereunder shall be \$50 per day.

B. Employees will be reimbursed for the actual costs of a reasonable number of trips between the new and old location to visit his/her family before they are moved (not to exceed once every two weeks).

2. Family

If the employee's family cannot move directly into their residence at the new location, the actual cost of reasonable temporary living expenses for the family will be reimbursed for a period not to exceed thirty (30) days. This thirty-day period is included within the employee's sixty-day total coverage. The maximum reimbursement hereunder for both employee and family shall be \$100 per day.

VIII.

Relocation Allowance

In addition to the expense reimbursements described elsewhere in this guideline, the Railroad will provide a relocation allowance for incidental expenditures. This allowance is intended to cover items such as: disconnecting and reconnecting appliances; rug and drape altering; shipment of pets; shipment of boats; and shipment of heavy power tools. The relocation allowance is as follows:

1. For employees who are homeowners at the old location: Twenty days' base pay at the employee's effective daily rate at his/her new location will be paid.
2. For non-homeowner employees: Ten days' base pay at the employee's effective daily rate at the new location will be paid.

IX.

Mortgage Interest Rate Differential (MID)

The Railroad shall provide additional assistance for a three (3) year period to an employee who, due to his/her relocation, experiences greater housing costs because the interest rate on the home mortgage at the new location is higher than the interest rate on the mortgage at the old location.

A mortgage interest rate differential (MID) will be paid in an amount representing the difference between the old and new mortgage interest rates times the balance of the old mortgage as of the date of closing on the sale of the employee's old residence.

If an employee has two or more mortgages on his/her old or new residence, the weighted average of the applicable interest rates and the total of all mortgages on the employee's old residence will be used as the basis for calculating the MID.

The employee will receive the MID in three payments. The first payment will be made on or after the date the employee closes both the sale on his/her old residence and the purchase of his/her new residence. The second payment will be made on or shortly after the first anniversary of the first installment. The third payment will be made on or shortly after the second anniversary of the first installment. Verification from the lending institution of the current interest rate is required prior to the payment of the second and third MID. Refinancing costs may be reimbursed in lieu of future MID payments but will not exceed the amount of the remaining MID costs. (Note: If an employee relocates again before the three year period covered by his/her original MID allowance has expired, under circumstances which would entitle the employee to benefits under this or a similar plan, an adjustment will be made to any remaining MID payments to reflect the difference between the interest rate on the employee's newest residence and the interest rate of the start of the three year period. A new three year period will begin at the time of the second relocation.)

Payments will be made only to active, current Railroad employees at the time the MID becomes payable, who are occupying as their primary residence the property, the purchase of which gave rise to the MID allowance.

NEW YORK DOCK

Finance Docket No. 28250

APPENDIX III

Labor protective conditions to be imposed in railroad transactions pursuant to 49 U.S.C. 11343 et seq. [formerly sections 5(2) and 5(3) of the Interstate Commerce Act], except for trackage rights and lease proposals which are being considered elsewhere, are as follows:

1. Definitions.-(a) "Transaction" means any action taken pursuant to authorizations of this Commission on which these provisions have been imposed.

(b) "Displaced employee" means an employee of the railroad who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) "Dismissed employee" means an employee of the railroad who, as a result of a transaction is deprived of employment with the railroad because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction.

(d) "Protective period" means the period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of the railroad prior to the date of his displacement or his dismissal. For purposes of this appendix, an employee's length of service shall be determined in accordance with the provisions of section 7(b) of the Washington Job Protection Agreement of May 1936.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the railroad's employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or applicable statutes.

3: Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements; provided, that if an employee otherwise is eligible for protection under both this Appendix and some other job security or other protective conditions or arrangements, he shall elect between the benefits under this Appendix and similar benefits under such other arrangement and, for so long as he continues to receive such benefits under the provisions which he so elects, he shall not be entitled to the same type of benefit under the provisions which he does not so elect; provided further, that the benefits under this Appendix, or any other arrangement, shall be construed to include the conditions,

responsibilities and obligations accompanying such benefits; and, ~~provided further~~, that after expiration of the period for which such employee is entitled to protection under the arrangement which he has elected, he may then be entitled to protection under the other arrangement for the remainder, if any, of this protective period under that arrangement.

4. Notice and Agreement or Decision - (a) Each railroad contemplating a transaction which is subject to these conditions and may cause the dismissal or displacement of any employees, or rearrangement of forces, shall give at least ninety (90) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of the railroad and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be affected by such transaction, including an estimate of the number of employees of each class affected by the intended changes. Prior to consummation the parties shall negotiate in the following manner.

Within five (5) days from the date of receipt of notice, at the request of either the railroad or representatives of such interested employees, a place shall be selected to hold negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this appendix, and these negotiations shall commence immediately thereafter and continue for at least thirty (30) days. Each transaction which may result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all employees involved on a basis accepted as appropriate for application in the particular case and any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of thirty (30) days there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the request for arbitration the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(b) No change in operations, services, facilities, or equipment shall occur until after an agreement is reached or the decision of a referee has been rendered.

5. Displacement allowances -(a) So long after a displaced employee's displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period), and provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases.

If a displaced employee's compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

(b) If a displaced employee fails to exercise his seniority rights to secure another position available to him which does not require a change in his place of residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position he elects to decline.

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for justifiable cause.

6. Dismissal allowances. - (a) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the transaction. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(b) The dismissal allowance of any dismissed employee who returns to service with the railroad shall cease while he is so reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of section 5.

(c) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the railroad shall agree upon a procedure by which the railroad shall be currently informed of the earnings of such employee in employment other than with the railroad, and the benefits received.

(d) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employee's resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible after appropriate notification, if his return does not infringe upon the employment rights of other employees under a working agreement.

7. Separation allowance. - A dismissed employee entitled to protection under this appendix, may, at his option within 7 days of his dismissal, resign and (in lieu of all other benefits and protections provided in this appendix) accept a lump sum payment computed in accordance with section 9 of the Washington Job Protection Agreement of May 1936.

8. Fringe benefits. - No employee of the railroad who is affected by a transaction shall be deprived, during his protective period, of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, reliefs, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of the railroad, in active or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

9. Moving expenses.-Any employee retained in the service of the railroad or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment as a result of the transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not to exceed 3 working days, the exact extent of the responsibility of the railroad during the time necessary for such transfer and for reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by the railroad and the affected employee or his representatives; provided, however, that changes in place of residence which are not a result of the transaction, shall not be considered to be within the purview of this section; provided further, that the railroad shall, to the same extent provided above, assume the expenses, et cetera, for any employee furloughed with three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provision of this section unless such claim is presented to railroad with 90 days after the date on which the expenses were incurred.

10. Should the railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employee of benefits to which he otherwise would have become entitled under this appendix, this appendix will apply to such employee.

11. Arbitration of disputes.- (a) In the event the railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except section 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman. If any party fails to selects its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding, upon the parties.

(b) In the event a dispute involves more than one labor organization, each will be entitled to a representative on the arbitration committee, in which event the railroad will entitled to appoint additional representatives so as to equal the number of labor organization representatives.

(c) The decision, by majority vote, of the arbitration committee shall be final, binding, and conclusive and shall be rendered within 45 days after the hearing of the dispute or controversy has been concluded and the record closed.

(d) The salaries and expenses of the neutral member shall be borne equally by the parties to the proceeding and all other expenses shall be paid by the party incurring them.

(e) In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the railroad's burden to prove that factors other than a transaction affected the employee.

12. Losses from home removal.-(a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the railroad (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of the transaction and is therefore required to move his place of residence:

(i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the railroad for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

(ii) If the employee is under a contract to purchase his home, the railroad shall protect him against loss to the extent of the fair value of equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, the railroad shall protect him from all loss and cost in securing the cancellation of said lease.

b) Changes in place of residence which are not the result of a transaction shall not be considered to be within the purview of this section.

(c) No claim for loss shall be paid under the provisions of this section unless such claim is presented to the railroad within 1 year after the date the employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or their representatives and the railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner. One to be selected by the representatives of the employees and one by the railroad, and these two, if unable to agree within 30 days upon a valuation, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

ARTICLE II

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when his employment was terminated or he was furloughed, even though in a different craft or class, on the railroad which he is, or by training or retraining physically and mentally can become, qualified, not, however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, the railroad shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who had made a request under section 1 or 2 of the article II fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this appendix.

ARTICLE III

Subject to this appendix, as if employees of railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by railroad and employees of any other enterprise within the definition of common carrier by railroad in section 1(3) of part I of the Interstate Commerce Act, as amended, in which railroad has an interest, to which railroad provides facilities, or with which railroad contracts for use of facilities, or the facilities of which railroad otherwise uses; except that the provisions of this appendix shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier; provided that said carriers shall establish one convenient central location for each terminal or other enterprise for receipt of one such application which will be effective as to all said carriers and railroad shall notify such employees of this requirement and of the location for receipt of the application. Such employee shall not be entitled to any of the benefits of this appendix in the case of failure, without good cause, to accept comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this appendix, with any carrier for which application for employment has been made in accordance with this section.

ARTICLE IV

Employees of the railroad who are not represented by a labor organization shall be afforded substantially the same levels of protection as are afforded to members of labor organizations under these terms and conditions.

In the event any dispute or controversy arises between the railroad and an employee not represented by a labor organization with respect to the interpretation, application or enforcement of any provision hereof which cannot be settled by the parties within 30 days after the dispute arises, either party may refer the dispute to arbitration.

ARTICLE V

1. It is the intent of this appendix to provide employee protections which are not less than the benefits established under 49 USC 11347 before February 5, 1976, and under section 565 of title 45. In so doing, changes in wording and organization from arrangements earlier developed under those sections have been necessary to make such benefits applicable to transactions as defined in article 1 of this appendix. In making such changes, it is not the intent of this appendix to diminish such benefits. Thus, the terms of this appendix are to be resolved in favor of this intent to provide employee protections and benefits no less than those established under 49 USC 11347 before February 5, 1976 and under section 565 of title 45.

2. In the event any provision of this appendix is held to be invalid or otherwise unenforceable under applicable law, the remaining provisions of this appendix shall not be affected.

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Group 1 Group 2 Group 3

Sig. Elec. Tech.	Sig. Foremen, Assistants
	Sig. Testmen,
	Ldg. Signalmen/
	Sig. Maintainers
	Signalmen,
	Sig. Maintainers

Name (Foreman Date)	RR	Date	Rank	Date	Rank	Date	Rank	Hired
E. J. Riniker *	M		07-07-43	1				10-06-41
L. E. Ferris	M		09-26-44	2				09-23-43
H. G. Smith	M		01-29-45	3				06-10-44
D. E. Twitchell *	M		02-15-45	4				09-25-44
J. B. Digman	M		09-24-45	5				10-23-44
R. J. Olson	M		10-04-45	6				10-27-44
M. L. Thiede	M		06-21-48	7				10-23-43
J. J. Seleskie *	M		06-21-48	8				11-12-45
C. H. Christenson	M		09-01-48	9				01-02-45
L. I. Jessen	M		01-17-49	10				08-17-44
H. L. Frizzell	M		10-17-49	11				05-27-47
C. E. Williams	M		03-02-51	12				03-10-47
R. P. Hodsdon &	S		03-12-51	13				05-03-48
D. B. Roundy	M		05-21-51	14				08-16-46
J. J. Jameson	M		05-22-51	15				09-09-47
D. W. Dean	S		06-02-51	16				05-03-48
J. D. Gilbert	S		06-03-51	17				12-01-47
D. W. Johnson &	S		09-04-51	18				08-19-48

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3			
	RR	Date	Rank	Date	Rank	Date	Rank	Hired
J. R. Burress *	M		10-20-51	19				03-29-49
R. J. Stolpa	M		10-29-51	20				09-08-48
C. R. Carlson	M		03-23-53	21				05-09-49
C. E. Carlson	M		03-23-53	22				09-06-49
J. A. Haugen	S		06-04-53	23				12-14-48
K. C. Veit &	S		06-05-53	24				12-14-48
J. M. Hansvold	M		09-16-53	25				04-02-51
M. G. Barton	M		09-16-53	26				02-05-51
B. E. Jacobson &	M		09-16-53	27				05-21-51
D. F. Marien &	M		09-16-53	28				06-04-51
M. D. Collinge	M		09-16-53	29				06-04-51
J. L. Frohmader &	M		09-16-53	30				09-17-51
F. F. Wehrenberg	M		01-29-54	31				08-02-48
C. E. Buck	S		04-21-54	32				01-22-49
J. C. Fortune &	M		05-03-54	33				05-21-51
M. S. Lester	M		11-11-54	34				10-09-50
J. F. King	M		07-11-55	35				07-19-54
D. W. Schwartz	M		09-23-55	36				08-06-53
H. F. Lachelt	M		11-06-55	37				01-28-52
G. C. Aird *	M		11-21-55	38				10-12-45
J. E. Fazel	M		12-27-55	39				08-31-53
H. L. Wolfe	M		04-16-56	40				03-02-53

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3			
	RR	Date	Rank	Date	Rank	Date	Rank	Hired
G. H. Wieczorek	M		04-16-56	41				04-13-53
R. F. Hughes	M		04-16-56	42				04-21-53
R. M. Roth	M		04-16-56	43				06-08-53
L. C. Hall &	M		04-16-56	44				06-29-53
C. O. Daily *	M		04-30-56	45				01-03-55
C. E. Jones % (08-01-80)	M		06-15-56	46				01-03-55
E. D. Hodsdon	S		08-01-56	47				06-06-49
R. H. Criss	M		11-20-56	48				05-23-55
J. E. Furne	M		02-04-57	49				11-09-48
L. L. Ross	M		05-01-57	50				0-11-54
R. E. Vandenack	M		05-01-57	51				06-28-54
R. H. Schuth	M		05-01-57	52				04-18-55
R. A. Guenther	M		05-21-57	53				03-05-56
W. L. Larson *	S		08-29-57	54				01-22-51
R. D. Peek	M		04-15-58	55				05-31-55
R. D. Furne	M		04-16-58	56				05-02-56
J. B. Lower	M		04-01-59	57				06-20-55
K. R. Sohrweide	M		04-01-59	58				09-19-55
H. A. Hoefs	M		04-01-59	59				02-13-56
J. P. Fahey	M		07-01-59	60				05-07-56
R. C. Larson	M		07-01-59	61				05-07-56
C. J. Hedican &	S		11-13-59	62				01-04-54

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	RR	Group 1		Group 2		Group 3		
		Date	Rank	Date	Rank	Date	Rank	Hired
J. J. Veness	S			11-13-59	63			04-18-51
G. J. Van Dyke, Jr.	M			05-16-60	64			05-15-56
J. A. Bengtson &	S			02-13-61	65			06-13-55
J. L. Fredrick ^Z (10-18-79)	M			08-05-63	66			06-01-59
H. K. Borslien	S			01-06-64	67			06-13-55
J. D. Schmeling &	M			02-17-64	68			11-13-63
M. J. Haug	S			03-12-64	69			10-17-55
D. J. Mandeik	S			10-05-64	70			12-02-55
E. F. Anderson	M			11-06-64	71			09-09-63
L. L. Lietz	M			01-18-65	72			02-17-64
D. W. Schurhammer	M			07-19-65	73			08-31-59
J. L. Kreye *	M			07-26-65	74			12-14-53
J. W. Christoph	S			10-11-65	75			02-07-56
L. E. Vitek	S			11-11-65	76			10-08-56
C. J. Carlisle	M			04-18-66	77			12-06-65
L. D. Suhsen	S			06-06-66	78			06-04-57
R. A. Bishop	S			07-05-66	79			11-03-58
J. C. Blum	M			07-18-66	80			07-01-63
S. J. Grindheim ^Z	S			01-30-67	81			11-19-58
L. M. Hanson	M			01-31-67	82			06-01-65
D. L. Nys	M			02-01-67	83			03-28-66
R. W. Warren &	S			02-13-67	84			06-08-64

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3		
	RR	Date	Rank	Date	Rank	Date	Rank
T. J. Bengtson	S		02-14-67	85			09-07-65
W. C. Gingle %	S		02-15-67	86			09-20-65
G. W. Krause	M		03-01-67	87			06-10-57
A. H. Berry &	M		05-15-67	88			01-12-66
G. M. Minter	S		11-03-67	89			06-13-66
D. H. Gerrits	S		12-11-67	90			09-06-66
R. E. Schunk	S		05-06-68	91			10-03-66
D. A. Awe	M		09-01-68	92			12-14-65
D. L. Stemen	S		12-16-68	93			12-05-68
C. M. Strand, Jr.	S		12-16-68	94			03-13-67
R. W. Minter	S		12-16-68	95			11-13-67
G. J. Derkx	S		02-12-69	96			04-13-67
T. H. Stone	M		06-16-69	97			01-03-67
D. V. Butenschoen	M		08-11-70	98			06-09-69
G. T. Schaning	M		12-01-70	99			06-18-69
E. F. Elzy	M		12-18-70	100			08-14-63
J. D. Quigley	M		01-17-71	101			09-15-69
R. H. Burton &	M		01-18-71	102			03-12-56
R. J. Marko	M		12-01-71	103			09-18-68
B. J. Lilla	M		02-15-72	104			09-16-52
J. W. Ewalt	M		07-18-72	105			12-01-70
T. L. Lyon	M		07-19-72	106			02-02-71

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3			
	RR	Date	Rank	Date	Rank	Date	Rank	Hired
J. E. Sobieszczyk	M		09-29-72	107				11-22-71
L. N. Ward	M		09-30-72	108				01-28-71
J. R. Digman	M		12-11-72	109				06-01-71
M. A. Hines	M		12-18-72	110				10-06-70
J. R. McCann	M		12-26-72	111				03-01-71
A. Covelli	M		05-21-73	112				05-21-73
J. C. Budziak	M		07-14-73	113				06-07-71
C. R. Jacobson	M		11-05-73	114				10-18-71
R. A. Mertens	M	06-01-84	2	11-05-73	115			02-26-73
R. M. Veness	S		02-22-74	116				04-03-68
V. R. Weber *	M		04-01-74	117				12-07-71
C. R. Dockter %	S		06-18-74	118				06-10-68
G. L. Otterson	S		06-18-74	119				11-25-68
W. K. Springborn	S		06-18-74	120				12-23-68
D. D. Johnson	S		06-18-74	121				06-09-69
J. N. Procknow %	S		07-26-74	122				06-23-69
T. B. Jones	S		07-26-74	123				06-19-70
D. J. Barse	S		08-13-74	124				06-19-71
D. R. Haderly %	S		08-28-74	125				03-23-72
K. M. Kriigel % (08-27-84)	M		08-28-74	126				03-20-73
D. J. Hammersmith	M		09-09-74	127				04-09-73
D. L. Jones	S		09-12-74	128				03-27-72

SOO LINE RAILROAD
 ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3			
	RR	Date	Rank	Date	Rank	Date	Rank	Hired
D. A. Ohlfs	S		12-20-74	129				01-01-73
H. P. Janz	S		01-28-75	130				05-07-73
R. T. Hill	S		04-18-75	131				06-09-69
T. E. Wolfe	M		05-19-75	132				08-13-73
H. L. Blaine %	S		07-16-75	133				05-29-73
J. L. Fischer	S		07-16-75	134				05-29-73
D. L. Knock	S		08-01-75	135				09-06-73
R. S. Molback	M		09-15-75	136				02-11-74
C. N. Neace	M		01-22-76	137				04-02-74
D. J. Feucht	S		04-14-76	138				10-12-73
J. F. Kresh	S		07-09-76	139				10-15-73
R. J. Klemp	M		01-17-77	140				12-06-73
T. C. Bigley	M		07-18-77	141				02-25-74
G. M. Jones	M		04-17-78	142				09-22-75
R. J. Simon	S		09-07-78	143				07-29-74
J. C. Madden	S		09-07-78	144				01-20-75
M. W. Oldeen	S		09-22-78	145				05-16-75
D. R. Woodard	M		10-02-78	146				03-25-74
D. R. Bunk	M		10-10-78	147				07-01-74
M. G. Dowske	M		11-27-78	148				07-21-75
R. R. Epstein % (05-20-83)	M		01-01-79	149				07-22-74
P. R. Moore	M		01-01-79	150				08-01-78

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3			
	RR	Date	Rank	Date	Rank	Date	Rank	Hired
J. L. Barton #	M			02-16-79	151			04-22-74
D. B. Ross	M			05-14-79	152			10-23-78
T. D. Niemczyk	M			06-11-79	153			03-12-79
O. G. Gilmore, Jr.	M			08-06-79	154			07-10-78
G. E. Denham	M			08-22-79	155			10-19-75
C. J. Sieronski	M	09-24-79	1	08-27-79	156			02-05-79
K. D. Clark	S			09-26-79	157			01-19-76
D. D. Sauve	S	01-01-86	3	10-29-79	158			01-26-76
G. D. Farrow	M			12-10-79	159			11-20-78
M. R. Jones	M			12-17-79	160			07-28-75
D. P. Romaniszak	M			01-07-80	161			07-23-79
D. E. Baldwin	M			04-07-80	162			11-19-79
J. P. Ward	M			04-28-80	163			04-28-80
T. W. Gutsforth	M			09-08-80	164			11-01-78
S. J. Nasser	M			10-20-80	165			10-30-78
J. F. Radziszewski	M			11-03-80	166			09-20-78
S. G. Pfeiffer	S			02-09-81	167			01-21-76
J. C. Hoeft	M			05-11-81	168			11-15-78
P. S. Persson	M			05-26-81	169			08-01-79
T. M. Clarke	M			06-15-81	170			11-19-79
N. A. Nelson	S			08-24-81	171			04-24-78
K. V. Bell	S			07-07-82	172			12-04-78

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3			
	RR	Date	Rank	Date	Rank	Date	Rank	Hired
F. M. Boozer	M			06-06-83	173			01-30-79
S. N. Clark	M			09-06-83	174			09-10-79
J. J. Harder	M			12-01-83	175			11-06-78
S. F. Virock Z (01-01-85)	M			03-19-84	176			09-05-79
A. D. Miller	M			04-09-84	177			09-24-79
R. A. Pulver	M			05-21-84	178			09-15-75
W. E. Shuda	M			07-02-84	179			09-24-79
G. L. Henrichs Z	S			08-03-84	180			12-04-78
M. A. Mattison	S			09-21-84	181			08-08-78
J. N. Henning	S			10-11-84	182			11-13-78
C. F. Hoerning	S			10-11-84	183			07-17-79
J. D. Young	M			01-21-85	184			11-18-74
E. M. Felland	M			01-21-85	185			11-06-79
P. W. Bahr	M			02-04-85	186			11-20-79
L. D. Stubrud	M			05-06-85	187			12-03-79
J. P. Larweth Z (1-20-84)	M			05-19-85	188			04-21-80
D. M. McCole	M			05-20-85	189			10-07-80
R. A. Lindstrom	M			07-15-85	190			07-20-81
G. W. Woodard	M			12-09-85	191			07-20-81
J. C. Hill &	M					08-16-73	1	06-04-73
E. W. Meyer	M					09-24-79	2	09-24-79
J. E. Chandler	M					12-03-79	3	12-03-79

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

Name (Foreman Date)	Group 1		Group 2		Group 3			
	RR	Date	Rank	Date	Rank	Date	Rank	Hired
K. R. Howe	S					04-18-80	4	07-23-79
A. J. Noack	M					07-10-80	5	07-10-80
H. A. Krog	S					02-24-81	6	07-31-78
K. W. Raway	M					04-27-81	7	04-27-81
C. J. Fatora	M					08-10-81	8	08-10-81
B. A. Hanson	M					08-17-81	9	08-17-81
C. R. White, Jr.	S					09-24-81	10	05-16-81
D. R. Koivisto	S					05-19-82	11	05-20-81
D. F. Anderson &	S					08-09-82	12	05-21-81
R. L. Horton	M					04-09-84	13	04-09-84
J. M. Schroeder	M					04-09-84	14	04-09-84
B. L. Daily	M					04-27-84	15	04-27-84
M. E. Manska	S					05-17-84	16	05-26-81
G. R. Hall	M					05-21-84	17	05-21-84
C. G. Edwards	S					08-23-84	18	06-16-82
R. N. Schilz	S					11-02-84	19	07-30-79
J. F. Murphy	S					11-02-84	20	06-11-84
L. W. Scanlon	S					11-02-84	21	07-11-84
M. E. Jordan	M					07-16-85	22	07-16-85
D. A. Christian	M					08-05-85	23	08-05-85
B. J. Lovin	M					08-05-85	24	08-05-85
D. C. Noyes	M					08-05-85	25	08-05-85

SOO LINE RAILROAD
ENGINEERING DEPARTMENT
SENIORITY ROSTER OF SIGNAL EMPLOYEES
JANUARY 17, 1986

Classification, Date Entered, and Rank

	Group 1	Group 2	Group 3
Name (Foreman Date)	RR Date	Rank Date	Rank Date
			Rank Hired
D. L. Nellermoe	S		12-30-85 26 06-21-82

NOTES:

M - Milwaukee Road
S - Soo Line
* - Disability
- Leave - Union Position
& - Office Position
Z - Signal Foreman (Date)

Office of Chief Engineer Signals
Minneapolis, Minnesota

Revised January 17, 1986

TIME LIMIT FOR APPEAL: APRIL 17, 1986

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD
AND
BROTHERHOOD OF RAILROAD SIGNALMEN

THIS AGREEMENT, made this 1st day of June, 1992, by and between the Soo Line Railroad Company and the employees represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Lump sum payments provided for in Sections 1, 3 and 4 of this Article, calculated as described therein, will be paid to each employee subject to this Agreement who has an employment relationship as to the dates such payments are made or has retired or died subsequent to the beginning of the applicable base period used to determine the amount of such payments. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

Section 1 - Retroactive Lump Sum Payment

Effective within forty-five (45) days from the signing of this Agreement, all qualifying employees with 2,000 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce Commission as constructive allowances except vacations and holidays) during the period of January 1, 1990, through December 31, 1990, will be paid a lump sum of \$1500.00. Those employees with fewer straight time hours paid for, will be paid an amount derived by multiplying \$1500.00 by the number of straight time hours (including vacations and holidays) paid for during that period divided by 2,000.

Section 2 - First General Wage Increase

Effective April 1, 1992, all existing hourly and monthly rates of pay in effect for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied as follows:

- (a) Hourly Rates - Add 2 percent to the existing hourly rates of pay.
- (b) Monthly Rates - Add 2 percent to the existing monthly rates of pay.

(c) Disposition of Fractions - Rates of pay resulting from application of paragraphs (a) and (b) above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(d) Application of Wage Increases - The increase in wages provided for in this Section 2 shall be applied in accordance with the wage agreement in effect between the Soo and BRS. Special allowances not included in fixed hourly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 3 - First Lump Sum Payment

Effective July 1, 1992, and payable within forty-five (45) days, all qualifying employees with 2,000 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce Commission as constructive allowances except vacations and holidays) during the period of July 1, 1991, through June 30, 1992, will be paid a lump sum of \$1,800. Those employees with fewer straight time hours paid for, will be paid an amount derived by multiplying \$1,800 by the number of straight time hours (including vacations and holidays) paid for during that period divided by 2,000.

Section 4 - Second Lump Sum Payment

Effective July 1, 1993, and payable within forty-five (45) days, all qualifying employees with 2,000 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce Commission as constructive allowances except vacations and holidays) during the period of July 1, 1992, through June 30, 1993, will be paid a lump sum of \$1,850. Those employees with fewer straight time hours paid for, will be paid an amount derived by multiplying \$1,850 by the number of straight time hours (including vacations and holidays) paid for during that period divided by 2,000.

Section 5 - Second General Wage Increase

Effective January 1, 1994, all existing hourly and monthly rates of pay in effect on December 31, 1993, for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 2 hereof.

ARTICLE II - COST OF LIVING

- A. A Cost-of-Living allowance will be made as a lump-sum adjustment based on the unadjusted Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-4=100), as published by the Bureau of Labor Statistics, and commonly referred to as the CPI.
- B. The first such Cost-of-Living allowance, if any, shall be made effective January 1, 1993, and allowed as soon as all necessary information is available, based on the CPI during the respective measurement periods shown in the following table, according to the formula set forth in paragraph D. Subsequent allowances, if any, will be made on the same basis.

<u>Base Month</u>	<u>Measurement Periods</u> <u>Measurement Month</u>	<u>Effective Date of Allowance</u>
December 1991	June 1992	January 1, 1993
December 1992	June 1993	January 1, 1994
December 1993	June 1994	January 1, 1995
December 1994	June 1995	January 1, 1996
December 1995	June 1996	January 1, 1997

C. CAP

In calculations of the allowance provided for herein, there will be no adjustment when the index increases less than 4 points. The maximum increase in the CPI which may be taken into account will be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI increase Which May Be Taken Into Account</u>
January 1, 1993	4 Points based on December 1991 CPI
January 1, 1994	4 Points based on December 1992 CPI
January 1, 1995	4 Points based on December 1993 CPI
January 1, 1996	4 Points based on December 1994 CPI
January 1, 1997	4 Points based on December 1995 CPI

D. FORMULA

The number of points change in the CPI during a measurement period, with a maximum of the Cap provided for in paragraph C above, will be converted into dollars on the basis of:

0 to 4 Points \$0
5 to 8 Points \$/Point based on Operating Ratio in accordance with the following schedule:

<u>OPERATING RATIO</u>	<u>PER POINT</u>
Above 90	\$0
85 - 89	\$30
80 - 84	\$65
Below 79	\$100

EXAMPLES:

	<u>COLA DUE</u>
1. CPI Increases 8 Points Operating Ratio of 89	\$120
2. CPI Increases 6 Points Operating Ratio of 83	\$260
3. CPI Increases 6 Points Operating Ratio of 78	\$400
4. CPI Increases 5 Points Operating Ratio of 91	\$0

A cost-of-living allowance, if any, on the effective dates, will be made by prorating the allowance provided for above by the hours actually worked from the beginning of the base month to the beginning of the measurement month, with a full allowance to be based on 1,040 hours.

E. APPLICATION OF COST-OF-LIVING ADJUSTMENTS

The cost-of-living allowances provided for herein will not become part of basic rates of pay.

NOTE: Within 120 days of the end of a year, the BRS General Chairman will be provided a statement from SOO's independent auditor certifying SOO's Operating Ratio for the preceding year.

ARTICLE III - HEALTH & WELFARE

Soo Line Railroad Company Health and Welfare Plan for Union Employees and Soo Line Health and Welfare Plan for Retired Employees effective January 1, 1992, will be made available to all eligible BRS employees within sixty (60) days of the signing of this Agreement. Synposes of these plans are attached as Appendix I of this Agreement.

The Brotherhood of Railroad Signalmen will appoint a representative to the Health and Welfare Review Board who will then participate as a Union member on this Board in accordance with the established procedures, rules and policies adopted by the Board.

ARTICLE IV - 401K PLAN

Effective July 1, 1992, the Soo Line Railroad will make available to active members of the Brotherhood of Railroad Signalmen the Soo Line 401K Plan for Union Employees which has been established in accordance with the provisions listed below.

A. All full time employees governed by collective bargaining agreement between the Brotherhood of Railroad Signalmen and the Soo Line Railroad that are over age twenty-one (21) with six (6) months of service will be allowed to participate in the Plan.

B. Subject to an election by an eligible employee, the Carrier will arrange for payroll deductions to facilitate employee contributions to the Plan.

Employees may elect to contribute between 1 and 10% of their before-tax income to the Plan. The option to change this election will be afforded the first of each calendar year.

Employee contributions, adjusted for investment gain and losses, will be 100% vested.

Contributions will be limited to the maximum allowable under IRS regulations, which are currently \$8,728, and are subject to an annual discrimination test.

C. A trustee will be delegated to invest funds contributed to the Plan in a choice of portfolios, based on the election made by the participating employee.

D. The Brotherhood of Railroad Signalmen will appoint a representative to the 401K Review Board who will then participate as a Union member on this Board in accordance with the established procedures, rules, and policies adopted by the Board. Collectively, the Union and Management members on this Board will each have one (1) vote. The Review Board is responsible for selecting the investment manager and for resolving disputes arising out of the administration of the Plan.

The Soo Line will be responsible for the administration of the Plan including the selection of the Plan's trustee and recordkeeper. As provided under the Employee Income Security Act (ERISA), the Plan will be subject to an annual audit by the Soo Line's external auditors.

E. An employee may withdraw his funds at any time after termination of employment or disability or after reaching age 59 1/2.

Active employees cannot withdraw these funds without a 10% early withdrawal penalty prior to age 59 1/2, unless they satisfy specific hardship withdrawal guidelines established by the IRS which includes the purchase of a home, college tuition, and extreme medical expenses.

F. Soo will be responsible for the administrative costs related to the initial set up and ongoing administration of the Plan. The participating employee will be responsible for all investment management fees.

G. It is recognized that the 401K Plan, which permits the sheltering of income in such authorized programs, is derived from the application of Section 401(K) of the Internal Revenue Code, as amended, and is thus governed by statutes which may necessitate future amendments to this Plan.

ARTICLE V - DEPENDENT CARE ASSISTANCE PLAN

Effective July 1, 1992, the Soo Line Railroad agrees to make available to all eligible employees working under the BRS Schedule Agreement the Soo Line Railroad Company Dependent Care Assistance Plan which is currently available to all exempt Soo employees. This Plan is established pursuant to Section 125 and 129 of the Internal Revenue Code. Detailed description of the Plan is attached in Appendix II of this document.

It is understood that this Plan will be offered to signalmen on the same basis as it is available to exempt employees and the Soo Line may amend, modify or terminate the Dependent Care Plan at any time for any reason, so long as the changes thereto apply to exempt employees as well as union employees. In such case that the Soo Line would choose to terminate the Plan, thirty (30) days advance written notice shall be given to all active participants and the General Chairman.

This provision will remain in effect until a new agreement is negotiated pursuant to Section 6 Notices served subsequent to January 1, 1994, as provided in Article X of this Agreement.

ARTICLE VI - BEREAVEMENT LEAVE

Article 3 - BEREAVEMENT LEAVE AND INTERPRETATIONS - of the January 1, 1986 Soo Schedule Agreement shall be amended as follows:

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

Interpretations of the Bereavement Leave provisions shall remain unchanged.

ARTICLE VII - SUPPLEMENTAL SICKNESS

The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended January 1, 1982 (Sickness Agreement), shall be further amended as provided in Sections 1 through 3 of this Article, for periods of disability commencing on or after the date of this Agreement.

Section 1 - Adjustment of Plan Benefits

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed for the period January 1, 1982, through June 30, 1984, under the terms of this Agreement.

(b) Section 4 of the Sickness Agreement shall be revised as follows:

	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earnings	\$13.95 or more	\$2,427 or more
Class II Employees Earning	\$11.40 or more but Less than \$13.95	Less than \$2,427 but more than \$1,984
Class III Employees Earning	Less than \$11.40	Less than \$1,984

Basic and Maximum Benefit Amount Per Month

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
June 1, 1992	Class I	\$987	\$674	\$1,661
through	Class II	\$802	\$674	\$1,476
June 30, 1992	Class III	\$733	\$674	\$1,407

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
July 1, 1992	Class I	\$1,058	\$674	\$1,732
through	Class II	\$802	\$674	\$1,476
December 31, 1994	Class III	\$733	\$674	\$1,407

Combined Benefit Limit

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$1,772
Class II	\$1,582
Class III	\$1,508

Section 2 - Plan Benefits during Initial Registration Period

An employee who is eligible to receive Plan benefits during his initial RUIA registration period shall receive from the Plan, for the fifth through the fourteenth days of disability in that period, the Basic Benefit specified in the Plan plus an amount equal to the total RUIA benefit that would have been payable to him for days of sickness in that period but for application of the initial waiting period mandated by existing law.

Section 3 - Further Adjustment of Plan Benefits

The benefits provided under the Plan shall be further adjusted as provided below by multiplying the wage level in effect for the applicable Class on December 31, 1994 by the percentages specified below, provided, however, that the Class I basic benefit shall in no event be lower than the amount in effect as of January 1, 1993:

<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
January 1 1995	Class I	58.7%
	Class II	65.3%
	Class III	65.3%
July 1, 1995	Class I	63.8%
	Class II	65.3%
	Class III	65.3%
January 1, 1996	Class I	65.6%
	Class II	65.3%
	Class III	65.3%
July 1, 1996	Class I	68.4%
	Class II	65.3%
	Class III	65.3%

Combined Benefit Limitation

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$1,956
Class II	\$1,745
Class III	\$1,664

ARTICLE VIII - PROTECTED EMPLOYEES

(a) Article I, Section 1 of the February 7, 1965 Agreement shall be amended as follows:

"Section 1 - All employees, other than seasonal employees, who were in active service as of the date of this Agreement or who subsequently return to active service and who had ten (10) or more years' employment relationship as of the date of this Agreement will be retained in service subject to compensation as herein provided unless or until retired, discharged for cause, or otherwise removed by natural attrition. For the purpose of this Agreement, the term "active service" is defined to include all employees working, or holding an assignment, or in the process of transferring from one assignment to another (whether or not the date of this Agreement was a work day)."

(b) Article I, Section 2, of the February 7, 1965 Agreement shall be amended to read as follows:

"Section 2 - Seasonal employees, who had compensated service during each of the years, 1988, 1989 and 1990 who otherwise meet the definition of "protected" employees under Section 1 will be offered employment in future years at least equivalent to what they performed in 1990, unless or until retired, discharged for cause, or otherwise removed by natural attrition."

(c) Article V, paragraph 2, shall be amended to change the reference of a four hundred dollar (\$400) transfer allowance to eight hundred dollars (\$800).

It is understood that any interpretations, clarifications, or modifications made to Article VII - Protected Employees - of the June 6, 1991 National Agreement will apply on the Soo Line Railroad.

ARTICLE IX - CHANGES OF RESIDENCE DUE TO TECHNOLOGICAL, OPERATIONAL OR ORGANIZATIONAL CHANGES

Effective with the date of this Agreement, Article 5 - Change of Residence - of the January 1, 1986 Soo Schedule Agreement shall be amended as follows:

When a carrier makes a technological, operational or organizational change requiring an employee to transfer to a new point of employment requiring him to move his residence, such transfer and change of residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement, notwithstanding anything to the contrary contained in said provisions, except that the employee shall be granted 5 working days instead of "two working days" provided in Section 10(a) of said Agreement; and in addition to such benefits the employee shall receive a transfer allowance of \$800. Under this provision, change of residence shall not be considered "required" if the reporting point to which the employee is changed is not more than 30 miles from his former reporting point.

NOTE: The above paragraph applies not only to the employee which is initially displaced under the circumstances described, but also to any other employee who is subsequently displaced under the circumstances described and is required to move his residence.

ARTICLE X - MORATORIUM

Section 1

This Agreement shall 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.

Section 2

(a) It is understood that this Agreement resolves the BRS's Notices dated on or about March 15, 1984, and May 25, 1988, and the Carrier's counter proposals thereto dated on or about March 20, 1984, and December 12, 1989.

(b) The parties to this Agreement shall not serve nor progress prior to January 1, 1994, (not to be effective before January 1, 1995), any notice or proposal for the purpose of changing the subject matter of the provisions of this Agreement or which proposes any matter covered by the proposals of the parties referenced in (a) above.

Section 3

This article will not bar nor preclude the Carrier and the BRS from discussing or reaching agreements on any subject of mutual interest.

FOR THE:
BROTHERHOOD OF RAILROAD SIGNALMEN

J. H. Stone

T. H. Stone
General Chairman BRS

V. VanArtsdalen

V. VanArtsdalen
Vice President BRS

Effective Date: 6/1/92

FOR THE:
SOO LINE RAILROAD COMPANY

C. S. Frankenberg

C. S. Frankenberg
Vice President Labor Relations

R. L. Cass

R. L. Cass
Asst. Chief Negotiator

June 1, 1992

Mr. T. H. Stone
General Chairman
Brotherhood of Railroad Signalmen
630 North Wisconsin Avenue
Villa Park, IL 60181

Dear Mr. Stone:

The following additional compensation will be paid to each active signalman as of June 1, 1992, provided the BRS and the Soo have a ratified agreement on such date.

- (1) An additional \$250 will be paid to each active signalman within forty-five (45) days of the signing of this Agreement.
- (2) All hourly and monthly rates of pay in effect on December 31, 1994, will be increased by an additional one (1) percent effective January 1, 1995, in the same manner as provided in Article I, Section 2, of this Agreement.
- (3) There shall be no duplication of payment of any lump sum payment by virtue of employment under an agreement with another organization.

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

Sincerely,

C.S. Frankenberg

C. S. Frankenberg
Vice President Labor Relations
Soo Line Railroad

I CONCUR:

J.H. Stone

T. H. Stone, General Chairman
Brotherhood of Railroad Signalmen

Effective Date: 6/1/92

June 1, 1992

Mr. T. H. Stone
General Chairman
Brotherhood of Railroad Signalmen
630 North Wisconsin Avenue
Villa Park, IL 60181

Dear Mr. Stone:

It is hereby agreed that as of June 1, 1992, to become effective July 1, 1992, BRS employees and their eligible dependents, that reside in a Preferred Provider Organization network area, will have the option of electing to participate in a PPO or the Soo Line Comprehensive Plan. A BRS employee that fails to make election by July 1, 1992, will be automatically enrolled in the Soo Line Comprehensive Plan.

Subsequently, a BRS employee living in a network area may elect to change plan enrollment on December 1st of each year by providing written notice to the Soo Line. This change will become effective on January 1st of the following year.

The general provisions of both the Soo Line Comprehensive Plan and the Preferred Provider Organization (PPO) are outlined in Appendix I of this Agreement. A detailed description of the Plans will be provided to each BRS employee subsequent to the effective date of this Agreement.

Sincerely,

C.S. Frankenberg

C. S. Frankenberg
Vice President Labor Relations
Soo Line Railroad

I CONCUR:

T.H. Stone

T. H. Stone, General Chairman
Brotherhood of Railroad Signalmen

Effective Date: 6/1/92

June 1, 1992

Mr. T. H. Stone
General Chairman
Brotherhood of Railroad Signalmen
630 North Wisconsin Avenue
Villa Park, IL 60181

Dear Mr. Stone:

In reference to Section 4 of Article IV of the June 4, 1991 National Mediation Agreement, the Soo agrees to abide by any and all agreements reached by the subcommittee with respect to administrative and procedural improvements to the amended Supplemental Sickness Benefit Agreement.

Sincerely,

C.S. Frankenberg
C. S. Frankenberg
Vice President Labor Relations
Soo Line Railroad

I CONCUR:

J.H. Stone
T. H. Stone, General Chairman
Brotherhood of Railroad Signalmen

Effective Date: 6/1/92

June 1, 1992

Mr. T. H. Stone
General Chairman
Brotherhood of Railroad Signalmen
630 North Wisconsin Avenue
Villa Park, IL 60181

Dear Mr. Stone:

Soo Line Railroad agrees to apply the provisions of Article V entitled "Joint Skill and Adjustment Study Commission" (study commission) of the NRLC/BRS Mediation Agreement Nos. A-11536 and A-12264, dated June 4, 1991, subject to the following terms and conditions:

- (1) The conclusions must be valid for the geographic region on which Soo Signalmen are assigned at the time the Study Commission results are effective.

NOTE: "Geographic region" is defined as Minnesota, Wisconsin, Illinois, North Dakota, Indiana, Iowa, Missouri, and South Dakota.

- (2) If a Study Commission recommended or arbitrated rate adjustment is 3% or greater and this adjustment is appropriate on Soo based on (1) above, Soo agrees to adjust signalmen rates by an equivalent percent effective January 1, 1995.
- (3) In the event sufficient regional data is not available from the Study Commission to reasonably determine if Soo Signalmen rates should be adjusted by an equivalent percent, the parties agree to engage in a local Joint Study incorporating the same basic principles and procedures of the Study Commission.

Sincerely,

C.S. Frankenberg
C. S. Frankenberg
Vice President Labor Relations
Soo Line Railroad

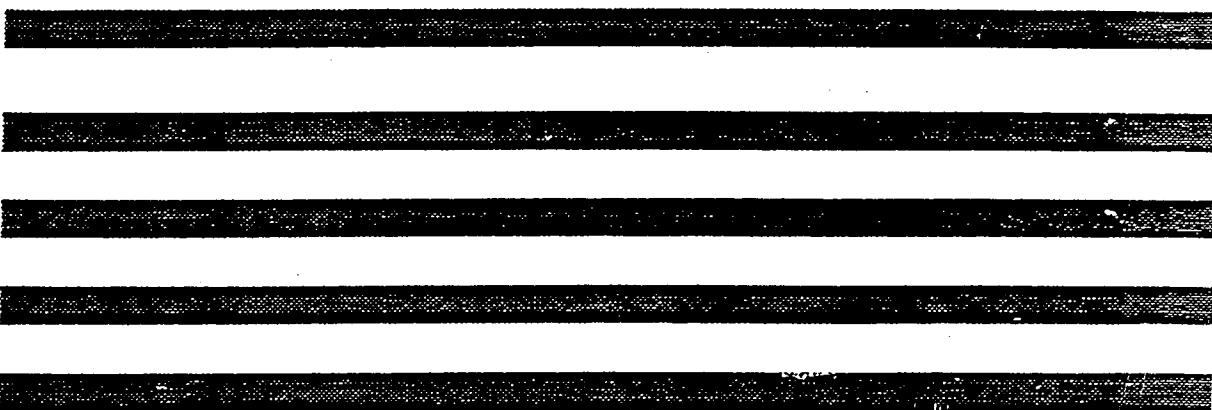
I CONCUR:

T.H. Stone

T. H. Stone, General Chairman
Brotherhood of Railroad Signalmen

Effective Date: 6/1/92

YOUR SOO LINE BENEFITS PROGRAM



YOUR SOO LINE BENEFITS PROGRAM

SOO LINE-PROVIDING HEALTH AND WEL- FARE BENEFITS YOU CAN DEPEND ON

At Soo Line, we know how important a benefits program is to you and your family. That is why we have developed a plan that is easy to use and understand. This booklet overviews the health and welfare benefits that Soo Line is offering and gives you some specific details about your coverage so that you can see how your particular needs can be met.

These plans will be effective within five months after they have been ratified. Before the effective date, you will receive a summary plan description for each plan which contains complete details about all plan provisions.

The Soo Line Health and Welfare Plans are self-funded. That means that the Soo Line provides these benefits directly to you through an independent claims administrator, such as an insurance company. In this way, the Soo Line can personalize and tailor its benefits program to match employees' needs.

SOO LINE MEDICAL PLANS

The Soo Line offers two medical plans — a Preferred Provider Organization (PPO) Plan which is available to employees in major metropolitan areas, and a Comprehensive Plan which is available to all other employees. The

Soo Line pays the entire monthly cost of these plans for both you and your eligible dependents, including:

- your spouse
- your unmarried children to age 19 (or up to age 25 if fulltime students)
- your unmarried dependent children who are mentally or physically handicapped

In addition, the Soo Line also provides coverage at no monthly premium cost to eligible early retirees (employees covered by the self-funded plan with 30 years of service on or after age 60), furloughed, suspended, or disabled employees and their families under the same qualifications as the current plan.

Preferred Provider Organization (PPO) Plan - Available to employees in a PPO network area

If you live in a major metropolitan area, you and your eligible dependents will have the option of being enrolled in the PPO Plan. You will automatically be enrolled in the Soo Line Comprehensive Plan unless you give written notice to Soo Line that you (and your eligible dependents) elect the PPO Plan. If you enroll in the PPO plan, you and your covered dependents have the option of using network or non-network providers each time you seek medical care.

Network Benefits

If you elect to use a network provider (and obtain a referral from your primary care physician), you will be responsible for the small copayments shown below and the plan will pay the rest of your eligible charges:

- Office Visits: \$10 per visit
- Emergency Room: \$35 per visit (if you are not admitted to the hospital)
- Prescription Drugs:
 - brand name: \$7 per 30-day supply
 - generic: \$5 per 30-day supply
 - mail order: \$5 per 90-day supply

After you satisfy your copayment requirement, the plan will pay 100% of eligible charges for:

- in-hospital services
- outpatient surgery
- second surgical opinions
- birthing centers
- prescription drugs
- ambulances and emergency rooms
- physician services
- inpatient surgery
- office calls
- routine physicals
- well-baby care
- X-rays and lab services
- routine eye exams
- hearing exams

- inpatient and outpatient services for treatment of alcohol and chemical dependency and mental and nervous disorders
- chiropractor services
- home health care
- organ transplants
- skilled nursing facilities
- radiation/chemotherapy
- hospice care

(Please refer to the charts at the end of this booklet for a more complete description of your coverage.)

Non-Network Benefits

If you elect to use a non-network provider (or do not obtain a referral from your primary care physician), you will pay the first \$150 of covered medical expenses per family member up to a maximum of \$450 per family each calendar year. After you have satisfied your annual deductible requirement, the plan will pay 80% of eligible charges up to an annual out-of-pocket maximum of \$1,150 per individual and \$3,450 per family. Eligible charges include:

- in-hospital services
- outpatient surgery
- second surgical opinions
- birthing centers
- prescription drugs
- ambulances and emergency rooms
- physician services
- inpatient surgery
- office calls

- X-rays and lab services
- inpatient and outpatient services for treatment of alcohol and chemical dependency and mental and nervous disorders
- chiropractor services
- home health care
- organ transplants
- skilled nursing facilities
- radiation/chemotherapy
- hospice care

(Please refer to the charts at the end of this booklet for a more complete description of your coverage.)

Comprehensive Plan

As a participant in the Comprehensive Plan, you and your covered dependents have the freedom to choose the healthcare provider you want.

Depending on the type of service provided, you may need to pay the first \$100 of medical expenses per individual up to a family maximum of \$400. The plan will then pay 80% up to an annual out-of-pocket maximum of \$2,000 per individual and \$4,000 per family. In many situations however, the deductible and coinsurance are waived.

The Coverage

The Plan pays 100% of eligible precertified charges and waives the deductible for:

- in-hospital services, and room and board if precertified

- outpatient surgery if precertified
- second surgical opinions
- birthing centers
- prescription drugs:
 - brand name: \$7 per 30-day supply
 - generic: \$5 per 30-day supply
 - mail order: \$5 per 90-day supply
- ambulances and emergency rooms

The Plan pays 80% of eligible precertified charges and waives the deductible for:

- physician services if precertified
- inpatient surgery if precertified

The Plan pays 80% of eligible charges after the deductible for:

- office calls
- routine physicals
- well-baby care
- X-rays and lab services
- routine eye exams
- hearing exams
- inpatient and outpatient services for treatment of alcohol and chemical dependency and mental and nervous disorders
- chiropractor services
- home health care
- organ transplants
- skilled nursing facilities
- radiation/chemotherapy
- hospice care

(Please refer to the charts at the end of this booklet for a more complete description of your coverage.)

Hospital Precertification

Precertification helps ensure that you receive quality treatment in the appropriate medical setting. Qualified healthcare professionals review the medical necessity and appropriateness of medical treatment with your physician. Together, these professionals ensure that hospital stays and proposed treatments are necessary and customary for your illness. In most cases, the precertification program will agree with your physician's treatment plan. However, if the precertification organization and your doctor do not agree on an appropriate course of treatment, you will be provided with a list of board-certified physicians from which you can receive a third opinion. In this way, you can be sure you will receive maximum benefits from the plan. Remember, if you do not follow the precertification procedures, you may receive reduced benefits under the Plan.

DENTAL PLAN

The Soo Line Dental Plan helps ease the financial burden of dental care by paying the entire cost for most preventive dental services, and a large percentage of many basic and major dental services, up to \$1,000 per person per calendar year.

The dental plan benefits include:

- For emergency services, preventive services, and X-rays, you and your covered dependents receive 100 percent coverage with no deductible.

- For basic and major services, you must first satisfy a \$50 calendar year deductible for single coverage, or a maximum \$100 calendar year deductible per family.
- Then the Plan pays 75% for basic services such as extractions or fillings, and 50% for major services such as crowns, dentures, and bridgework.
- For orthodontia services, the Dental Plan pays 50 percent, up to a \$750 lifetime maximum per person.

(Please refer to the charts at the end of this booklet for a more complete description of your coverage.)

LIFE INSURANCE

The Soo Line provides \$15,000 of Basic Life Insurance coverage for each full-time employee at no cost, and \$2,000 of Basic Life Insurance for each retired employee at no cost. The Soo Line also provides \$8,000 of Accidental Death and Dismemberment (AD&D) Insurance at no cost.

Filing a Claim

With the Soo Line Medical Plan, you submit your claim form to the Soo Line claims administrator who processes your claim and mails the payment to your home or provider. (The administrator will be selected before the plan becomes effective. Depending on the third-party administrator that the Soo Line selects, it's possible that claim forms may not be necessary.)

Settling Disputes

The Health and Welfare Plan is established to conform with the Employee Retirement Income Security Act of 1974 (ERISA) which ensures that each participant receives the benefits stipulated in the Plan.

If a dispute arises, you should first contact the claims processor. Most claims disputes arise out of a misunderstanding or submission of incomplete claims forms. These claims can be handled quickly by contacting the claims processor.

If your claim is still not resolved to your satisfaction, you can contact Soo Line's employee benefits manager who will review the claim with you and the processor. In the unlikely event that your claim cannot be resolved at this level, it will be referred to a Joint Labor-Management Review Board.

The Board, which consists of equal numbers of labor and management representatives, will review the claim. If an agreement still can not be reached, the matter will be referred to the Soo Line's president, whose decision is final.

Modifying or Terminating the Plan

Any change, modification or termination of this Plan will be in conformity to Article VII dated July 1, 1992, between the Soo Line Railroad and the American Train Dispatchers Association.

OVERVIEW OF SOO LINE UNDER SOO LINE PREFERRED PROVIDER OPTION.

Basic Benefits		
	<i>In-Network</i>	<i>Out-of-Network</i>
Deductible	None	\$150/individual \$450/family
Copayment		80% after deductible
- Office visit	\$10 per visit	
- Emergency room	\$35 per visit	
- Prescription drugs		80% after deductible
- brand name	\$7 per 30-day supply	80% after deductible
- generic	\$5 per 30-day supply	80% after deductible
- mail order	\$5 per 90-day supply	80% after deductible
Out-of-pocket maximum	N/A	\$1,150/individual 3,450/family
Lifetime maximum	\$1 million/individual	\$1 million/individual
Services Provided		
Hospital room & board*	100%	80% after deductible
Hospital ancillary charges*	100%	80% after deductible
Emergency room		80% after deductible
- accidents	100% after copayment	80% after deductible
- illnesses	100% after copayment	80% after deductible
Ambulance	100%	80% after deductible
Outpatient surgery*	100%	80% after deductible
Second surgical opinion	100%	80% after deductible
Birthing center*	100%	80% after deductible
Inpatient surgery*	100%	80% after deductible
Physician services*	100%	80% after deductible
Office visits	100% after copayment	80% after deductible
Routine physicals	100%	Not covered
Well baby care	100% after copayment	Not covered
X-Ray & lab	100%	80% after deductible
Routine eye exam	100% after copayment	Not covered
Alcoholism & chemical dependency*		
- inpatient	100% \$25,000 lifetime maximum	80% after deductible \$25,000 lifetime maximum
- outpatient	100% after copayment Maximum of 130 hours per 12-month period	80% after deductible Maximum of 130 hours per 12-month period

* Precertification required

Note: All payment levels assume reasonable and customary charges

Preferred Provider Option (continued)

Hearing exam	100% after copayment	Not covered
Mental illness/nervous disorder treatment* - inpatient	100% \$25,000 lifetime maximum 100% after copayment Maximum of 130 hours per 12-month period	80% after deductible \$25,000 lifetime maximum 80% after deductible Maximum of 130 hours per 12-month period
Chiropractor	100% after copayment	80% after deductible
Home health care*	100%	80% after deductible
Organ transplants*	100%	80% after deductible
Skilled nursing*	100%	80% after deductible
Hospice*	100%	80% after deductible
Radiation/chemotherapy	100%	80% after deductible
Prescription drugs	100% after copayment	80% after deductible
Temporomandibular joint disorder (TMJ)*	100%	80% after deductible

*Precertification required

Note: All payment levels assume reasonable and customary charges

OVERVIEW OF COVERAGE UNDER SOO LINE COMPREHENSIVE OPTION

OVERVIEW OF COVERAGE UNDER SOO LINE COMPREHENSIVE OPTION

• Deductible Amount	\$100/individual; \$400/family
• Out-of-pocket maximum	\$2,000/individual; \$4,000/family (including deductible)
• Lifetime maximum	\$1,000,000/individual

**Special Services Paid at 100% of Reasonable & Customary Charges
No Deductible**

Services Provided	Conditions/limitations
Hospital room & board	Must be precertified; otherwise 65% after deductible
Hospital ancillary charges	Must be precertified; otherwise 65% after deductible
Emergency room - accidents - illnesses	Must be admitted within 48 hours; otherwise 80% after deductible
Ambulance	
Outpatient surgery	Must be precertified; otherwise 65% after deductible
Second surgical opinion	
Birthing center	

**Special Services Paid at 80% of Reasonable & Customary Charges
No Deductible**

* Inpatient surgery	Must be precertified; otherwise 65% after deductible
* Physician services	Must be precertified; otherwise 65% after deductible

**Services Paid at 80% of Reasonable & Customary Charges
After Deductible**

Office visits	
Routine physicals	Up to \$150/year per participant; limit one exam per 18 months
Weil baby care	Up to six visits for children under 1 year; One visit for children 1 - 2 years.
X-Ray & lab	
Routine eye exam	One exam per 24-month period per participant
Alcoholism & chemical dependency - inpatient	Must be precertified; otherwise 65% after deductible Maximum 30 days per 12-month period; lifetime maximum of \$25,000
- outpatient	Maximum of 130 hours per 12-month period
Hearing exam	One exam per 24-month period per participant

Note: All payment levels assume reasonable and customary charges

* For Employees currently covered by the Soo Self-Funded plan, this benefit will be at 100%, if precertified.

Comprehensive Option (continued)

Mental illness/nervous disorder treatment - inpatient	Must be precertified; otherwise 65% after deductible Maximum 30 days per 12-month period; lifetime maximum of \$25,000	
- outpatient	Maximum of 130 hours per 12-month period	
Chiropractor	Maximum of 36 visits per calendar year per participant	
Home health care		
Organ transplants	Must be precertified; otherwise 65% after deductible Experimental procedures not covered	
Skilled nursing	Maximum of 72 days per confinement	
Hospice	Bereavement counseling limited to 24 visits/family	
Radiation/chemotherapy		
Prescription drugs		
Prescription drugs	100% coverage	Brand name: \$7 per 30-day supply Generic: \$5 per 30-day supply Mail order: \$5 per 90-day supply
Temporomandibular joint disorder (TMJ)	50% coverage	Must be precertified; lifetime maximum of \$1,000

OVERVIEW OF COVERAGE UNDER 500 LINE EARLY RETIREMENT MEDICAL PLAN

- **Eligibility** Employees covered by the self-funded plan with 30 years of service on or after age 60.
- **Deductible*** \$100/individual
- **Out-of-Pocket Maximum** \$5,000/single; \$10,000/family
- **Lifetime maximum** \$250,000 per individual

*Waived if precertification service is contacted 10 days before hospitalization, treatment or surgery and services recommended are followed.

Services Paid in 50% of Reimbursement of Customary Charges After Deductible

Hospital room & board	Must be precertified; otherwise 65% after deductible
Hospital ancillary charges	Must be precertified; otherwise 65% after deductible
Emergency room	If not admitted within 48 hours, a \$35 copayment will be charged
Ambulance	
Surgery	Must be precertified; otherwise 65% after deductible
Second surgical opinion	
Physician services (in hospital)	Must be precertified; otherwise 65% after deductible
Office visits	
Routine physicals	Not covered
X-ray & lab	
Alcoholism & chemical dependency inpatient	Must be precertified; otherwise 65% after deductible. Benefits subject to maximum of 30 days per 12-month period; lifetime maximum of \$25,000
outpatient	Must be precertified. Maximum of 130 hours per 12-month period
Mental illness/nervous disorder treatment • inpatient	Must be precertified; otherwise 65% after deductible. Maximum of 30 days per 12-month period; lifetime maximum of \$25,000 65% after deductible if precertified
• outpatient	Maximum of 130 hour per 12-month period
Chiropractor	Maximum of 36 visits per calendar year
Organ transplants	Must be precertified; otherwise 65% after deductible. Experimental procedures not covered
Skilled nursing	Maximum of 72 days per confinement
Prescription drugs	100% after \$7 deductible per prescription for each 30-day supply

OVERVIEW OF 500 LINE DENTAL PLAN

<ul style="list-style-type: none"> • Deductible Amount • Maximum Benefits 	<p>\$50/individual; \$100/family (per calendar year)</p> <p>Types A, B, C Orthodontia</p> <p>\$1,000/individual (per calendar year) \$750/individual (lifetime)</p>
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<i>Services Provided</i>	<i>Coinurance Level</i>
Type A Expenses • emergency visits • preventive services • X-rays	100%; no deductible
Type B Expenses • extractions • ordinary fillings	75% after deductible
Type C Expenses • prosthetic services • bridgework • inlays • crowns • gold fillings • dentures	50% after deductible
Orthodontic	50%; no deductible (applies to unmarried children under 19)

LIFE INSURANCE BENEFITS

Basic Life - Active	\$15,000
Basic Life - Retired	\$2,000
Accidental Death & Dismemberment (AD&D) - Active Only	\$8,000

THE SOO LINE RAILROAD COMPANY
DEPENDENT CARE ASSISTANCE PLAN

Effective July 1, 1992, the Soo Line Railroad will make available to all active members of the Brotherhood of Railroad Signalmen the Soo Line Dependent Care Assistance Plan. The Plan allows employees to pay for dependent care expenses with "pre-tax" dollars. Following is an overview of the Plan, additional details of the Plan and enrollment forms will be forwarded to all members prior to June 1, 1992.

- A. All full time active signalmen of the Soo Line covered by the Brotherhood of Railroad Signalmen collective bargaining agreement will be eligible to participate in the Soo Line Dependent Care Assistance Plan. New hires, will be eligible for participation upon completion of 90 days of service.
- B. Eligible employees may use this Plan to pay for dependent care expenses that are necessary to allow them to work. If employee is married, their spouse must meet at least one of the following eligibility requirements: working full-time or part-time, looking for work, full-time student during at least five months of the year, or disabled.
- C. Prior to the beginning of each calendar year, all eligible employees may make an election whether or not to participate in the Plan. If an employee elects to participate in the Plan, employee must estimate how much he expects to spend on dependent care expenses during the coming year and submit enrollment form to the designated Soo Line claims administrator.

Each payroll period employees elected amount will be deducted in equal installments from their pay prior to Federal and Railroad Retirement taxes being calculated. In addition, these amounts are not subject to state income taxes in Minnesota and most other states. The amount deducted will be credited to the employee's Dependent Care Assistance Account. As the employee pays dependent care expenses throughout the year, the employee will file for reimbursements through the designated Soo Line claims administrator. Because the dollars placed in the Dependent Care Assistance Account are not taxed, eligible employees save on taxes and increase their spendable income.

D. Whether an employee is married or single, the maximum any employee may elect each year is \$5,000 (or \$2,500 if married and filing a separate return). The amount deducted from employee's pay cannot be more than the amount of employee's paycheck. If employee is married and spouse is working, the amount employee elects cannot be more than their spouse's taxable income. If employee's spouse is a full-time student, or is incapable of self-care, employee may elect a maximum of \$200 in any one month for one dependent or \$400 in any one month for more than one dependent.

E. Eligible expenses are dependent care expenses that are employment related. This means that they must be necessary to allow an employee and employee's spouse (if you are married) to work - unless employee's spouse is a full-time student or incapable of self-care.

Dependents may include employee's children under age 13 or any household members who are incapable of self-care. The person who provides the care cannot be someone who is claimed as a dependent, employee's spouse or employee's child who is under age 19.

Examples of eligible expenses include:

- * Child care centers
- * Family day care providers
- * Babysitters
- * Nursery schools
- * Caregivers for a disabled dependent or spouse who lives with you
- * Household services, provided that part of the services include direct babysitting or child care
- * Kindergarten
- * After school (latchkey programs)

Examples of ineligible expenses include:

- * Expenses for food and clothing
- * Education expenses from first grade on
- * Health care expenses for your dependents
- * Overnight camps
- * Expenses incurred before an employee became a participant of the Plan

F. Employee will be responsible for filing all claims for reimbursement. Claims will be filed with the designated Soo Line claims administrator. Employee may file a claim at any time, but no more than twice a month.

When employee receives a bill for eligible dependent care expenses, they should pay it and keep their receipt. Attach the receipt with a claim form and forward it to the designated Soo Line claims administrator. All receipts must include provider's name, address and Social Security number (or tax I.D. number).

The amount that can be reimbursed at any time cannot exceed the amount accumulated in employee's account (less any amounts previously reimbursed for the year).

Claims for reimbursement may be submitted at any time after expenses have been incurred. However, all expenses must be incurred within the calendar year in which the election applies, and all claims for the period must be submitted to the designated claims administrator prior to March 1 following the end of the calendar year.

G. The IRS stipulates that an employee's election cannot be changed during the year unless the change is caused by a qualifying change in family status.

Examples of qualifying changes in family status:

- * Employee's marriage or divorce
- * Birth or adoption of a child
- * Death of spouse or dependent
- * Change from full-time to part-time employment or vice-versa
- * Spouse begins or ends employment

An employee has 30 days following a change in family status to change their election for the remainder of the year. Any change will be effective for the payroll periods after employee's changed election is filed with the Company.

H. If employee does not use the entire amount elected to be set aside in employee's Dependent Care Account by the end of the calendar year, the remaining dollars will be forfeited in accordance with IRS rules. Therefore, employee should elect no more than they expect to use for expenses in one year. This is commonly called the "use it or lose it" rule. Employee will have until March 1 of following year for expenses incurred during the prior calendar year before they will forfeit any money remaining in their account.

If employee's employment with the Soo Line terminates or status changes so that employee is no longer eligible to participate in the Plan, salary reduction and corresponding deposits to the Plan will stop. Amounts deposited in employee's Dependent Care Plan prior to termination of

employment, or change in status, will still be available for reimbursement of eligible expenses incurred in that year, either before or after termination of employment.

- I. The amount employee elects to have deducted from their paycheck will be added to their Account as of the pay date on which they would otherwise received the amount in their paycheck. The Dependent Care Assistant Account is for bookkeeping purposes only. No specific assets are ever set aside for any Participant.
- J. Dependent care expenses paid out of employee's Dependent Care Assistance Account are not eligible for dependent care tax credit on the employee's income tax return. Each employee will have to make a decision on which method is more advantageous to them based on their own tax situation and income level.

In general, an employee will achieve a greater tax savings through the Soo Line Dependent Care Assistance Plan if the combined adjusted gross income for the employee and employee's spouse is above \$25,000. If the combined adjusted gross income for the employee and employee's spouse is under \$25,000, employee may wish to consult with their personal tax advisor.

- K. Following is an example of the tax advantage in using Soo Line's Dependent Care Assistance Plan, assuming employee is married with two children and has an annual household income of \$45,000, and employee has elected to have \$5,000 of their salary reduced and credited to their Dependent Care Assistance Account.

	WITH PLAN	WITHOUT PLAN
Gross Pay	\$45,000	\$45,000
Salary Reduction Election	<u>- 5,000</u>	0
Taxable Pay	\$40,000	\$45,000
Estimated Taxes Withheld	<u>- 10,397</u>	- 11,830
After Tax Pay	\$29,603	\$33,170
After Tax Expense	<u>- 0</u>	- 5,000
Net Pay	\$29,603	\$28,170

TAX SAVINGS WITH THE PLAN: \$1,433

NOTE: This example includes Federal, Minnesota State, and Railroad Retirement taxes at 1991 withholding rates assuming a married employee with two children.

L. It is recognized that the Soo Line Dependent Care Assistance Plan, which allows eligible employees to pay for dependent care with "pre-tax" dollars, is derived from the application of Section 125 and 129 of the Internal Revenue Code, as amended, and is thus governed by statutes which may necessitate future amendments to this Plan.

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD
AND
BROTHERHOOD OF RAILROAD SIGNALMEN

This Agreement, made this 22nd day of August, 1996, by and between the Soo Line Railroad Company and the employees represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS HEREBY AGREED:

PREAMBLE

The Soo Line Railroad (Soo) and the Brotherhood of Railroad Signalmen (BRS) recognize that the surface transportation industry in North America has undergone significant change. The parties believe that increased or enhanced employment opportunities, job security, improvements in the quality of work life, and enhancements to compensation and benefits are directly linked to and dependent upon the competitiveness and financial success of this rail business.

The provisions in this labor contract reflect these beliefs.

ARTICLE I COMPENSATION

Section 1 Signing Bonus

Subject to the application of Sections 6, 7 and 8 of this Article, each employee with 2,000 or more straight time hours (including vacation holidays, sick leave and guarantees in protective agreements or arrangements) during the 1995 calendar year will be paid \$400 within 90 days of the effective date of this Agreement.

Section 2 First General Wage Increase

Effective December 1, 1995, all existing hourly and monthly rates of pay for employees covered by this Agreement shall be increased in the amount of three and one-half (3.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied as follows:

- (a) Hourly Rates - Add 3.5% to the existing hourly rates of pay.
- (b) Monthly Rates - Add 3.5% to the existing monthly rates of pay.

(c) Disposition of Fractions

Rates of pay resulting from application of paragraphs (a) and (b) above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(d) Application of Wage Increases

The increase in wages provided for in this Section 2 shall be applied in accordance with the wage agreement in effect between Soo and BRS. Special allowances not included in fixed hourly or monthly rates of pay for all services rendered, and arbitrarities representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 3 Single Payment Meed

On July 1, 1996, each qualifying employee will be paid a Single Payment Meed equal to three (3) percent of the employee's compensation for the calendar year 1995, excluding elements not subject to general wage increases in accord with Section 2 (d) above.

This meed will be payable within 90 days of the effective date of the Agreement.

Section 4 Second General Wage Increase

Effective July 1, 1997, all existing hourly and monthly rates of pay in effect on June 30, 1997, for employees covered by this Agreement shall be increased in the amount of two (2)% applied so as to give effect to this increase irrespective of the method of payment. The increase provided in this section shall be applied in the same manner as the increase in Section 2 of this Article.

Employees covered by this Agreement will have an opportunity to augment this increase in accord with Side Letter No. 1.

Section 5 Second Single Payment Meed

Effective July 1, 1998, each qualifying employee will be entitled to a Single Payment Meed equal to 2% of the employee's compensation for the calendar year 1997 on the same basis as the meed in Section 3 above. The meed will be paid by September 1, 1998.

Employees covered by this Agreement will have an opportunity to augment this increase in accord with Side Letter No. 1.

Section 6 Eligibility for Signing Bonus and Single Payment Meeds

The Signing Bonus and Single Payment Meeds as provided for in Sections 1, 3 and 5 of this Article, calculated as described herein, will be paid to each employee subject to this Agreement who has an employment relationship on the dates such payments are payable, or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payment. There shall be no duplication of the Signing Bonus or Single Payment Meed by virtue of employment under another agreement nor will such payments be used to offset, construct, or increase guarantees in protective agreements or arrangements.

Section 7 Employees Working Less Than Full-Time

For employees who have fewer straight time hours (as defined) paid for in the period described in Section 2 than the minimum number set forth therein, the dollar amount of the Signing Bonus specified in Section 1 shall be adjusted by multiplying such amount by the number of straight time hours (including vacations, holidays, paid sick leave and guarantees in protective arrangements) for which the employee was paid during such period divided by the defined minimum hours.

Section 8 Signing Bonus Proration

In the case of any employee subject to wage progression or entry rates, the dollar amount of the Signing Bonus specified in Section 1 shall be adjusted by multiplying such amount by the weighted average entry rate percentage applicable to wages earned during the specified determination period.

ARTICLE II LABOR-MANAGEMENT HIGH PERFORMANCE WORK GROUPS

A joint labor-management process is hereby established in which the parties commit to form a mutually beneficial alliance focusing on more effectively balancing the needs of the business and its customers with the needs of its employees. The specific terms and conditions of this arrangement are delineated in Attachment A to this Agreement.

ARTICLE III HEALTH AND WELFARE MODIFICATIONS

The following changes are made to the Soo Line Health and Welfare Benefits Plan for Union Employees ("Plan"). The modifications will be implemented as provided in Side Letter No. 5.

Section 1 Benefits Eligibility

The benefits eligibility portion of the "Plan" is amended, as follows:

In order for an Eligible Employee (as defined by the "Plan") to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Existing "Plan" provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect. (See Side Letter No. 3).

Section 2 Comprehensive Option Modifications

(a) The "Plan" will cover 80 percent after the deductible for the following preventive care when performed in accord with current recommended American Medical Association frequency standards for the particular procedure and age/gender bracket.

Pap Smears
Mamograms
Sigmoidoscopies

(b) Within 90 days of the effective date of the modified "Plan", a Center of Excellence program will be established to cover designated transplants. Once established, coverage for these procedures will be limited to the Center of Excellence Program.

Eligible expenses for the patient and companion are outlined in Side Letter No. 6.

(c) Employees covered by the Comprehensive Option of the "Plan" who have reasonable access to one or more primary care providers in the Preferred Provider Option (PPO) network of the "Plan" will be required to make a monthly premium contribution based on the following schedule. This premium contribution will be handled through automatic payroll deduction on the employee's mid-month paycheck.

Individual Coverage	\$ 20/month
Family Coverage	\$ 40/month

"Reasonable Access" is defined as one or more primary care providers within 40 miles of the employee's residence.

(d) The Hospital Related Charges section is now included under the Section headed 80 Percent Coverage - After Deductible.

Note: Co-insurance and deductible will apply to inpatient hospital admissions and related charges.

Section 3 Preferred provider Option Modifications

Under the preferred provider Option of the "Plan", the coverage is modified as follows:

(a) The "Plan" will provide coverage for the following preventive care when performed In-Network and in accord with the current recommended American Medical Association frequency standards for the particular procedure and age/bracket.

Pap Smears
Mamograms
Sigmoidoscopies

(b) Within 90 days of the effective date of the modified "Plan", a Center of Excellence Program will be established to cover designated transplants. Once established, coverage for these procedures will be limited to the Center of Excellence Program.

Eligible expenses for the patient and companion are outlined in Side Letter No. 6.

(c) Out of Network coverage for eligible expenses will be modified to 70% of reasonable and customary charges after the deductible.

NOTE: This does not amend the "Referrals to Out-of-Network Providers" section of the PPO which currently states:

"It is to your advantage to use only network providers. If the services you need are not available from a network provider, the Plan will pay the same amount it would have paid if you had received services from a network provider if:

- o The services are otherwise eligible for coverage under this Plan; and
- o the services are authorized in writing by a network provider.

The Plan pays for the reasonable and customary covered expenses described in this booklet. In some cases, you may first be required to precertify and pay any co-payments."

(d) The Out-Of-Network deductible will be amended as follows:

Individual \$300/year

Family \$600/year

(e) The co-payment for In-Network Office Visits is amended to \$15 per visit.

ARTICLE IV SUPPLEMENTAL SICKNESS MODIFICATIONS

The following changes made to the June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article IV of the June 4, 1991 National Agreement (Sickness Agreement), and as further amended by the August 8, 1996 National Agreement will apply to employees represented by BRS on the Soo Line Railroad. The changes are as follows:

Section 1 Adjustment of Plan Benefits

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed for the period July 1, 1991 through December 31, 1994 under the terms of that Agreement. Enactment of the agreed-upon RUIA legislation shall not cause the ratio of benefits to rates of pay to differ from that which existed for the period July 1, 1991 through December 31, 1994.

(b) Section 4 of the Sickness Agreement shall be revised as follows:

	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earning (as of 12/31/94)	\$15.39 or more	\$2,678 or more
Class II Employees Earning (as of 12/31/94)	\$12.57 or more but less than \$15.39	\$2,187 or more but less than \$2,678
Class III Employees Earning (as of 12/31/94)	Less than \$12.57	Less than \$2,187

Basic and Maximum Benefit Amount Per Month

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
{7/1/95}	Class I	\$1,058	\$783	\$1,841
through	Class II	\$845	\$783	\$1,628
{12/31/95}	Class III	\$769	\$783	\$1,552
<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
{1/1/96}	Class I	\$1,058	\$783	\$1,841
through	Class II	\$845	\$783	\$1,628
{6/30/96}	Class III	\$769	\$783	\$1,552
<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
{7/1/96}	Class I	\$1,128	\$783	\$1,911
through	Class II	\$845	\$783	\$1,628
{12/31/99}	Class III	\$769	\$783	\$1,552

Combined Benefit Limit

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$1,956
Class II	\$1,745
Class III	\$1,664

Section 2 Further Adjustment of Plan Benefits

The benefits provided under the Plan shall be further adjusted as provided below by multiplying the wage level in effect for the applicable Class on December 31, 1999 by the percentages specified below, provided, however, that the Class I basic benefit shall in no event be lower than the amount in effect as of January 1, 1997:

<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
{1/1/2000}	Class I	58.7%
	Class II	65.3%
	Class III	65.3%

<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
{7/1/2000}	Class I	63.8%
	Class II	65.3%
	Class III	65.3%

<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
{1/1/2001}	Class I	65.6%
	Class II	65.3%
	Class III	65.3%

<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
{7/1/2001}	Class I	68.4%
	Class II	65.3%
	Class III	65.3%

Combined Benefit Limitation

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$2,168
Class II	\$1,936
Class III	\$1,844

ARTICLE V WORK RULE MODIFICATIONS TO ENHANCE WORKPLACE EFFECTIVENESS

RULE 2 - CLASSIFICATION

(a) FOREMAN: A qualified employee assigned to the duties of supervising the work of a crew with six or more other

employees in the Signal Department, and who is not required to perform the work over which he has supervision, except when incidental to or as a consequence of his principal duties. Signal Foreman in charge of a crew with five or less employees working under him may be required to work with the employees under his supervision.

- (b) SIGNAL ELECTRONIC TECHNICIAN: An employee assigned the duties of adjusting, repairing, testing and replacing electronic and electromagnetic components, and equipment used in connection with the systems and devices covered by this agreement. Such employee may, in performance of his duties, supervise, instruct or direct any employees who may be assisting him in his work. He must possess a valid FCC license, or its equivalent, and pass an examination. The format of the examination shall be agreed upon by the Chief Engineer Signals and the General Chairman. This rule shall not be construed as prohibiting signal electronic maintainers or other qualified signalmen from making tests, inspections, and repairs as necessary.
- (c) SIGNAL TESTMAN: An employee assigned to a territory and whose principal duties are the inspection and field testing of appliances, appurtenances, and equipment covered by the scope of this agreement. Such employee shall make all relay and apparatus inspections and tests, including meggering required by and reported to a federal or state agency and the Carrier, but who may perform any Signal Department work. Signal testman may work together or with signalmen or signal maintainers with or without their assistants in connection with testing and inspecting.
- (d) LEADING SIGNAL MAINTAINER/SIGNALMAN: A signal maintainer or signalman working with or supervising the work of one or more signal maintainers or signalmen with or without their assistants. The number of employees so supervised shall not exceed five. A leading signalman will work and be under the direction of a Signal Foreman and have common headquarters with the latter.
- (e) SIGNAL MAINTAINER: An employee assigned to maintain a designated territory, to inspect, test, adjust, repair, clear trouble on, and maintain signal equipment including signal electronic equipment. He shall also perform installations incidental to the maintenance of his designated territory.
- (f) SIGNALMAN: An employee assigned to perform work generally recognized as Signalmen's work, which work includes the construction and crew repair work as referred to in the scope in this Agreement.

(g) ASSISTANT: An apprentice signal employee in training for the position of signalman, or maintainer, working with and under the direction of a signalman or maintainer.

RULE 3 - SENIORITY DATUM

(a) Each of the following classes shall constitute a separate seniority class:

Class 1. Signal Electronic Technician

Class 2. Foreman

 Signal Testman

 Leading Signal Maintainer/Signalman

 Signal Maintainer

 Signalman

Class 3. Assistant

(b) Seniority begins at the time an employee's pay starts in the seniority class in which employed except:

(1) A new employee failing to show sufficient aptitude to learn the work within ninety (90) days of continuous service will be considered resigned and will not establish seniority.

(2) Temporary service in a higher class will not establish seniority in that class.

(3) When an employee promoted fails to qualify on a bulletined position within sixty (60) days they will not acquire a seniority date as a result of filling such position.

(4) As provided for in Rule 30 - Training.

(c) Assistants who establish seniority under the provisions of paragraph (b) of this rule will forfeit seniority as assistant.

(d) A new employee entering the service in any class above assistant will also establish the same seniority date in all lower classes.

(e) Employees will be permitted to exercise seniority only under any one of the following conditions:

1. When positions are bulletined or rebulletined.
2. When their positions are abolished.
3. When displaced in the exercise of seniority.

(f) An employee occupying a position within the scope of this agreement covering Signal Department employees, who retires under the disability provisions of the Railroad Retirement Act, will retain and accumulate seniority until he attains the retirement age.

RULE 29 - ASSISTANTS

(a) The number of assistants shall be consistent with the requirement of the service and the signal apparatus to be installed and maintained; however, the number of assistants shall not at any time be greater than one (1) assistant for each three (3) employees in the next higher seniority class.

(b) Assistants shall be promoted in the order of their seniority to signalmen or signal maintainers if qualified. If an employee with less than four (4) years of service so promoted fails to meet the requirements of the position Rule 3(b)(3) shall apply and they will be restored to a position of assistant where they may secure the necessary training and experience to complete their apprenticeship.

(c) An assistant will be classified and paid in accordance with his previous experience in signal work on this and other Carriers.

RULE 30 - TRAINING

A. General

- (1) It is the intent of this rule that employees will receive their training on this Carrier to perform their duties.
- (2) The Carrier will be responsible for developing and establishing all course content, materials, text, training methods, selection of instructors, and other related training personnel.
- (3) Textbooks and other study material will be supplied by the Carrier at no cost to the employees except that the employees will sign receipts therefor acknowledging responsibility for payment for loss of or damage, excluding normal wear, to such training material during the course. Upon successful completion of the course such materials will become the property of the employee. Employees who fail to complete the course must return all course materials to the Carrier or make payment in lieu thereof.
- (4) Employees participating in the training program will be required to complete the classroom instruction and assigned home-work portions thereof.

- (5) Classes will be held at such points as may be designated by the Carrier.
- (6) When an employee is notified to attend a training class, the form of transportation to be used going to and from the point where classes are held will be specified by the Carrier and the employee will be reimbursed for authorized transportation expense.
- (7) Employees while attending the classes will be allowed actual necessary meal expense and suitable lodging will be provided by the Carrier. Expenses for meals and lodging incurred while traveling to and from the point where classes are held must be authorized by the Carrier prior to departure.
- (8) Employees will not be compensated for time spent in travelling to and from the point where classes are held except during the hours of assignment. Classes will not start before 1:00 P.M. on Monday and will end by Noon on Friday.
- (9) Employees will be compensated at their regular straight time rate of pay while attending classes. Should one of the National Holidays specified in the Signalmen's Agreement occur during a session on a day which would normally be a work day for the employee(s) they shall choose a mutually acceptable alternate date. The Carrier will, to the extent possible, schedule classes in weeks that do not include National Holidays.

B. Assistants' Training

- (1) Assistants will be assigned to positions and receive training which will foster a broad knowledge of the work assigned.
- (2) Training may take the form of formal classroom, on-the-job and other means. For this purpose, Assistants will be assigned to positions where they will receive proper training and experience to qualify them for advancement. Such employees will be subject to transfer system wide to work locations without regard to seniority, and without the necessity of bulletining the positions in order to require them to secure knowledge and training in all branches of the work. Such transfers, however, will not be made more than once in each three months. Assistants so transferred will be allowed expenses in accordance with Rule 24 "b" and "c".
- (3) Assistants shall be eligible for participation in the training program after six months' service in the Signal Department and will be required to participate in the training program. In the event training requirements exceed the available number of employees with six months' service,

the Carrier may temporarily reduce or waive the eligibility period.

- (4) The classroom portion of the training program will consist of six (6) sessions, each session one (1) week, Monday through Friday, in length. The number of sessions and their length may be changed at the discretion of the Carrier; however, at no time will more than two (2) sessions be held consecutively. Where it becomes necessary to schedule sessions on two consecutive weeks, students who elect to remain at the training point during the intervening weekend will be allowed actual necessary meal expense and suitable lodging will be provided by the Carrier.
- (5) Uniform written progressive examinations based on the course will be required. Examinations will be based on course training material and/or material presented in class by the instructor. A grade of seventy five percent (75%) or better shall be considered a passing grade. Those who fail to pass any examination will be given a re-examination within thirty (30) days from date of failure. Failure of an Assistant to pass a re-examination will result in such employee's forfeiture of all seniority and rights and such employee will be considered as having resigned from the service.
- (6) Employees promoted to other positions within the scope of the Signalmen's Agreement after starting the training program must remain in the training program. Employees restored to positions of Assistant under provisions of Rule 3(b)(3) of the Agreement shall remain in the training program subject to provisions of Paragraph (5) hereof.
- (7) At the expiration of two (2) years' service as Assistant, an employee will be paid the highest Assistant's rate. Seniority in class 2 shall automatically be established at the expiration of four (4) years' service as an Assistant (or four years service) or by bidding for and being assigned to a permanent bulletined position in Class 2 and remaining on a Class 2 "maintenance" position unless unable to do so through the exercise of seniority, until completion of four (4) years of service with the Carrier.

Concurrent with an Assistant being promoted at the completion of their four (4) years of service, a position in Class 2 may be bulletined and awarded in seniority order. The newly promoted Signalman must exercise their seniority following the procedure in Rule 5.

Should there be a conflict between the provisions of the schedule rules, any agreements, any special understandings or practices, the provisions of this Agreement will govern.

ARTICLE VII CONTRACT TERM

- (a) The purpose of this Agreement is to establish the general level of compensation, benefits, work rules, and terms of employment for employees of the Soo Line Railroad represented by the Brotherhood of Railroad Signalmen. This Agreement is full and final settlement of the Section 6 notice served by BRS dated April 1, 1995 and the Section 6 notice served by Soo Line Railroad dated June 12, 1995.
- (b) Neither Soo nor BRS shall serve nor progress prior to July 1, 1998 (not to become effective prior to January 1, 1999) any notice or proposal for changing any subject matter contained in this Agreement or in the proposals the parties have exchanged in resolving the aforementioned Section 6 notices. Any pending notices or portions thereof which have not been specifically addressed in this Agreement are hereby withdrawn.
- (c) This Article will not bar management nor BRS from agreeing upon any subject of mutual interest during the closed period.

This Agreement is subject to employee ratification.

For the

BROTHERHOOD OF RAILROAD SIGNALMEN

Robert W. Minter

Robert W. Minter - General Chairman

Approved:

Jeffrey L. Barton

Jeffrey L. Barton - Vice President

Dated: August 22, 1996

For the

SOO LINE RAILROAD COMPANY

Cathryn Frankenberg

Cathryn S. Frankenberg - AVP
Labor Relations - US

Robin L. Mullaney

Robin L. Mullaney - Director
Labor Relations - US

ATTACHMENT A
August 22, 1996

JOINT LABOR/MANAGEMENT HIGH PERFORMANCE WORKGROUPS

In response to the significant changes in the North American transportation industry, the Soo Line Railroad continues to explore opportunities to be more competitive. The success of these efforts depends, in large part, on an enhanced focus on customer needs and improved, more reliable and more efficient service.

This presents an opportunity to foster a different working relationship between labor and management i.e. an alliance in building a viable business on Soo Line.

In this regard, the parties commit to use their best efforts to encourage their respective constituencies to help identify opportunities to enhance the profitability of Soo Line while concurrently enhancing the work environment.

A joint labor-management process is hereby established which is directly linked to the Railway Labor Act collective bargaining process through a Labor-Management Steering Group (LMSG) whose core membership is the respective bargaining teams.

Philosophy/Intent

In committing to this labor-management process, it is recognized that employees have valuable, creative ideas for change and improvement, much of which is not known and/or used today.

When approved projects/changes result in verifiable reductions in the cost of operating the business, the parties agree that a portion of the cost reduction will be available to employees in the bargaining unit on a basis negotiated between the parties.

The sharing of verified workplace savings available from LMSG-E approved projects will be contingent on the success of the Engineering Department in achieving certain Key Performance Targets and on the Soo District achieving a pre-determined Operating Ratio for the immediately preceding six month calendar period.

The targets will be established by the LMSG by May 15th and November 15th of each year and will apply to the following six calendar month period. LMSG will have the authority to set aside one or both performance indicators if significant savings can be realized from a project which warrant this action.

Parameters

To facilitate the effectiveness of this approach, the following guidelines will frame the labor management process. These are intended to enhance trust, credibility, and communication.

- (1) This alliance does not alter the traditional responsibilities and accountability of management to the owners, shareholders, customers and employees; nor does it change the respective obligations of the parties under the Railway Labor Act or other regulations, laws, or rules governing the operation of this business.
- (2) The parties will make a commitment to more consistently and openly share with members of the LMSG information about the business and organizational/departmental/union objectives.
It is recognized that certain information may be strategically sensitive and, as a result, a confidentiality commitment may be required before it is shared.
- (3) LMSG will communicate to the Local Groups and employees to help create a better environment in which the Labor-Management process objectives can be achieved.

Labor-Management Steering Group (LMSG)

A Labor-Management Steering Group (LMSG-E) will be established in the Engineering Department on the effective date of this Agreement.

- (1) LMSG-E will be comprised of Senior Soo District Engineering Department Managers with direct responsibility for the involved workgroups and the management and union members of the respective 1994 round Section 6 negotiating teams.
Membership may change, but should consist of those persons with authority to negotiate changes to the applicable labor contracts and/or to approve, disapprove, implement and/or recommend changes in the workplace.
- (2) The LMSG-E may combine or otherwise integrate with other LMSGs to deal with cross functional, cross craft, or cross departmental issues.
LMSG-E will prepare a quarterly report synopsizing the active issues currently being handled by the Local Groups under its jurisdiction. This report will be provided to the management and union members of other LMSGs.
- (3) The management members of LMSG-E will collectively have a single vote as will the union members. If management and union members of LMSG-E do not agree, the decision or course of action will proceed along the lines of traditional decision making authority.

- (4) LMSG-E will be co-chaired by a representative from management and a representative from the unions, each elected by its own constituency on the LMSG.
- (5) LMSG-E will establish its own internal operating procedures.
- (6) LMSG-E will develop a method to assess the value of a recommended change to Soo's business which is acceptable to the parties.
- (7) LMSG-E will have the following general areas of responsibility.
 - * To provide leadership, guidance, and direction to the Local Groups;
 - * to manage the Local Groups within the established budget approved by the Districts General Manager Engineering;
 - * to identify specific projects or issues on which the Local Group(s) should focus; to prioritize Local Group activities;
 - * to develop or approve Goal Statement for each project on which a Local Group is working; to develop the working and reporting parameters for the Local Group;
 - * to identify the skills development or training required by each Local Group; to recommend the appropriate trainer or consultant;
 - * to review the periodic progress reports submitted by the Local Groups;
 - * to review, approve/disapprove (within authority) projects from the Local Groups;
 - * to negotiate the amount and manner in which the verifiable, measurable savings (\$\$) from approved projects will be shared with employees in the respective bargaining units represented by the union parties to this Agreement;
 - * to guide and oversee the implementation of the approved project;
 - * to monitor the actual savings and recommend steps to ensure projected savings are realized;
 - * to communicate, educate employees (management and craft) on this joint process, the business, the approved projects and any other item which will facilitate the success of this alliance.

Local Groups

LMSG-E may authorize, from time to time, the establishment of Local Group(s) to focus on identified projects, problems, or opportunities and direct the Local Group to provide a report of their activities.

This report will include:

- * membership of group;
- * goal statement for project;
- * resources used;
- * background of issue;
- * methodology used for review of issue and valuation of benefit to Company and employees;
- * implementation plan, including how ongoing improvements/savings will be achieved and monitored.

Establishment of Local Groups and Allocation of Resources

- (1) The size and composition of the Local Group will be determined by the nature of the project; the focus will be on selecting persons with the experience, knowledge, and interpersonal skills best suited to the particular project;
- (2) management members of a Local Groups will be selected by the management members of the LMSG and union represented members will be selected by the union members of the LMSG;
- (3) participation on a Local Group is voluntary;
- (4) the LMSG will authorize the resources and training needed by the Local Group within the established budget.

Guidelines for Functioning of the Local Groups

- (1) Members will be allowed to participate on an equal basis in the Local Groups and each group member will have equal access to the information required during the course of the project.

Note: Appropriate confidentiality commitments may be required.

- (2) The Local Groups will scope out the projects and prepare a workplan which will include the projected timeline and resource requirements to complete;

the Project Goal, timeline and resource requirements, and projected measurable savings will be submitted in writing to the LMSG for review, input and authorization to proceed;

once a project is authorized for review by LMSG, the Local Group will be expected to monitor its activities so it remains within the budget and resources allocated by LMSG-E.

- (3) Local Group will provide periodic status or progress reports to LMSG-E, including any recommendations for amendments to the original Goal Statement.
- (4) When a Local Group has completed its review and finalized its recommendation for change, the proposal will be presented to the LMSG-E approval/disapproval/modification.

Where feasible, a face-to-face presentation will be made by the Local Group to the LMSG-E. LMSG-E will make every reasonable effort to have the presentation in the workplace of the Local Group.

- (6) Local Group will be responsible for assisting the management team in understanding, communicating, implementing, and monitoring the approved projects.

It is understood that this process does not supplant the responsibility of the Local Manager for making decisions within his/her jurisdiction. However, once a project has been accepted by LMSG-E as appropriate for the labor-management process, the verifiable, measurable savings will be handled in accord with this Agreement.

Development of Project Ideas

LMSG-E will review how and when suggestions and ideas can best be submitted to it for review and consideration.

Collective Bargaining Agreement Compliance

The parties to this Agreement are the designated representatives authorized to negotiate and interpret the collective bargaining agreements for the respective bargaining units. Any resolutions or recommendations from Local Groups which involve a change in the labor contract must be negotiated and agreed upon by the General Chairman and the AVP Labor Relations (US).

Duration of Agreement

This Agreement will expire on December 31, 1998, unless otherwise extended by mutual agreement of the parties.

Side Letter No. 1

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

On the effective date of this Agreement, a Labor Management Steering Group (LMSG) will be formed in the Engineering Department and will initially be comprised of the following BRS and SOO representatives:

<u>BRS</u>	<u>SOO</u>
Robert Minter	Robin Mullaney
Jeff Barton	Jim Thomas
	Mike Kluska
	Cathryn Frankenberg
	Robert Pearson

The following "Pilot Project" is established pursuant to the Labor Management High Performance Workgroup process outlined in Attachment A to this Agreement. This project will be referred to as Local Group E1 (LG-E1).

Except as otherwise specifically stated in this Side Letter, LMSG-E and LG-E1 will function within the parameters of Attachment A to this Agreement.

SECTION I Project Goal Statement

LG-E1 is requested to review and make recommendations on redesigning the compensation system (base pay, overtime, pay for maintenance trouble calls) for Soo employees working under the BRS contract to achieve the following:

- (1) the compensation structure and available time off during which the employee is not required to accept trouble calls provides sufficient incentives for employees to accept signal maintenance and repair positions;
- (2) there is a positive incentive for employees to keep equipment well maintained and in good repair, thus minimizing the maintenance related trouble calls and train delays and extending the life of the equipment;

SECTION II LMSG-E Oversight

LG-E1 will be required to provide a workplan for review by the LMSG within 30 days of the effective date of the Agreement. This workplan

Mr. R. W. Minter
August 22, 1996
Page two

Side Letter No. 1

should include an estimated timeline and required resources and will be presented in a face-to-face discussion with LMSG.

This will help ensure that all parties have a common understanding of the process, timetable, expectations, and commitment on this "Pilot Project".

SECTION III Joint Commitment

The parties commit to use their respective best efforts to encourage LG-E1 to design viable alternative compensation and call arrangements which will enhance the profitability of Soo while improving the employee's quality of worklife.

Reasonable resources will be made available to LG-E1. Although the operation must be adequately protected, the parties will work together to allow the LG-E1 members sufficient time off to handle this project. Employees will be compensated for reasonable time lost (provided it has been arranged through the appropriate supervisor), necessary travel expenses, and administrative assistance.

It is also recognized that certain information needed by LG-E1 may require written confidentiality commitments or may need to be provided to the group in a format which does not violate an individual's rights to privacy.

SECTION IV Compensation Adjustments

If BRS meets the commitment outlined in Section III above, the following additional adjustments to compensation will be made:

- (1) Basic daily rates of pay in effect for employees covered by this Agreement will be increased by 1.5% on July 1, 1997 or on the date LG-E1 issues its report to LMSG-E, whichever is later.
- (2) A single payment made of 1.5% of the employee's compensation for the calendar year 1997 will be paid on July 1, 1998 or on the date LG-E1's recommendations are acted upon by LMSG-E, whichever is later.

NOTE: "Acted upon" as used in this Section means action is taken i.e. may either accept or not accept the recommendations of LG-E1.

SECTION V Sharing of Verifiable Savings

If LMSG-E accepts the recommendations of LG-E1 and ultimately implements all or a portion of the changes, verifiable savings from this Pilot Project will be shared with employees represented by BRS

Mr. R. W. Minter
August 22, 1996
Page three

Side Letter No. 1

after the annual labor cost of the wage adjustments in Section IV above have been fully offset.

The appropriate sharing of verified savings will be negotiated by the designated representatives of the parties and will include, to the extent feasible, a direct link between continued workplace savings and continued eligibility for a share of the savings.

Workplace audits may be periodically commissioned by LMSG-E to validate the effective implementation of the recommendations and to reinforce Soo's and BRS' commitment to the changes.

Sincerely,

Cathryn Frankenberg

Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

R W Minter
Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

Side Letter No. 2

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

The parties recognize the need to address training needs for the additional requirements of service in signal maintenance. To ensure that only qualified employees obtain and retain positions in signal maintenance the parties have agreed to modification in Rules 3 and significant modifications and additions to Rules 29 and 30.

To facilitate identification of successful applicants who could benefit from pre-requisite training the parties recognize that time limits provided in Rule 7 - BULLETINING NEW POSITIONS AND VACANCIES may be extended for this purpose.

The modifications will require that Class 2 employees with less than 4 years of employment will be required to complete necessary maintenance training. In addition, Assistant Signalmen having completed pre-qualifying training will be given preference over other Assistant Signalmen for Class 2 positions in seniority order.

Due to the requirements of service signal employees who could benefit from specific training may be required to participate in carrier sponsored skill improvement training.

The significant modifications contained in rules 29 and 30 further provide that Assistant Signalmen must complete four years of apprentice training, in the field, classroom, on-the-job or a

Mr. R. W. Minter
August 22, 1996
Page two

Side Letter No. 2

combination thereof, or demonstrate skill and ability by assignment to be determined qualified as a signalman.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

R W Minter

Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

Side Letter No. 3

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

This will confirm our understanding with respect to application of the seven (7) calendar days per month eligibility requirement for benefit coverage under the Soo Line Health and Welfare Plan for Union Employees and the Soo Line Dental Plan for Union Employees. The understanding is as follows:

1. Nothing contained in this letter shall in any way add to, diminish or alter existing rights and/or obligations of both carriers and employees with regard to eligibility requirements for benefit coverage for employees going on furlough, furloughed or returning from furlough.
2. An employee whose assignment commences on one calendar day and ends on the following calendar day will be credited with one calendar day. That remains true even if the employee works overtime on that assignment during the following calendar day.
3. An employee whose assignment commences on one calendar day and ends on the following calendar day, and who then works another assignment during that following day, will be credited with two calendar days.
4. An employee on assignment where the regular work day is programmed to consist of more than eight (8) hours (e.g. 9, 10, 11, 12 13 hours) shall be deemed to have rendered compensated service on one and on a fraction of another calendar day worked. For example, an employee who works a 10-hour day's assignment in lieu of an 8-hour day's assignment will be credited with 1.25 calendar days for each day worked.
5. An employee called in to work on his rest day will be credited with one calendar day.
6. A monthly-rated employee whose rate is based on availability for service six days per week will be credited for a calendar day for the sixth day if he is available for service but is not called.
7. An employee subject to call under applicable call rules for which there are sanctions for not responding will be credited with one calendar day for each day such employee is available for service but is not called.

Mr. R. W. Minter
August 22, 1996
Page two

Side Letter No. 3

8. A new employee who reports for duty and a furloughed employee who is recalled and reports for duty on the first day allowed, who has less than seven calendar days on which he is assigned to work remaining in the month, will be eligible for benefits in the following month, provided that the employee works all regularly assigned days in such month.
9. The change in eligibility requirements is not intended to alter current practices with respect to whether vacations, holidays, personal leave days, bereavement leave and jury duty are considered as days of compensated service for purposes of the health, dental and vision plans.
10. An employee who is called to military duty to respond to an emergency (e.g. The Gulf War) and as a result is not able to meet the seven (7) day eligibility requirement shall remain eligible for benefits for four (4) months after the month in which compensated service was last performed.
11. An employee who is suspended, dismissed or retires and, consequently, does not meet the seven (7) calendar days per month eligibility requirement shall receive the same extension of coverage as such person received prior to such change.
12. Any lapse in benefits occurring as a result of this eligibility change shall not continue beyond the month so affected, provided such employee meets the eligibility requirements governing the immediately following month.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

R.W. Minter
Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

Side Letter No. 4

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

This refers to the adjustment in wages provided for in Article I, Section 2 of this Agreement.

It is understood that the retroactive portion of this wage increase shall be applied only to employees who have an employment relationship with Soo on the date of this Agreement or who retired or died subsequent to December 1, 1995.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg

Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

R. W. Minter
Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

Side Letter No. 5

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

For ease of implementation and ongoing administration, the modifications to the Soo Line Health and Welfare Benefits Plan for Union Employees ("Plan") as outlined in Article III of this Agreement can only be effective when similar changes are contained in a settlement with unions representing at least 50% of the organized workforce currently covered by the "Plan".

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg

Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

RW Minter

Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

Side Letter No. 6

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

The following expenses will be covered under the Centers of Excellence Program which will be established pursuant to Article III, Section B(2) and Section C(2) of this Agreement.

For the patient and one companion (except in cases where the patient is a child in which case both parents are covered), expenses will be paid up to the following maximums. The maximum amount is payable for each episode of evaluation, testing, care, and a designated portion of follow-up care.

- (1) Up to \$2,000 for reasonable transportation expenses.
- (2) Up to \$100 per day for meals and lodging; patients and companions are encouraged to use facilities in close proximity to the medical treatment center which are specifically provided for these purposes i.e. Ronald McDonald House, etc.

The Centers of Excellence program will require pre-approval of medical treatment plans and travel plans to qualify for medical and expense coverage.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

RW Minter
Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

Side Letter No. 7

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

This will confirm that employees who reside outside a "reasonable access" {as defined in Article III, Section 2(c) of this Agreement} to the Preferred Provider network are not precluded from electing PPO coverage under the Soo Line Health and Welfare Plan.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

R.W.Minter
Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

Side Letter No. 8

August 22, 1996

Mr. Robert W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

This will confirm the understanding that the reference to "maintenance" positions in amended Rule 30 B (7) includes Maintainers, Testmen, and Signal Technicians and is not intended for any purpose other than the application of Rule 30 B (7).

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations - US

I concur:

RW Minter
Robert W. Minter - General Chairman

Dated: Aug. 22, 1996

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
BROTHERHOOD OF RAILROAD SIGNALMEN

This Agreement, made this 6th day of August, 1999, by and between the Soo Line Railroad Company and the employees represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS HEREBY AGREED:

PREAMBLE

The Soo Line Railroad (Soo) and the Brotherhood of Railroad Signalmen (BRS) recognize that the surface transportation industry in North America has undergone significant change. The parties believe that increased or enhanced employment opportunities, job security, improvements in the quality of work life, and enhancements to compensation and benefits are directly linked to and dependent upon the competitiveness and financial success of this rail business.

The provisions in this labor contract reflect these beliefs.

ARTICLE I - COMPENSATION

Section 1 - General Wage Increase

Effective July 1, 1999, all hourly, daily and monthly rates of pay in effect on June 30, 1999 for employees covered by this Agreement shall be increased in the amount of three-and-one-half (3-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II - COST OF LIVING ALLOWANCE

Part A - Cost-of-Living Allowance Through January 1, 2000 and Effective Date of Adjustment

- a) A cost-of-living allowance, calculated and applied in accordance with the provisions of Part B of this Article except as otherwise provided in this Part, shall be payable and rolled in to basic rates of pay on December 31, 1999.
- b) The measurement periods shall be as follows:

Measurement Periods

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
March 1995	March 1996	
Plus March 1997	March 1998	December 31, 1999

The number of points change in the CPI during each of these measurement periods shall be added together before making the calculation described in Part B, Section 1 (e) of this Article.

- c)
 - i. Floor. The minimum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Minimum CPI Increase That Shall Be Taken Into Account</u>
December 31, 1999	4% of March 1995 CPI plus 4% of March 1997 CPI

Cap. The maximum increase in the CPI that shall be taken into account shall be as follows:

Effective Date of Adjustment	Maximum CPI Increase That Shall Be Taken Into Account
December 31, 1999	6% of March 1995 CPI plus 6% of March 1997 CPI

d) The cost-of-living allowance payable to each employee on December 31, 1999, shall be rolled into basic rates of pay on December 31, 1999.

Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2000

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

a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2000 based, subject to paragraph (d), on the CPI for March 2000 as compared with the CPI for September 1999. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d) (iii), according to the formula set forth in paragraph (e).

Measurement Periods

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 1999	March 2000	July 1, 2000
March 2000	September 2000	January 1, 2001

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

- b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.
- c) The amount of the cost-of-living allowance, if any, that will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.
- d)
- i. Cap. In calculations under paragraph (e), the maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That Shall Be Taken Into Account</u>
July 1, 2000	3% of September 1999 CPI
January 1, 2001	6% of September 1999 CPI, less the increase from September 1999 to March 2000

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to the periods subsequent to those specified above during which this Article is in effect.

- ii. Limitation. In calculations under paragraph (e), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.
- iii. If the increase in the CPI from the base month of September 1999 to the measurement month of March 2000 exceeds 3% of the September 1999 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which shall become effective July 1, 2000, during such measurement period.
- iv. Any increase in the CPI from the base month of September 1999 to the measurement month of September 2000 in excess of 6% of the September 1999 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.
- v. The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.

e) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (d), shall 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 shall not be counted.)

The cost-of-living allowance in effect on December 31, 2000 shall be adjusted (increased or decreased) effective January 1, 2001 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be added to the amount of the cost-of-living allowance in effect on December 31, 2000, if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period, and then, only, to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments.

f) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W 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 during such measurement period.

Section 2 - Payment of Cost-of-Living Allowances

- a) The increase in the cost-of-living allowance payable to each employee effective July 1, 2000 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.
- b) The increase in the cost-of-living allowance payable to each employee effective January 1, 2001 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.

- c) The increase in the cost-of-living allowance payable to each employee effective July 1, 2001 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.
- d) The procedure specified in paragraphs (a) and (b) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.
- e) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part B will be payable as provided herein and will not become part of basic rates of pay. Such allowance and the adjustments thereto will be applied as follows:

- a) Hourly Rates - Add the amount of the cost-of-living allowance to the hourly rate of pay produced by application of Article I.
- b) Daily Rates - Determine the equivalent hourly rate by dividing the established daily rate by the number of hours comprehended by the daily rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the daily rate shall be added to the daily rate produced by application of Article I.
- c) Monthly Rates - Determine the equivalent hourly rate by dividing the established monthly rate by the number of hours comprehended by the monthly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the monthly rate shall be added to the monthly rate produced by application of Article I.
- d) Minimum Daily Increases - The increase in rates of pay described in paragraphs (a) through (d),

inclusive, shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase shall be determined by the number of hours required to be paid for by the rules agreement.

Section 4 - Continuation of Part B

The arrangements set forth in Part B of this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.

ARTICLE III - HEALTH AND WELFARE MODIFICATIONS

Employees represented by the Brotherhood of Railroad Signalmen will be entitled to the specific benefits delineated in the Soo Line Health and Welfare Benefits Plan for Union Employees Summary Plan description, as modified by this Article.

Section 1 - Benefits Eligibility

The benefits eligibility portion of the "Plan" is amended, as follows:

In order for an Eligible Employee (as defined by the "Plan") to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month subject to the terms of Side Letter No. 4. Existing "Plan" provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Section 2 - Comprehensive Option Modifications

- a) The "Plan" will cover 85 percent after the deductible for the following preventive care when performed in accord with current recommended American Medical Association frequency standards for the particular procedure and age/gender bracket.

Pap Smears
Mammograms
Sigmoidoscopies

- b) Within 90 days of the effective date of the modified "Plan", a Center of Excellence program will be established to cover designated transplants. Once established, coverage for these procedures will be limited to the Center of Excellence Program. (See Side Letter No. 2.)
- c) Eligible expenses for the patient and companion are outlined in Side Letter No. 3.
- d) The Hospital Related Charges section is amended to cover eligible expenses at 85% of reasonable and customary after deductible. It is understood that the Out-of-Pocket Maximum applies.
- e) The co-insurance for covered expenses in the "80 Percent Coverage - No deductible" and "80 Percent Coverage - After Deductible" Sections will be amended from 80 to 85%. The application of the deductible will remain the same.

Section 3 - Preferred Provider Option Modifications

Under the preferred provider option of the "Plan", the coverage is modified as follows:

- a) The "Plan" will provide coverage for the following preventive care when performed In-Network and in accord with the current recommended American Medical Association frequency standards for the particular procedure and age/bracket.

Pap Smears
Mammograms
Sigmoidoscopies

- b) Within 90 days of the effective date of the modified "Plan", a Center of Excellence Program will be established to cover designated transplants. Once established, coverage for these procedures will be limited to the Center of Excellence Program. (See Side Letter No. 2.)

Eligible expenses for the patient and companion are outlined in Side Letter No. 3.

c) Out-of-Network coverage for eligible expenses will be modified to 75% of reasonable and customary charges after the deductible.

NOTE: This does not amend the "Referrals to Out-of-Network Providers" section of the PPO which currently states:

"It is to your advantage to use only network providers. If the services you need are not available from a network provider, the Plan will pay the same amount it would have paid if you had received services from a network provider if:

- The services are otherwise eligible for coverage under this Plan; and
- the services are authorized in writing by a network provider.

The Plan pays for the reasonable and customary covered expenses described in this booklet. In some cases, you may first be required to precertify and pay any co-payments."

d) The Out-of-Network deductible will be amended as follows:

Individual	\$200/year
Family	\$500/year

e) The Out-of-Network out-of-pocket maximum is amended as follows:

Individual	\$1,300
Family	\$3,600

Section 4 - Vision Care Coverage Modifications

A Vision Care Plan will be established to provide specified vision care benefits to employees and their dependents, to become effective September 1, 1999 and to continue thereafter subject to provisions of the Railway

Labor Act, as amended, according to the following provisions:

- a) Eligibility and Coverage. Employees and their dependents will be eligible for coverage under the Plan beginning on the first day of the calendar month after the employee has completed a year of service for a participating railroad, but no earlier than September 1, 1999. An eligible employee who renders compensated service on, or receives vacation pay for, an aggregate of at least seven (7) calendar days in a calendar month will be covered under the Plan, along with his eligible dependents, during the immediately succeeding calendar month subject to the terms of Side Letter No. 4.
- b) Managed Care. Managed vision care networks that meet standards approved by the Joint Labor Management Review Board concerning quality of care, access to providers and cost effectiveness shall be established wherever feasible. Employees who live in a geographical area where a managed vision care network has been established will be enrolled in the network along with their covered dependents. Employees enrolled in a managed vision care network will have an option allowing them to choose an out-of-network provider to perform any vision care service covered by the Plan that they need. The benefits provided by the Plan when services are performed by in-network providers will be greater than the benefits provided by the Plan when the services are performed by providers who are not in-network providers, including providers in geographic areas where a managed vision care network has not been established. These two sets of benefits will be as described in the table below.

PLAN BENEFITS	IN-NETWORK	OTHER THAN IN-NETWORK
One Vision Examination per 12-month period	100% of reasonable and customary charges	100% of reasonable and customary charges up to a \$35 maximum
One set of frames of any kind per 24-month period	100% of reasonable and customary charges (1)	100% of reasonable and customary charges up to a \$35 maximum
One set of two lenses of any kind, including contact lenses, per 24-month period	100% of reasonable and customary charges (2)	<p>100% of reasonable and customary charges up to the following maximums:</p> <p>Up to \$25 for single vision lenses</p> <p>Up to \$40 for bifocals</p> <p>Up to \$55 for trifocals</p> <p>Up to \$80 for lenticulars</p> <p>Up to \$210 for medically necessary contact lenses</p> <p>Up to \$105 for contact lenses that are not medically necessary</p>
Where the employee or dependent requires only one lens	100% of reasonable and customary charges (2)	100% of reasonable and customary charges up to a maximum of one-half of the maximum benefit payable for a set of two lenses of the same kind

(1) Patients who select frames that exceed a wholesale allowance established under the program may be required to pay part of the cost of the frames selected.

(2) Patients may be required to pay part of the cost of spectacle lenses or lens characteristics that are not necessary for the patient's visual welfare. Moreover, patients who choose contact lenses in lieu of spectacles may be required to pay part of a contact lens evaluation fee and part of the cost of fitting and materials.

Section 5 - Modifications to Dental Coverage Section of the "Plan"

The following changes are made to the Dental Coverage Section of the "Plan":

- a) Eligibility. Existing eligibility requirements under the Dental Coverage are amended, effective October 1, 1996, to provide that in order for an employee and his eligible dependents to be covered for Covered Dental Expenses (as defined in the Dental Plan) during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month subject to the terms of Side Letter No. 4. Existing Dental Coverage provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.
- b) Benefit Changes. The following changes will be made effective as of September 1, 1999.
 1. The maximum benefit (exclusive of any benefits for orthodonture) which may be paid with respect to a covered employee or dependent in any calendar year beginning with calendar year 1999 will be increased from \$1,000 to \$1,500.
 2. The lifetime aggregate benefits payable for all orthodontic treatment rendered to a covered dependent, regardless of any interruption in service, will be increased from \$750 to \$1,000.
 3. Implantology is added to the "Major Services" section of the Dental Plan.
 4. Repair of existing dental implants will be added to the Basic Service portion of the Dental Plan.

5. One application of sealants in any calendar year for dependent children under 14 years of age will be added to the Preventive and Diagnostic Services portion of the Dental Plan.
6. The Plan will pay 80%, rather than 75%, of covered expenses in the Basic Services portion of the Dental Plan.
7. The Plan will establish and maintain an 800 telephone number that employees and dependents may use to make inquiries regarding the Plan.

ARTICLE IV - SKILL ALLOWANCE

- a) Effective January 1, 2000, skill differentials originating pursuant to the terms of Article V of the June 4, 1991, National Agreement, shall be adjusted to provide for payment of a skill allowance of \$.85 per hour for all hours worked for all employees assigned to a position of Signalman/Mechanic and above.
- b) Effective January 1, 2000, employees who have or subsequently attain three (3) years' experience in positions of Signalman/Mechanic shall be paid the skill allowance for all hours worked. Employees assigned to positions other than construction signalman shall be paid the aforementioned skill allowance for all hours worked, regardless of length of service.

ARTICLE V - VACATIONS

Effective January 1, 1999, employees shall be permitted to take one week of their vacation allowance per year in less than 40 hours increments, provided that such vacation days will be scheduled in accordance with existing rules on the Soo Line applicable to the scheduling of personal leave days.

ARTICLE VI - SUPPLEMENTAL SICKNESS

The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article IV of the June 4, 1991, National Agreement (Sickness Agreement), shall be further amended as provided in this Article.

Section 1 - Adjustment of Plan Benefits

- a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed for the period July 1, 1991, through December 31, 1994, under the terms of that Agreement. Enactment of the agreed upon RUIA legislation shall not cause the ratio of benefits to rates of pay to differ from that which existed for the period July 1, 1991, through December 31, 1994..
- b) Section 4 of the Sickness Agreement shall be revised as follows:

	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earning (as of 12/31/94)	\$15.39 or more	\$2,678 or more
Class II Employees Earning (as of 12/31/94)	\$12.57 or more but less than \$15.39	\$2,187 or more but less than \$2,678
Class III Employees Earning (as of 12/31/94)	Less than \$12.57	Less than \$2,187

Basic and Maximum Benefit Amount Per Month

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
(7/1/95)	Class I	\$1,058	\$783	\$1,841
through	Class II	\$845	\$783	\$1,628
(12/31/95)	Class III	\$769	\$783	\$1,552
<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
(1/1/96)	Class I	\$1,058	\$783	\$1,841
through	Class II	\$845	\$783	\$1,628
6/30/96	Class III	\$769	\$783	\$1,552
<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
(7/1/96)	Class I	\$1,128	\$783	\$1,911
through	Class II	\$845	\$783	\$1,628
(12/31/99)	Class III	\$769	\$783	\$1,552

Combined Benefit Limit

<u>Classification</u>	<u>Maximum Monthly amount</u>
Class I	\$1,956
Class II	\$1,745
Class III	\$1,664

Section 2 - Adjustment of Plan Benefits During Agreement Term

The benefits provided under the Plan shall be further adjusted as provided below by multiplying the wage level in effect for the applicable Class on December 31, 1999, by the percentages specified below, provided, however, that the Class I basic benefit shall in no event be lower than the amount in effect as of January 1, 1997:

<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
(1/1/2000)	Class I	58.7%
	Class II	65.3%
	Class III	65.3%
<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
(7/1/2000)	Class I	63.8%
	Class II	65.3%
	Class III	65.3%
<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
(1/1/2001)	Class I	65.6%
	Class II	65.3%
	Class III	65.3%
<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
(7/1/2001)	Class I	68.4%
	Class II	65.3%
	Class III	65.3%

Combined Benefit Limitation

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$2,168
Class II	\$1,936
Class III	<u>\$1,844</u>

ARTICLE VII - WORK RULE MODIFICATIONS

Rule 2 - Classification

- a) Remains the same
- b) Lead Signal Electronic Technician: An employee who retains a 2 year electronic degree or it's equivalent and is assigned to a hump yard or a dispatcher's office and who performs the duties outlined in "(c)" below.
- c) Signal Electronic Technician: An employee assigned the duties of adjusting, repairing, testing and replacing electronic and electromagnetic components, and equipment used in connection with the systems and devices covered by this Agreement. Such employee may, in performance of his duties, supervise, instruct or direct any employees who may be assisting him in his work. He must possess a valid FCC license, or its equivalent, and pass an examination. The format of the examination shall be agreed upon by the Chief Engineer Signals and the General Chairman. This rule shall not be construed as prohibiting signal electronic maintainers or other qualified signalmen from making tests, inspections and repairs as necessary.
- d) {Balance of rule unchanged except for letter designation. Copy of revised Rule is attached to this Agreement}

Rule 3 - Seniority Datum

- a) Each of the following classes shall constitute a separate seniority class:
 - Class 1. (a) Lead Signal Electronic Technician
 - (b) Signal Electronic Technician

{Balance of the Rule is unchanged. Copy of revised Rule is attached to this Agreement.}

Rule 18 - Work Week - Signal Crews and Lead Signal Electronic Technicians

{Rule is unchanged except for heading title, heading establishing (a) and addition of paragraph (b). Copy of revised Rule is attached to this Agreement.}

- a) Signal Crew
- b) Lead Signal Electronic Technicians

The monthly rate for lead signal electronic technicians, whose duties are such that regular assignment of hours cannot be made, shall cover all time whether working, waiting or traveling. These rates are based on 213 hours per month with one regular rest day and one subject to call day per week. Employees must be available on the designated call day. No overtime is allowed for time worked in excess of eight (8) hours per day. The hourly rate for these employees shall be determined by dividing the monthly rate by 213 hours. Except for work performed on the assigned rest day or recognized holiday, no overtime is allowed. Rules applicable to other employees covered by this agreement shall apply to service on assigned rest day and holidays.

Rule 20 - Overtime for Calls, Rest Days, Holidays, etc.

{Rule is unchanged except for addition of last paragraph. Copy of revised Rule is attached to this Agreement.}

For application of this rule to monthly rated lead signal electronic technicians, see Rule 18(b).

Rule 21 - Call Rule

Signal Maintainers subject to call will notify the person designated by the Management where they may be called and will, if called, respond promptly. On any day when such employees desire to leave their regular point of call, they must notify the person designated by the Management that they will be absent, about when they will return, and, when possible, where they can be found. When an employee desires to leave his point of call outside of regularly assigned hours of service and is over 50 miles from his point of

call, he will be considered absent and need not be called. A Maintainer cannot register absent or unavailable and remain at his point of call without permission of his/her immediate supervisor. Unless registered absent, regular assignees will be called except when unavailable due to rest requirements under the Hours of Service Act.

NOTE: This modification will expire at the end of this contract term and revert to the language in effect prior to the date of this Agreement unless extended by mutual agreement.

{Copy of revised Rule is attached to this Agreement.}

Rule 24 - Expenses

The Agreement of January 1, 1986, Rule 24(b) 10, is modified as follows:

10. Travel allowance will be computed on the actual mileage of the most reasonable and direct highway route to and from the town in which his home residence is located. Allowance will be determined in accordance with the following schedule:

<u>Actual Mileage</u>	<u>Allowance</u>
0 - 60	\$ -
61 - 100	7.84
101 - 150	11.79
151 - 200	15.70
201 - 250	19.63
251 - 300	23.54
301 - 350	27.47
351 - 400	31.39
401 - 450	35.32
451 - 500	39.23
501 - 550	43.17
551 - 600	47.09
601 - 650	51.02
651 - 700	54.93
701 - 750	58.86
751 - 800	62.78
801 - 850	66.70
851 - 900	70.62
901 - 950	74.56
951 - 1000	78.48

{Balance of rule remains unchanged. Copy of revised Rule is attached to this Agreement.}

ARTICLE VIII - EFFECT

Should there be a conflict between the provisions of the schedule rules, any agreements, any special understandings or practices, the provisions of this Agreement will govern.

ARTICLE IX - GENERAL PROVISIONS

The purpose of this Agreement is to establish the general level of compensation, benefits, work rules, and terms of employment for employees of the Soo Line Railroad represented by the Brotherhood of Railroad Signalmen. This Agreement is full and final settlement of the negotiations between the BRS and the Soo Line Railroad.

Neither Soo nor BRS may serve nor progress prior to November 1, 1999 (not to become effective prior to January 1, 2000) any notice or proposal for changing any subject matter contained in this Agreement or in the proposals the parties have exchanged in resolving the aforementioned Section 6 Notices.

This Article will not bar Soo nor BRS from agreeing upon any subject of mutual interest during the closed period.

For the
BROTHERHOOD OF RAILROAD
SIGNALMEN

R. W. Minter
R. W. Minter
General Chairman

Approved:

J. L. Mullaney
Vice President

Effective Date: August 6, 1999

For the
SOO LINE RAILROAD COMPANY

Cathryn S. Frankenberg
Cathryn S. Frankenberg
AVP Labor Relations & HR - US

Robin L. Mullaney
Robin L. Mullaney
Director Labor Relations

Side Letter No. 1

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

Soo and BRS agree to the following arrangement in the event the Union and Company members, respectively, of the Joint Health and Welfare Review Board ("Board") fail to agree on the proper resolution of a claim appealed to it.

Within six (6) months of the implementation of the "Plan" changes delineated in Article III to this Agreement, the Review Board will select no fewer than three (3) neutrals, each of whom is a certified professional in the area of mediation and/or arbitration of medical and dental plans. This slate of professionals with the expertise in healthcare issues will be contacted by the Review Board to, upon request, be the final and binding adjudicators of any claims unresolved by the Board.

Changes to this slate of neutrals may from time to time occur as neutrals choose to withdraw or the Board desires to amend the list.

For appropriate credentials of neutrals and arbitration processes for healthcare disputes, the parties will be guided by the Employee Benefit Plan Claims Arbitration Rules of the American Arbitration Association.

Before this change is implemented, the Review Board will agree upon a mechanism to equitably share expenses.

Mr. R. W. Minter
August 6, 1999
Page 2

Side Letter No. 1

Please indicate your concurrence by executing this document in
the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R. W. Minter
R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 2

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

Pursuant to Article III of this Agreement, Centers of Excellence will initially be established for heart, kidney, liver, and bone marrow transplants. Since eligible employees and dependents will be required to use the Centers of Excellence network for transplant procedures, Soo and BRS agree to the following in the event a significant number of approved providers in this network withdraw or are requested to leave.

Should there be three (3) or fewer providers in the Centers of Excellence Network for a specific type of transplant procedure i.e. liver, the eligible employee or dependent may elect treatment outside this Network subject to pre-certification. In such case, coverage will be governed by the Organ Transplants section of the appropriate "Plan" Option (Comprehensive or Preferred Provider).

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R. W. Minter
R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 3

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

The following expenses will be covered under the Centers of Excellence Program which will be established pursuant to Article III of this Agreement.

For the patient and one companion (except in cases where the patient is a child in which case both parents are covered), expenses will be paid up to the following maximums. The maximum amount is payable for each episode of evaluation, testing, care, and a designated portion of follow-up care.

1) Up to \$2,000 for reasonable transportation expenses.

If personal automobile is the approved mode of transportation, mileage will be paid at the Company reimbursement rate in effect at the time the trip was made.

2) Up to \$100 per day for meals and lodging; patients and companions are encouraged to use facilities in close proximity to the medical treatment center which are specifically provided for these purposes i.e. Ronald McDonald House, etc.

The Centers of Excellence program will require pre-approval of medical treatment plans and travel plans to qualify for medical and expense coverage.

Mr. R. W. Minter
August 6, 1999
Page 2

Side Letter No. 3

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenber
Cathryn S. Frankenber
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R.W.Minter
R. W. Minter - General Chairman
Dated: August 6, 1999

Side Letter No. 4

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

This will confirm our understanding with respect to the application of the seven (7) calendar days per month eligibility requirement for benefit coverage under the Soo Line Health and Welfare Plan for Union Employees ("Plan"), Article III.

- 1) Nothing contained in this letter shall in any way add to, diminish, or alter existing rights and/or obligations of both Soo and its employees with regard to eligibility requirements for benefit coverage for employees going on furlough, furloughed or returning from furlough.
- 2) An employee whose assignment commences on one (1) calendar day and ends on the following calendar day will be credited with one (1) calendar day. That remains true even if the employee works overtime on that assignment during the following calendar day.
- 3) An employee whose assignment commences on one (1) calendar day and ends on the following calendar day, and who then works another assignment during that following day, will be credited with two (2) calendar days.
- 4) An employee on assignment where the regular work day is programmed to consist of more than eight (8) hours (e.g. 9, 10, 11, 12, 13 hours) shall be deemed to have rendered compensated service on one and on a fraction of another calendar day worked. For example, an employee who works a 10-hour day's assignment in lieu of an 8-hour day's assignment will be credited with 1.25 calendar days for each day worked.
- 5) An employee called in to work on his/her rest day will be credited with one (1) calendar day.

Mr. R. W. Minter
August 6, 1999
Page 2

Side Letter No. 4

- 6) A monthly-rated employee whose rate is based on availability for service six (6) days per week will be credited for a calendar day for the sixth day if he is available for service but is not called.
- 7) An employee subject to call under applicable call rules for which there are sanctions for not responding will be credited with one (1) calendar day for each day such employee is available but is not called.
- 8) A new employee who reports for duty and a furloughed employee who is recalled and reports for duty on the first day allowed, who has less than seven (7) calendar days on which s/he is assigned to work remaining in the month, will be eligible for benefits in the following month provided the employee works all regularly assigned days in such month.
- 9) The change in eligibility requirements is not intended to alter current practices with respect to whether vacations, holidays, personal leave days, bereavement leave and jury duty are considered as days of compensated service for the purposes of the health, dental and vision plans.
- 10) An employee who is called to military duty to respond to an emergency (e.g. The Gulf War) and as a result is not able to meet the seven (7) day eligibility requirement shall remain eligible for benefits for four (4) months after the month in which compensated service was last performed.
- 11) An employee who is suspended, dismissed or retires and, consequently, does not meet the seven (7) calendar days per month eligibility requirement shall receive the same extension of coverage as such person received prior to such change.
- 12) Any lapse in benefits occurring as a result of this eligibility change shall not continue beyond the month so affected, provided such employee meets the eligibility requirements governing the immediately following month.

Mr. R. W. Minter
August 6, 1999
Page 3

Side Letter No. 4

Please indicate your concurrence by executing this document in
the space provided below.

Sincerely,

Cathryn S. Frankenberg

Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R.W.Minter

R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 5

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

Subsequent to concluding our recent national agreement (Agreement), the carriers reached tentative settlements with other labor organizations. We have discussed the fact that some of these subsequent settlements provide for a wage adjustment that will occur during the year 2000, which will be the first year of the next bargaining round. You have advised that the organization is interested in a similar arrangement.

Accordingly, the parties have agreed as follows:

On July 1, 2000, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2000, pursuant to the Agreement shall be increased in the amount produced by multiplying such rates (minus the COLA amount rolled in on December 31, 1999) by 3.5 percent. Such adjustment shall be applied as provided in Article I, Section 1 of the Agreement.

This letter agreement is applicable to all carriers party to the wage and rules provisions of the Agreement.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R. W. Minter
R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 6

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

In recognition of the fact that Signal Maintainers are responsible for maintenance and repair of various types of signal equipment within an assigned territory and must be subject to call in accordance with Rule 21, effective with first of the month following the date of this Agreement the rate of pay for all Signal Maintainers is \$17.84 per hour.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R.W.Minter.
R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 7

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

In recognition of the fact that Signal Electronic Technicians must remain fully conversant with new technology and equipment and often supervise and/or direct with regard to this new technology, effective the first of the month following the date of this Agreement, the rate of pay for all Signal Electronic Technicians is \$18.50 per hour.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R.W.Minter
R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 8

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

Effective the first of the month following the date of this Agreement, the classification of Lead Signal Electronic Technician will be established in accordance with Rule 2, as modified within this Agreement, with a monthly rate of \$3,800.00, and an hours base of 213.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R. W. Minter
R. W. Minter - General Chairman

Dated: August 6, 1999

August 6, 1999

Side Letter No. 9

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

This will confirm the understanding and agreement reached regarding the establishment of a "Lead Signal Electronic Technician" classification and the application of Side Letter No. 8 of the Memorandum of Agreement dated August 6, 1999, to existing Signal Electronic Technician positions assigned to a Hump or Dispatcher's office currently occupied by individuals who retain a 2 year electronic degree or its equivalent. Current incumbents of such positions who do not retain a 2 year electronic degree are acknowledged to have "equivalent" electronic experience/background.

However, in recognition of the desire of the current incumbents to remain hourly rated, it is agreed that current incumbents will continue to be classified as Signal Electronic Technician positions until vacating such position. Once such position is vacated by the current incumbent, or a new position is established, such position will be advertised as a monthly rated "Lead Signal Electronic Technician" position, with the necessary 2 year electronic degree or equivalent.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,
Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R. W. Minter
R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 10

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

Signal Maintainers designated to provide training to assistants assigned to training positions as outlined herein will be compensated at the lead maintainer rate of pay for each hour spent training/coaching apprentice/assistant signalmen.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R. W. Minter
R. W. Minter - General Chairman

Dated: August 6, 1999

Side Letter No. 11

August 6, 1999

Mr. R. W. Minter, GC
Brotherhood of Railroad Signalmen
6455 Fawn Lane
Lino Lakes, MN 55014

Dear Mr. Minter:

It is hereby agreed to modify ATTACHMENT A, LABOR/MANAGEMENT HIGH PERFORMANCE WORK GROUPS of the agreement dated August 22, 1996 as follows:

"Duration of Agreement

This agreement will continue in effect until either party provides the other with not less than 10 days' advance written notice of its intent to withdraw from participation in this process."

Revised side letter with agreed upon modifications is attached to this agreement.

Please indicate your concurrence by executing this document in the space provided below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

I concur:

R.W. Minter
R. W. Minter - GC

Dated: August 6, 1999

{Revised per Side Letter No. 11 of the Soo/BRS Agreement dated August 6, 1999}

ATTACHMENT A
August 22, 1996

JOINT LABOR/MANAGEMENT HIGH PERFORMANCE WORKGROUPS

In response to the significant changes in the North American transportation industry, the Soo Line Railroad continues to explore opportunities to be more competitive. The success of these efforts depends, in large part, on an enhanced focus on customer needs and improved, more reliable and more efficient service.

This presents an opportunity to foster a different working relationship between labor and management i.e. an alliance in building a viable business on Soo Line.

In this regard, the parties commit to use their best efforts to encourage their respective constituencies to help identify opportunities to enhance the profitability of Soo Line while concurrently enhancing the work environment.

A joint labor-management process is hereby established which is directly linked to the Railway Labor Act collective bargaining process through a Labor-Management Steering Group (LMSG) whose core membership is the respective bargaining teams.

Philosophy/Intent

In committing to this labor-management process, it is recognized that employees have valuable, creative ideas for change and improvement, much of which is not known and/or used today.

When approved projects/changes result in verifiable reductions in the cost of operating the business, the parties agree that a portion of the cost reduction will be available to employees in the bargaining unit on a basis negotiated between the parties.

The sharing of verified workplace savings available from LMSG-E approved projects will be contingent on the success of the

Engineering Department in achieving certain Key Performance Targets and on the Soo District achieving a pre-determined Operating Ratio for the immediately preceding six month calendar period.

The targets will be established by the LMSG by May 15th and November 15th of each year and will apply to the following six calendar month period. LMSG will have the authority to set aside one or both performance indicators if significant savings can be realized from a project which warrant this action.

Parameters

To facilitate the effectiveness of this approach, the following guidelines will frame the labor management process. These are intended to enhance trust, credibility, and communication.

- (1) This alliance does not alter the traditional responsibilities and accountability of management to the owners, shareholders, customers and employees; nor does it change the respective obligations of the parties under the Railway Labor Act or other regulations, laws, or rules governing the operation of this business.
- (2) The parties will make a commitment to more consistently and openly share with members of the LMSG information about the business and organizational/departmental/union objectives.

It is recognized that certain information may be strategically sensitive and, as a result, a confidentiality commitment may be required before it is shared.

- (3) LMSG will communicate to the Local Groups and employees to help create a better environment in which the Labor-Management process objectives can be achieved.

Labor-Management Steering Group (LMSG)

A Labor-Management Steering Group (LMSG-E) will be established in the Engineering Department on the effective date of this Agreement.

- (1) LMSG-E will be comprised of Senior Soo District Engineering Department Managers with direct responsibility for the involved workgroups and the management and union members of the respective 1994 round Section 6 negotiating teams.

Membership may change, but should consist of those persons with authority to negotiate changes to the applicable labor contracts and/or to approve, disapprove, implement and/or recommend changes in the workplace.

(2) The LMSG-E may combine or otherwise integrate with other LMSGs to deal with cross functional, cross craft, or cross departmental issues.

LMSG-E will prepare a quarterly report synopsizing the active issues currently being handled by the Local Groups under its jurisdiction. This report will be provided to the management and union members of other LMSGs.

(3) The management members of LMSG-E will collectively have a single vote as will the union members. If management and union members of LMSG-E do not agree, the decision or course of action will proceed along the lines of traditional decision making authority.

(4) LMSG-E will be co-chaired by a representative from management and a representative from the unions, each elected by its own constituency on the LMSG.

(5) LMSG-E will establish its own internal operating procedures.

(6) LMSG-E will develop a method to assess the value of a recommended change to Soo's business which is acceptable to the parties.

(7) LMSG-E will have the following general areas of responsibility.

- * To provide leadership, guidance, and direction to the Local Groups;
- * to manage the Local Groups within the established budget approved by the Districts General Manager Engineering;
- * to identify specific projects or issues on which the Local Group(s) should focus; to prioritize Local Group activities;
- * to develop or approve Goal Statement for each project on which a Local Group is working; to develop the working and reporting parameters for the Local Group;

- * to identify the skills development or training required by each Local Group; to recommend the appropriate trainer or consultant;
- * to review the periodic progress reports submitted by the Local Groups;
- * to review, approve/disapprove (within authority) projects from the Local Groups;
- * to negotiate the amount and manner in which the verifiable, measurable savings (\$\$) from approved projects will be shared with employees in the respective bargaining units represented by the union parties to this Agreement;
- * to guide and oversee the implementation of the approved project;
- * to monitor the actual savings and recommend steps to ensure projected savings are realized;
- * to communicate, educate employees (management and craft) on this joint process, the business, the approved projects and any other item which will facility the success of this alliance.

Local Groups

LMSG-E may authorize, from time to time, the establishment of Local Group(s) to focus on identified projects, problems, or opportunities and direct the Local Group to provide a report of their activities.

This report will include:

- * membership of group;
- * goal statement for project;
- * resources used;
- * background of issue;
- * methodology used for review of issue and valuation of benefit to Company and employees;
- * implementation plan, including how ongoing improvements/savings will be achieved and monitored.

Establishment of Local Groups and Allocation of Resources

- (1) The size and composition of the Local Group will be determined by the nature of the project; the focus will be on selecting persons with the experience, knowledge, and interpersonal skills best suited to the particular project;
- (2) management members of a Local Groups will be selected by the management members of the LMSG and union represented members will be selected by the union members of the LMSG;
- (3) participation on a Local Group is voluntary;
- (4) the LMSG will authorize the resources and training needed by the Local Group within the established budget.

Guidelines for Functioning of the Local Groups

- (1) Members will be allowed to participate on an equal basis in the Local Groups and each group member will have equal access to the information required during the course of the project.

Note: Appropriate confidentiality commitments may be required.
- (2) The Local Groups will scope out the projects and prepare a workplan which will include the projected timeline and resource requirements to complete;

the Project Goal, timeline and resource requirements, and projected measurable savings will be submitted in writing to the LMSG for review, input and authorization to proceed;

once a project is authorized for review by LMSG, the Local Group will be expected to monitor its activities so it remains within the budget and resources allocated by LMSG-E.
- (3) Local Group will provide periodic status or progress reports to LMSG-E, including any recommendations for amendments to the original Goal Statement.
- (4) When a Local Group has completed its review and finalized its recommendation for change, the proposal will be presented to the LMSG-E approval/disapproval/modification.

Where feasible, a face-to-face presentation will be made by the Local Group to the LMSG-E. LMSG-E will make every reasonable effort to have the presentation in the workplace of the Local Group.

(6) Local Group will be responsible for assisting the management team in understanding, communicating, implementing, and monitoring the approved projects.

It is understood that this process does not supplant the responsibility of the Local Manager for making decisions within his/her jurisdiction. However, once a project has been accepted by LMSG-E as appropriate for the labor-management process, the verifiable, measurable savings will be handled in accord with this Agreement.

Development of Project Ideas

LMSG-E will review how and when suggestions and ideas can best be submitted to it for review and consideration.

Collective Bargaining Agreement Compliance

The parties to this Agreement are the designated representatives authorized to negotiate and interpret the collective bargaining agreements for the respective bargaining units. Any resolutions or recommendations from Local Groups which involve a change in the labor contract must be negotiated and agreed upon by the General Chairman and the AVP Labor Relations (US).

Duration of Agreement

This Agreement will continue in effect until either party provides the other with not less than 10 days' advance written notice of its intent to withdraw from participation in this process.

RULE 2 - CLASSIFICATION

- (a) FOREMAN: A qualified employee assigned to the duties of supervising the work of a crew with six or more other employees in the Signal Department, and who is not required to perform the work over which he has supervision, except when incidental to or as a consequence of his principal duties. Signal Foreman in charge of a crew with five or less employees working under him may be required to work with the employees under his supervision.
- (b) LEAD SIGNAL ELECTRONIC TECHNICIAN: An employee who retains a 2 year electronic degree or its equivalent and is assigned to a hump yard or a dispatcher's office and who performs the duties outlined in (c) below. (PARAGRAPH (b) HAS BEEN ADDED TO REFLECT AMENDMENT PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999. BALANCE OF RULE REMAINS UNCHANGED EXCEPT FOR LETTER DESIGNATIONS.)
- (c) SIGNAL ELECTRONIC TECHNICIAN: An employee assigned the duties of adjusting, repairing, testing and replacing electronic and electromagnetic components, and equipment used in connection with the systems and devices covered by this agreement. Such employee may, in performance of his duties, supervise, instruct or direct any employees who may be assisting him in his work. He must possess a valid FCC license, or its equivalent, and pass an examination. The format of the examination shall be agreed upon by the Chief Engineer Signals and the General Chairman. This rule shall not be construed as prohibiting signal electronic maintainers or other qualified signalmen from making tests, inspections, and repairs as necessary.
- (d) SIGNAL TESTMAN: An employee assigned to a territory and whose principal duties are the inspection and field testing of appliances, appurtenances, and equipment covered by the scope of this agreement. Such employee shall make all relay and apparatus inspections and tests, including meggering required by and reported to a federal or state agency and the Carrier, but who may perform any Signal Department work. Signal testman may work together or with signalmen or signal maintainers with or without their assistants in connection with testing and inspecting.
- (e) LEADING SIGNAL MAINTAINER/SIGNALMAN: A signal maintainer or signalman working with or supervising the work of one or more signal maintainers or signalmen with or without their assistants. The number of employees so supervised shall not exceed five. A leading signalman will work and be under the direction of a Signal Foreman and have common headquarters with the latter.

- (f) SIGNAL MAINTAINER: An employee assigned to maintain a designated territory, to inspect, test, adjust, repair, clear trouble on, and maintain signal equipment including signal electronic equipment. He shall also perform installations incidental to the maintenance of his designated territory.
- (g) SIGNALMAN: An employee assigned to perform work generally recognized as Signalmen's work, which work includes the construction and crew repair work as referred to in the scope in this Agreement.
- (h) ASSISTANT: An employee in training for the position of signalman, or maintainer, working with and under the direction of a signalman or maintainer.

* AMENDED AS FOLLOWS BY ARTICLE IV AND ARTICLE V OF THE SEPTEMBER 23, 1986, NATIONAL MEDIATION AGREEMENT, EFFECTIVE SEPTEMBER 8, 1986.

RULE 3 - SENIORITY DATUM

(a) Each of the following classes shall constitute a separate seniority class:

Class 1. (a) Lead Signal Electronic Technician
(b) Signal Electronic Technician

(PARAGRAPH (a) HAS BEEN UPDATED TO REFLECT AMENDMENT PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999.)

Class 2. Foreman
Signal Testman
Leading Signal Maintainer/Signalman
Signal Maintainer
Signalman

Class 3. Assistant

(b) Seniority begins at the time an employee's pay starts in the seniority class in which employed, except that employees will not accumulate seniority until after ninety (90) days of continuous service, and that temporary service in a higher class does not establish seniority in that class.

(c) Seniority of employees promoted to bulletined positions will date from the day first service is performed after having been assigned by bulletin, except that when an employee so promoted fails to qualify on such bulletined position within sixty (60) days, he will not acquire a seniority date as a result of filling such position.

(d) Assistants who establish seniority under the provisions of paragraph (c) of this rule will forfeit seniority as assistant.

(e) A new employee entering the service in any class above assistant will thereby establish the same seniority date for himself in all lower classes.

(f) Employees will be permitted to exercise seniority only under any one of the following conditions:

1. When positions are bulletined or rebulletined.
2. When their positions are abolished.
3. When displaced in the exercise of seniority.

(g) An employee occupying a position within the scope of this agreement covering Signal Department employees, who retires under the disability provisions of the Railroad Retirement Act, will retain and accumulate seniority until he attains the retirement age.

* HEADING HAS BEEN CHANGED TO REFLECT AMENDED PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999

RULE 18 - WORK WEEK - SIGNAL CREWS AND LEAD SIGNAL ELECTRONIC TECHNICIANS

(a) Signal Crew (HEADING HAS BEEN ADDED TO REFLECT AMENDMENT PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999)

The basic work week of a signal crew will consist of five eight-hour days Monday through Friday. However, when the majority of the employees in a crew elect and Carrier agrees, the work week may consist of one of the following:

- 1 Four nine-hour days Monday through Thursday and one four-hour day Friday.
2. Four ten-hour days other than Saturday and Sunday.
3. Eight consecutive nine-hour days and one eight-hour day encompassing not more than one weekend.
4. Eight consecutive ten-hour days, encompassing not more than one weekend.

(b) Lead Signal Electronic Technicians

The monthly rate for lead signal electronic technicians, whose duties are such that regular assignment of hours cannot be made, shall cover all time whether working, waiting or traveling. These rates are based on 213 hours per month with one regular rest day and one subject to call day per week. Employees must be available on the designated call day. No overtime is allowed for time worked in excess of eight (8) hours per day. The hourly rate for these employees shall be determined by dividing the monthly rate by 213 hours. Except for work performed on the assigned rest day or recognized holiday, no overtime is allowed. Rules applicable to other employees covered by this agreement shall apply to service on assigned rest day and holidays.
(PARAGRAPH (b) HAS BEEN ADDED TO REFLECT AMENDMENT PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999.)

RULE 20 - OVERTIME FOR CALLS, REST DAYS, HOLIDAYS, ETC.

An employee will not be required to suspend work during regular working hours to absorb overtime.

The hourly rates named herein are for an eight (8) hour day. All service performed outside of the regularly established work period by hourly rated employees shall be paid for as follows:

- (a) Time worked following and continuous with a regularly assigned eight-hour work period shall be computed on actual minute basis and paid for at time and one-half rates, with double time computed on actual minute basis after sixteen hours of work in any twenty-four hour period computed from starting time of the employees' regular shift. In the application of this paragraph (a) to new employees temporarily brought into the service in emergencies, the starting time of such employees will be considered as of the time that they commence work or are required to report.
- (b) For the purpose of applying the double time provisions of this rule the regular starting time during the week will be considered as the starting time on holidays or rest days.
- (c) Work in excess of 40 straight time hours in any work week shall be paid for at one and one-half times the basic straight time rate except where such work is performed by an employee due to moving from one assignment to another or to or from an extra or furloughed list, or where days off are being accumulated under paragraph (g) of Rule 17. This rule does not apply to monthly rated employees.
- (d) Employees worked more than five days in a work week shall be paid one and one-half times the basic straight time rate for work on the sixth and seventh days of their work weeks, except where such work is performed by an employee due to moving from one assignment to another or to or from an extra or furloughed list, or where days off are being accumulated under paragraph (g) of Rule 17.
- (e) Work performed on the following holidays:

New Year's Day
Washington's Birthday
Good Friday
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas
New Year's Eve

shall be paid for on the minute basis at the rate of time and one-half with a minimum of two (2) hours and forty (40) minutes. This rule does not apply to monthly rated employees. On each occasion where a day designated as a holiday falls on a day other than the first or last day of their work week employees engaged in construction may, at the option of the majority of the employees engaged in such work, elect to work on such holiday at the straight time rate of pay and to observe the first or last work day of that work week as their designated holiday. Under the foregoing arrangement, all employees of the crew shall observe the holiday on the same date.

NOTE: When any of the above holidays falls on Sunday, the day observed by the state, nation, or by proclamation shall be considered the holiday.

- (f) Employees released from duty and notified or called to perform service outside of and not continuous with regular working hours will be paid a minimum allowance of two (2) hours and forty (40) minutes at the time and one-half rate; if held longer than two (2) hours and forty (40) minutes they will be paid at the time and one-half rate computed on the actual minute basis. The time of employees so notified will begin at the time required to report and end when released at headquarters. The time of employees so called will begin at the time called and end at the time they return to headquarters.
- (g) Employees temporarily changed from one shift to another will be paid overtime rates for the first shift of each change. This will not apply when shifts are temporarily changed at the request of the employees involved. Relief assignments consisting of different shifts will be excepted from the penalty payments.
- (h) When overtime service is required of a part of a group of employees who work together, the senior qualified available employees of the class involved shall have preference to such overtime if they so desire.

EXAMPLE: Crew 1 has fifteen men in it. Five are engaged, for instance, in tying in line wire. If overtime on such work is necessary, say, of two employees, the senior of the five (group) will be given preference. If entire five men are needed, the five will work the overtime regardless of seniority in the crew of fifteen men as a whole. When there is planned overtime work or service to be performed on rest days, the senior man of the class involved will be given preference to perform such overtime service. This rule and example apply to crew and signal shop.

(i) There shall be no overtime on overtime, neither shall overtime hours paid for, other than hours not in excess of eight paid for at overtime rates on holidays or for changing shifts, be utilized in computing the 40 hours per week, nor shall time paid for in the nature of arbitraries or special allowances, such as attending court, travel time, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours.

For application of this rule to monthly rated lead signal electronic technicians, see Rule 18(b). (PARAGRAPH HAS BEEN ADDED TO REFLECT AMENDMENT PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999)

RULE 21 - SIGNAL MAINTAINERS - SUBJECT TO CALL

Signal Maintainers subject to call will notify the person designated by the Management where they may be called and will, if called, respond promptly. On any day when such employees desire to leave their regular point of call, they must notify the person designated by the Management that they will be absent, about when they will return, and, when possible, where they can be found. When an employee desires to leave his point of call outside of regularly assigned hours of service and is over 50 miles from his point of call, he will be considered absent and need not be called. A Maintainer cannot register absent or unavailable and remain at his point of call without permission of his/her immediate supervisor. **(THIS SENTENCE HAS BEEN AMENDED TO REFLECT AMENDEMENT PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999.)** Unless registered absent, regular assignees will be called except when unavailable due to rest requirements under the Hours of Service Act.

NOTE: This modification will expire at the end of this contract term and revert to the language in effect prior to the date of this Agreement unless extended by mutual agreement. **(THIS NOTE HAS BEEN ADDED TO REFLECT AMENDMENT PURSUANT TO MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999.)**

RULE 24 - EXPENSES

(a) FIXED HEADQUARTER CREWS:

1. Fixed headquarter crews' time will begin and end at their home station or reporting point. They will not be entitled to noon meal expenses, unless they are sent away from their headquarters and are not returned on the same day. They will be allowed straight time for traveling or waiting during normal working hours. Traveling and waiting time outside normal hours will be allowed straight time rates, with a maximum of eight (8) hours, if sleeping accommodations are not available.
2. When these crews are sent away from their headquarters and do not return on the same day, they will be allowed reasonable, actual expenses, if meals and lodging are not provided by the Carrier. Lodging in motels, hotels, or other comparable facilities shall be suitable for the purpose in the community. Under normal circumstances not more than two men will occupy a twin-bedded room. Carrier may designate the lodging establishment.

(b) MOBILE CREWS:

1. Mobile crews will be headquartered in motels, hotels, or other comparable facilities suitable for the purpose in that community. Under normal circumstances not more than two men will occupy a twin-bedded room. Carrier may designate the lodging establishment.
2. Reasonable, actual meal expenses will be allowed for each day on which the employee performs service for the Carrier.
3. The crew's work day shall begin and end at a designated point on railroad property, i.e., depot, tool house, or signal material car, located within the city or town where meals and lodging are available. In locations where there is no depot, tool house, or signal material car, the employee's time will begin and end at the common lodging facilities.
4. Mobile crew members regularly assigned throughout their work week required to live away from their home residence shall be granted a travel allowance on week-ends or rest days when they actually make the trip to their home residence and return to the crew, regardless of the mode of transportation used, except where the Carrier provides suitable transportation.

5. If an employee works at least 3 days in a work week and he is required to lay off account his own illness or serious illness of an immediate member of his family, or a death in his family, he will be allowed the travel allowance established by this Section. If requested, the employee will furnish satisfactory evidence of illness or death in his family.
6. Employees electing not to return to their home residence shall not be provided rest day lodging and/or meal expenses, nor receive payment in lieu of travel allowance.
7. Lodging will not be provided by the Carrier for the night immediately following the last tour of duty of that work week, except as provided in paragraph "9" below.
(Example: Tour of duty completed at 5:00 P.M. on Friday - Lodging will not be provided for Friday night.)
8. Lodging will be provided, at Carrier's expense, for the evening proceeding the new work week if the employee so desires. It will be the individual employee's responsibility to make such reservation, and he shall be financially responsible for the reservation if not utilized.
9. An employee having in excess of two hundred (200) miles to return to his home residence will be provided lodging, at Carrier's expense, for the night immediately following his tour of duty on the last day of his work week, providing he actually makes the trip to his home residence on the following calendar day. When such lodging is provided, he shall not be entitled to lodging at Carrier's expense, on the night immediately preceding the start of his new work week.
10. Travel allowance will be computed on the actual mileage of the most reasonable and direct highway route to and from the town in which his home residence is located. Allowance will be determined in accordance with the following schedule:

<u>Actual Mileage</u>			<u>Allowance</u>
0	-	60	-
61	-	100	7.84
101	-	150	11.79
151	-	200	15.70
201	-	250	19.63
251	-	300	23.54
301	-	350	27.47
351	-	400	31.39
401	-	450	35.32
451	-	500	39.23
501	-	550	43.17
551	-	600	47.09
601	-	650	51.02
651	-	700	54.93
701	-	750	58.86
751	-	800	62.78
801	-	850	66.70
851	-	900	70.62
901	-	950	74.56
951	-	1,000	78.48

**(PARAGRAPH (b) 10 HAS BEEN UPDATED TO REFLECT AMENDMENT PURSUANT TO
MEMORANDUM OF AGREEMENT EFFECTIVE AUGUST 6, 1999)**

11. When the Carrier requires employees to perform work off their assigned territory, the Carrier will reimburse employees utilizing their personal vehicles applicable mileage rate set by Company policy from the nearest boundary of the assigned territory to the work location in the adjacent territory.

(c) No meal or lodging allowance will be made for any meal or lodging expense not actually incurred by the employee and no meal or lodging allowance will be provided when the employee's home is within thirty (30) miles of headquarters, or in the case of mobile crews, the work location.

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
BROTHERHOOD OF RAILROAD SIGNALMEN

ARTICLE I – WAGES

Section 1 - First General Wage Increase

On June 30, 2002, all hourly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Application of Wage Increases

(a) Hourly Rates -

Add 2-1/2 percent to the existing hourly rates of pay

(b) Monthly Rates -

Add 2-1/2 percent to the existing monthly rates of pay

(c) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) and (b), above, which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(d) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between Soo and BRS. Special allowances not included in fixed hourly, or monthly rates of pay for all services rendered, will not

be increased. Overtime hours will be computed in accordance with Soo schedules for all overtime hours paid for. Please refer to Appendix 1 attached hereto for new rates.

Section 2 - Second General Wage Increase

Effective July 1, 2002, all hourly and monthly rates of pay in effect on June 30, 2002 for employees covered by this Agreement shall be increased in the amount of three-and-one-half (3-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2003, all hourly and monthly rates of pay in effect on June 30, 2003 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2004, all hourly and monthly rates of pay in effect on June 30, 2004 for employees covered by this Agreement shall be increased in the amount of three-and-one-quarter (3-1/4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II - COST-OF-LIVING ALLOWANCE

Part A - Cost-of-Living Payments Under

On October 1, 2001, twenty-seven (27) cents-per-hour of the cost-of-living allowance payable pursuant to Article II, Part B of the August 6, 1999 Agreement between Soo and BRS shall be rolled into basic rates of pay. Article II, Part B shall be eliminated effective June 30, 2002. Cost-of-living

allowance payments made to employees for periods on or before June 30, 2002 shall be retained. Any cost-of-living allowance payments made to employees for periods on and after July 1, 2002 shall be recovered from any retroactive wage increase payments made under Article I.

Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2005

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

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2005 based, subject to paragraph (b), on the CPI for March 2005 as compared with the CPI for September 2004. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (b)(iii), according to the formula set forth in paragraph (c).

<u>Measurement Periods</u>		
<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 2004	March 2005	July 1, 2005
March 2005	September 2005	January 1, 2006

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(b) (i) Cap. In calculations under paragraph (c), the maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1, 2005	3% of September 2004 CPI
January 1, 2006	6% of September 2004 CPI less the increase from September 2004 to March 2005

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(ii) Limitation. In calculations under paragraph (c), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.

(iii) If the increase in the CPI from the base month of September 2004 to the measurement month of March 2005 exceeds 3% of the September 2004 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (c) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2005 during such measurement period.

- (iv) Any increase in the CPI from the base month of September 2004 to the measurement month of September 2005 in excess of 6% of the September 2004 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.
- (v) The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.

(c) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (b), shall 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 shall not be counted.)

The cost-of-living allowance effective January 1, 2006 shall be the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (b), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be rolled in to basic rates of pay in effect on December 31, 2005 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period, but in no event shall basic rates of pay be reduced below the levels in effect on June 30, 2005. If the result of such division requires a subtraction from basic rates of pay in effect on December 31, 2005, the employee cost-sharing contribution amount in effect on that date pursuant to Article III, Part B, Section 1(e) of this Agreement shall be adjusted effective January 1, 2006 as appropriate to reflect such subtraction. The same procedure shall be followed in applying subsequent adjustments.

(d) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective

period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W 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 during such measurement period.

Section 2 - Payment of Cost-of-Living Allowances

- (a) The cost-of-living allowance payable to each employee effective July 1, 2005 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.
- (b) The cost-of-living allowance payable to each employee effective January 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.
- (c) The cost-of-living allowance payable to each employee effective July 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.
- (d) The procedure specified in paragraphs (b) and (c) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part B will be payable as provided in Section 2 and will be applied as follows:

- (a) **Monthly Rates** - Determine the equivalent hourly rate by dividing the established monthly rate by the number of hours comprehended by the monthly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the monthly rate shall be added to the monthly rate produced by application of Article I.
- (b) **Application of Wage Increases** - The increases in wages produced by application of the cost-of-living allowances shall be computed in accordance with the wage or working conditions agreement in effect

between employees represented by BRS. Special allowances not included in said rates and arbitraries representing duplicate time payments will not be increased.

Section 4 - Continuation of Part B

The arrangements set forth in Part B of this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.

ARTICLE III - HEALTH AND WELFARE

Part A – Plan Changes

Section 1 – Continuation of Health and Welfare Plan

The Soo Line Health and Welfare Benefits Plan for Union Represented Employees ("the Plan"), modified as provided in this Agreement with respect to employees represented by the Brotherhood of Railroad Signalmen and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 – Plan Changes

Effective July 1, 2004, the current Plan options and benefits will be replaced by the high and low Comprehensive and PPO options as delineated in the summary attached as Appendix 2 to this Agreement.

- (a) The Plan life insurance benefit for active employees shall be increased to \$ 20,000, and the Plan's maximum accidental death and dismemberment benefit for active employees shall be increased to \$16,000.
- (b) All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions, and exclusions. Existing Plan provisions not specifically amended by this Article or Appendix 2 shall continue in effect without change.

- (c) With respect to Plan participants (and their dependents) whose principal place of residence is a zip code area serviced by one of the Plan's PPO networks, such participants and their dependents shall no longer have a choice between the Comprehensive Plan and the PPO Plan but will be enrolled only in the PPO plan.
- (d) An open enrollment period will be established from May 1st through May 31st, 2004, during which each eligible employee will enroll in one of the New Plan Options delineated on Appendix 2. Thereafter, an eligible employee may change this election annually during Soo's open enrollment period (with changes to be effective the following January 1st).
- (e) During the open enrollment periods prescribed in (d) above, employees may certify to the Plan or its designee in writing that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group health plan or health insurance policy that they identify by name and, where applicable, by group number, and for that reason they elect to forego coverage for medical benefits for themselves and their dependents under the Plan in which they participate. Such election is hereafter referred to as an "Opt-Out-Election" and, where exercised, will eliminate Soo's obligation to provide medical benefits coverage for the employee and his dependents.

Each employee who makes an Opt-Out-Election will be paid by Soo \$100 for each month that Soo is required to make a contribution to the Plan on his behalf for life insurance and accidental death and dismemberment benefits as a result of compensated service rendered, or vacation pay received, by the employee during the prior month; provided, however, that the employee's Opt-Out-Election is in effect for the entire month.

If an event described below in the final paragraph of this subsection (e) occurs subsequent to an employee's Opt-Out-Election, the employee may, upon providing the Plan or its designee with proof satisfactory to it of the occurrence of such event, revoke his or her Opt-Out-Election. An employee may also revoke his or her Opt-Out-Election by providing the Plan or its designee with proof satisfactory to it that, after the employee made the Opt-Out-Election, a person

became a dependent of the employee through a marriage, birth, or adoption or placement for adoption. An employee who revokes an Opt-Out-Election will, along with his or her dependents, be once again covered (effective the first day of the first month following such revocation that the employee and/or his dependents would have been covered but for the Opt-Out-Election the employee had previously made) for medical benefits under the Plan.

The following events are the events referred to in the immediately preceding paragraph:

- (1) the employee loses eligibility under, or there is a termination of employer contributions for, the other coverage that allowed the employee to make the Opt-Out Election, or
- (2) if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

Part B – Employee Cost Sharing of Plan Cost Increases

Section 1 – Employee Cost-Sharing Contributions

- (a) Effective July 1, 2001, each employee covered by this Agreement shall contribute \$33.39 per month to the Plan for each month that Soo is required to provide medical benefits coverage for himself and/or his eligible dependents under the Plan.
- (b) Effective July 1, 2002, the per month employee cost-sharing contribution amount set forth in subsection (a) shall be changed to \$81.18.
- (c) Effective July 1, 2003, the per month employee cost-sharing contribution amount set forth in subsection (b) shall be changed to \$79.74.
- (d) Effective July 1, 2004, the per month employee cost-sharing contribution amount will be based on the new option chosen by the employee from those listed in Appendix 2 of this Agreement.

- (e) Effective July 1, 2005, the per month employee cost-sharing contribution amount set forth in subsection (d) shall be increased by the lesser of (x) one-half of the increase, if any, in Soo's 2005 monthly payment rate over such payment rate for 2004, and (y) one-half of the cost-of-living allowance effective July 1, 2005 pursuant to Article II, Part B, Section 1 (a), multiplied by one-twelfth of the average straight-time equivalent hours ("ASTE Hours") for calendar year 2003.
- (f) Effective January 1, 2006, the per month employee cost-sharing contribution amount in effect on December 31, 2005, shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in Soo's 2006 monthly payment rate over such payment rate for 2005, plus (ii) the amount, if any, by which the number described in part (x) of subsection (e) of this Section exceeds the product described in part (y) of such subsection (e), and (y) one-half of the cost-of-living allowance effective January 1, 2006, pursuant to Article II, Part B, Section 1 (a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.
- (g) Effective July 1, 2006, the per month employee cost-sharing contribution amount in effect on June 30, 2006, shall be increased by the lesser of (x) the amount, if any, by which the number described in part (x) of subsection (f) of this Section exceeds the product described in part (y) of such subsection (f), and (y) one-half of the cost-of-living allowance effective July 1, 2006, pursuant to Article II, Part B, Section 1 (a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.
- (h) Effective January 1, 2007, the per month employee cost-sharing contribution amount in effect on December 31, 2006, shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in Soo's 2007 monthly payment rate over such payment rate for 2006, plus (ii) the amount, if any, by which the number described in part (x) of subsection (g) of this Section exceeds the product described in part (y) of such subsection (g), and (y) one-half of the cost-of-living allowance effective January 1, 2007, pursuant to Article II, Part B, Section 1 (a), multiplied by one-twelfth of the ASTE Hours for calendar year 2005.

- (i) The pattern specified in subsections (g) and (h) above shall be followed with respect to computation and application of adjustments to the amount of the employee cost sharing contribution in subsequent periods during which this Part is in effect.
- (j) For purposes of subsections (d) through (i) above and subsection (l) below, Soo payment rate for any year shall mean twelve times the sum of what Soo's payment rate for would have been, in the absence of any employee contributions in such year. Soo's monthly payment rate for any year shall mean Soo's payment rate for that year divided by 12. An "employee" for these purposes shall include any employee who has elected to opt-out of medical benefits under the Plan in which he participates (except for employees who opt-out pursuant to paragraph 3 of Side Letter No. 4).

Soo's payments to the Plan for these purposes shall be deemed to include amounts paid pursuant to Section 2 (e) of Part A of this Article III to employees who elected to opt-out of medical benefits under the Plan in which they participate.

- (k) For the purpose of this Section, the ASTE Hours to be used shall be based on all such hours for Soo non-operating craft employees with comparable benefits under "the Plan".
- (l) If the per month employee cost-sharing contribution amount ("cost-sharing amount") is increased for the period July 2005 through December 2005 or any subsequent periods and if a lower payment rate is established for the calendar year that immediately follows, then the cost-sharing amounts shall be adjusted as appropriate to reflect such decreased benefit costs. Such adjustment shall be made effective January 1 of the calendar year for which such payment rate decrease is applicable and in no event shall take into account any portion of a payment rate below the payment rate established for calendar year 2004. The cost-sharing amount shall also be subject to adjustment as provided in Article II, Part B, Section 1 (c) of this Agreement.

Section 2 – Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be on a pre-tax basis, and in that connection an IRC Section 125 cafeteria plan will be established pursuant to this Agreement.

Section 3 – Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after July 1, 2001, plus a one time \$60.00 per employee retroactive contribution for a lag in benefits design implementation, shall be offset against any payments applicable to the employee under Article I of this Agreement.

ARTICLE IV - 401(K) PLAN ENHANCEMENTS

Effective January 1, 2005, the Soo Line 401(k) Plan for Union Employees implemented in accordance with Article IV of the Memorandum of Agreement dated July 1, 1992, and subsequently amended over the years to continue in compliance with applicable federal regulations, is hereby further amended by the parties to this Agreement as follows:

- (a) The current 10% of annual salary maximum on Salary Reduction Contributions under the Plan will be increased to 20%, subject to the annual dollar limit imposed by the IRS (\$14,000 for 2005 adjusted by the IRS in future years).
- (b) Salary Reduction Catch Up Contributions provisions will be implemented allowing Plan participants age 50 and older to make an additional \$4,000 of Salary Reduction Contributions in 2005 and \$5,000 in 2006 (adjusted by the IRS in future years) without regard to the 20% limit under the Plan or the applicable IRS annual dollar limit for the year.

ARTICLE V – SUPPLEMENTAL SICKNESS

The June 22, 1979 Supplemental Sickness Benefit Agreement, as amended by Article VII of the August 8, 1996 National Agreement (Sickness Agreement), shall be further amended as provided in this Article effective on the date of this Agreement.

Section 1 – Adjustment of Plan Benefits

- (a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on December 31, 1999 under the terms of that Agreement.
- (b) Section 4 of the Sickness Agreement shall be revised as follows:

	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earning (as of 12/31/99)	\$17.77 or more	\$3,092 or more
Class II Employees Earning (as of 12/31/99)	\$14.53 or more but less than \$17.77	\$2,528 or more but less than \$3,092
Class III Employees Earning (as of 12/31/99)	Less than \$14.53	Less than \$2,528

Basic and Maximum Benefit Amount Per Month

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
[1/1/00]	Class I	\$1042.50	\$1000.50	\$1,954
through	Class II	\$ 944.50	\$1000.50	\$1,945
[6/30/00]	Class III	\$ 858.50	\$1000.50	\$1,859

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
[7/1/00]	Class I	\$1080.00	\$1,044	\$2,124
through	Class II	\$ 944.50	\$1,044	\$1,945
[12/31/00]	Class III	\$ 858.50	\$1,044	\$1,859

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
[1/1/01]	Class I	\$1,140.00	\$1,044	\$2,184
through	Class II	\$ 944.50	\$1,044	\$1,945
[6/30/01]	Class III	\$ 858.50	\$1,044	\$1,859

<u>Effective</u>		<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
[7/1/01]	Class I	\$1,189.50	\$1087.50	\$2,277
through	Class II	\$ 944.50	\$1,087.50	\$1,945
[12/31/04]	Class III	\$ 858.50	\$1,087.50	\$1,859

Combined Benefit Limit

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$2,330
Class II	\$2,085
Class III	\$1,993

Section 2 – Further Adjustment of Plan Benefits

The benefits provided under the Plan shall be further adjusted as provided below by multiplying the wage level in effect for the applicable Class on December 31, 2004 by the percentages specified below, provided, however, that the Class I basic benefit shall in no event be lower than the amount in effect as of January 1, 2002:

<u>Combined Benefit Limit</u>		
<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
[1/1/2005]	Class I	58.7%
	Class II	65.3%
	Class III	65.3%
<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
[7/1/2005]	Class I	63.8%
	Class II	65.3%
	Class III	65.3%
<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
[1/1/2006]	Class I	65.6%
	Class II	65.3%
	Class III	65.3%

<u>Effective</u>	<u>Class</u>	<u>Percentage</u>
[7/1/2006]	Class I	68.4%
	Class II	65.3%
	Class III	65.3%

Combined Benefit Limitation

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$2,667
Class II	\$2,388
Class III	\$2,286

ARTICLE VI - OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article IV of the April 21, 1969 Agreement ("1969 Agreement") as amended by Article VII of the July 27, 1978 Agreement, is further amended as follows effective on the date of this Agreement.

Section 1

Paragraph (b)(1) - Accidental Death or Dismemberment of the above-referenced Agreement provisions is amended to read as follows:

"(1) Accidental Death or Dismemberment

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

Loss of Life	\$300,000
Loss of Both Hands	\$300,000
Loss of Both Feet	\$300,000
Loss of Sight of Both Eyes	\$300,000
Loss of One Hand and One Foot	\$300,000
Loss of One Hand and Sight of One Eye	\$300,000
Loss of One Foot and Sight of One Eye	\$300,000
Loss of One Hand or One Foot or Sight of One Eye	\$150,000

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

No more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident."

Section 2

Paragraph (b)(3) - Time Loss of the above-referenced Agreement provisions is amended to read as follows:

"(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of \$1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act."

Section 3

Paragraph (b)(4) - Aggregate Limit of the above-referenced Agreement provisions is amended by raising such limit to \$10,000,000.

ARTICLE VII – WORK RULE CHANGES

The following changes to the Soo/BRS Schedule of Rules dated January 1, 1986, as amended, are hereby agreed upon.

RULE 10 – ASSIGNMENTS TO BULLETINED POSITIONS

(b) Any employee awarded a signal maintainer's position shall establish residence within a reasonable distance of his/her assigned territory to enable him/her to respond and protect work within a reasonable time frame, within six (6) months of placement on said position.

RULE 13 – HEADQUARTERS

All employees covered by this Agreement shall be designated a headquarters point from which their time shall begin and end each day as follows:

(a) The headquarters for employees regularly assigned to maintenance on a territory, at a plant or in a shop and fixed headquarter crews, shall be designated by bulletin. In cases where an employee is regularly assigned to maintenance on a territory and there is no appropriate headquarter rail facility within the assigned territory, the assigned employee's residence will be considered the headquarter point. When an employee's residence is his/her headquarter point, the employee's time shall begin and end each day at the rail point nearest the employee's residence.

RULE 24 – EXPENSES

(a) FIXED HEADQUARTER CREWS:

1. Fixed headquarter crews' time will begin and end at their home station or reporting point. They will not be entitled to noon meal expenses, unless they are sent away from their headquarters and are not returned on the same day. They will be allowed straight time for traveling or waiting during normal working hours. Traveling and waiting time outside normal hours will be allowed straight time rates, with a maximum of eight (8) hours,

if sleeping accommodations are not available.

2. When these crews are sent away from their headquarters and do not return on the same day, they will be all reasonable, actual expenses, if meals and lodging are not provided by the Carrier. Lodging in motels, hotels, or other comparable facilities shall be suitable for this purpose in the community. When adequate lodging is available, employees will be allowed a single room. Carrier may designate the lodging establishment.

(b) MOBILE CREWS:

1. Mobile crews will be headquartered in motels, hotels or other comparable facilities suitable for the purpose in that community. When adequate lodging is available, employees will be allowed a single room. Carrier may designate the lodging establishment.

ARTICLE VIII - CONTRACT TERMS

The purpose of the Agreement is to establish the general level of compensation, benefits, work rules, and terms of employment for employees of the Soo Line Railroad represented by the Brotherhood of Railroad Signalmen. This Agreement is full and final settlement of the Section 6 Notice served by BRS dated October 28, 2003, and the Section 6 Notice served by the Soo Line Railroad on November 4, 2003.

- (a) Neither Soo or BRS shall serve nor progress prior to November 1, 2004, (not to become effective prior to January 1, 2005) any notice or proposal for changing any subject matter contained in this Agreement or in the proposals the parties have exchanged in resolving the aforementioned Section 6 Notices.
- (b) Any pending notices or portions thereof which have not been specifically addressed in this Agreement are hereby withdrawn.

(c) This Article will not bar management nor BRS from agreeing upon any subject of mutual interest during the closed period.

SIGNED THIS 27th DAY OF April, 2004.

FOR THE
SOO LINE RAILROAD COMPANY

FOR THE
EMPLOYEES REPRESENTED
BY THE BROTHERHOOD OF
RAILROAD SIGNALMEN

Cathryn S. Frankenberg
Cathryn S. Frankenberg
AVP Labor Relations & Human
Resources - US

KTP
Kim Poole
General Chairman

Robin L. Mullaney
Robin L. Mullaney
Director, Employee & Labor Relations

Joseph L. Mattingly
Joseph L. Mattingly
Vice President

Side Letter No. 1

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This confirms our understanding with respect to the general wage increases provided for in Article I of the Agreement of this date.

The Soo will make all reasonable efforts to pay the retroactive portion of such general wage increases no later than sixty (60) days from the effective date of this agreement by separate check.

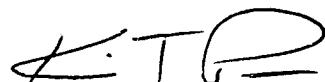
If Soo finds it impossible to make such payments by that date, Soo shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:



Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 2

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This refers to the increase in wages provided for in Section 1 and 2 of Article I of the Agreement of this date.

It is understood that (i) the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with Soo on the date of this Agreement or who retired or died subsequent to June 30, 2002, and (ii) for the purposes of computing retroactive pay, the First General Wage Increase provided for in Section 1 shall be deemed to become effective at midnight on June 30, 2002.

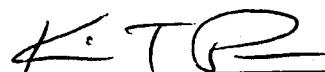
Please acknowledge your agreement by signing your name in the space provided below.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:



Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 3

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

Article III, Part A, Section 2 (e) of the Agreement of this date (Agreement) provides employees with an option to opt-out of coverage for medical benefits for themselves and their dependents under the Soo Line Health and Welfare Plan for Union Employees (Plan). This will confirm our understanding with respect to the intended application of that provision.

An employee who opts out will be opting out of medical benefits coverage only and (if he otherwise satisfies eligibility and coverage requirements) will continue to have on-duty injury coverage, coverage under the Dental and Vision Plans, and life and accidental death and dismemberment insurance coverage.

If, a husband and wife are each covered by the Plan (or by the Railroad Employees National Health and Welfare Plans) by virtue of his/her employment with Soo, and either or both hold positions covered by this Agreement, a BRS-represented spouse may elect to opt-out as provided in Section 2 (e). If that election is made (and provided the other spouse remains so covered), (i) such BRS-represented spouse shall not receive the \$100/month payment provided in Section 2 (e) and shall not be required to make the employee cost-sharing contributions required under Article III, Part B, and (ii) the coordination of benefits rules in effect on the date of this Agreement that are applied when a husband and wife are covered under the Plan (or the National Plans) both as an Eligible Employee and as an Eligible Dependent shall continue to be applicable.

Mr. Kim T. Poole
Page 2

Side Letter No. 3

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

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:

KTP

Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 4

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This confirms our understanding with respect to the opt-out provision, Article III, Part A, Section 2 (e) of our Agreement of this date.

It is understood that for purposes of Section 9801(f) of the Internal Revenue Code, (i) any opt-out election shall be treated as a declination of coverage, or a failure to enroll, for medical benefits under the Plan in which the employee making the election may participate, (ii) that the provisions of Section 9801(f) and the regulations thereunder shall govern how any individual covered by an election to opt-out may nonetheless become covered for medical benefits under the Plan prior to the next regular opt-out election period, (iii) that the terms of Article III, Part A, Section 2 (e) of our Agreement shall be interpreted and applied so as to be in compliance with Section 9801(f), and (iv) that the employer's payment of \$100 per month to an employee who has elected to opt-out shall cease immediately upon the employee and/or his dependents or any one of his dependents becoming covered, pursuant to Section 9801(f), for medical benefits under the Plan.

Furthermore, and notwithstanding the above, the parties recognize that an employee may lose coverage under the health plan or health insurance policy that he or she relied upon in electing to forego coverage for medical benefits under the Plan, and that such loss of coverage may be attributable to an event that is not listed in Section 9801(f) of the Internal Revenue Code and is beyond the control of the employee or of any member of his or her family. In such a case, and only to the extent permissible under IRC Section 125 of the Internal Revenue Code: (a) the employee may ask his/her employer that his or her opt-out election be revoked; (b) the employer involved may in its discretion grant the request in the interest of fairness and equity; and (c) if the request is granted, the employee's opt-

out election shall be treated as revoked as of the day the employer received the request.

For purposes of this letter, the term "Plan" when used herein means, the Soo Line Health and Welfare Plan Benefits for Union Represented Employees.

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

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:

KTP

Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 5

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This confirms our understanding that the term "monthly payment rate" as used in this Agreement refers to the monthly super composite per employee insured equivalent payment rate calculated for the medical benefits portion of the Soo Line Health and Welfare Plan for Union Represented Employees. It excludes consideration of any amounts paid for on-duty injury expense, Dental Care Plan benefits, Vision Care Plan benefits and Life and AD&D Plan benefits.

Please indicate your concurrence by signing in the space below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:

KTP

Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 6

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This will confirm the understanding of the parties with regard to the application of Article III, Section 2 of this Agreement.

It is understood that an employee and his/her dependents will be required to enroll in the Plan's PPO option if a Plan PPO network provides access in the same zip code as the employee's principal residence. For this purpose, the employee's principal residence will be the most recent address on file with the Human Resources Service Center.

The parties also agree to work out details of an expedited review process in the event that the foregoing presents a documented, unforeseen hardship for an affected employee.

Please indicate your concurrence by signing in the space below.

Sincerely,

Cathryn S. Frankenberg

Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:

KTP

Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 7

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

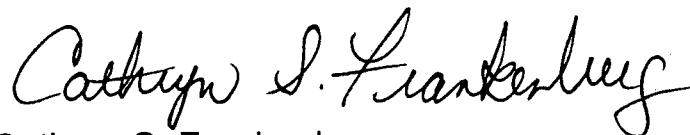
This is to confirm the understanding of the parties with respect to the medical plan default enrollment for any eligible employees who fail to complete and timely return their annual benefit enrollment election form during the designated open enrollment period.

In the event an eligible employee fails to complete and timely return his annual benefit enrollment election form during the initial designated open enrollment period in May 2004, they shall, by default, be enrolled in the Low Option PPO Plan (utilizing the SelectCare network if available, otherwise PHCS) if their principal place of residence is in a zip code area served by a PPO provider. If their principal place of residence is in a zip code area not served by a PPO provider, they shall, by default be enrolled in the Low Option Comprehensive Plan.

In all subsequent year's open enrollments the default enrollment shall be to the option in which the employee had been enrolled in the immediately preceding year, or if not previously enrolled, then as above. In the event of other extenuating circumstances during subsequent years, such as an intervening relocation of principal residence, the intent of the second paragraph above shall also govern.

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

Sincerely,

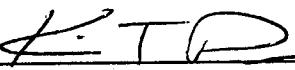


Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

Mr. Kim T. Poole
Page 2

Side Letter No. 7

I concur:



Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 8

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This confirms the understanding of the parties with regard to the inpatient and outpatient mental health and/or chemical and alcohol dependency treatment benefit under the Low and High Option of the Comprehensive Plan.

Subsequent to the implementation of the modified benefits referenced in Article III of this Agreement, it is agreed that Soo will investigate and, if feasible, implement a network of preferred mental health and/or chemical dependency treatment providers for the Comprehensive Option. If such a network is implemented and the employee or eligible dependent uses an approved network provider, the coverage in the Low Option Comprehensive Plan will be 80% after deductible and in the High Option Comprehensive Plan will be 90% deductible.

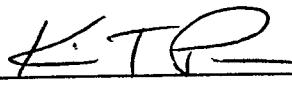
Please indicate your concurrence by signing in the space below.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:



Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 9

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This confirms our understanding that with the medical benefit plan changes to be effective on July 1, 2004, that the employee and covered dependent year-to-date claims incurred for purposes of satisfying deductibles and out-of-pocket maximums will be carried forward and counted toward satisfying those provisions for the balance of 2004. Similarly, claims incurred under the plan on a lifetime-to-date basis will be carried forward and counted toward satisfying the ongoing \$1,000,000 per person lifetime benefit maximum.

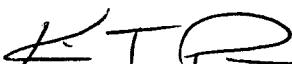
Please indicate your concurrence by signing in the space below.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:



Kim T. Poole

Effective Date: 5/1/04

Side Letter No. 10

Mr. Kim T. Poole, General Chairman
Brotherhood of Railroad Signalmen
13245 58th Avenue North, Apt. E
Plymouth, MN 55442

Dear Mr. Poole:

This confirms our understanding with respect to the Agreement of this date.

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 negotiations.

Please indicate your concurrence by signing in the space below.

Sincerely,

Cathryn S. Frankenberg
Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:

KTP

Kim T. Poole

Effective Date: 5/1/04

JOB TITLE	EFFECTIVE 7/1/2003	EFFECTIVE 7/1/2004
ASST. SIGNALMAN	\$18.31	\$18.91
LEAD SIGNAL MAINTAINER	\$21.33	\$22.02
LEAD SIGNALMAN	\$20.41	\$21.08
SIGNAL ELECTRONIC TECHNICIAN	\$21.88	\$22.59
SIGNAL MAINTAINER - MILW	\$21.13	\$21.82
SIGNAL MAINTAINER - SOO	\$21.01	\$21.70
SIGNAL TESTMAN	\$20.74	\$21.41
SIGNALMAN	\$20.02	\$20.67

JOB TITLE	EFFECTIVE 7/1/2003	EFFECTIVE 7/1/2004
LEAD SIGNAL ELECT TECH	\$4,500.08	\$4,646.34
SIGNAL FOREMAN	\$4,272.70	\$4,411.57
SIGNAL INSPECTOR	\$4,331.98	\$4,472.77

Soo Line Health and Welfare Benefits Plan for Union Represented Employees

Appendix 2

Alternative Plan Design

COMPREHENSIVE	FORMER COMPREHENSIVE PLAN	PROPOSED LOW	PROPOSED HIGH
ANNUAL DEDUCTIBLE	\$100 per person. \$400 per family.	COMPREHENSIVE OPTION	COMPREHENSIVE OPTION
ANNUAL OUT-OF-POCKET MAXIMUM (including the deductible).	\$2,000 per person. \$4,000 per family.	\$2,500 per person \$5,000 per family	\$1,500 per person \$3,000 per family
LIFETIME MAXIMUM	\$1,000,000 per person.	\$1,000,000 per person.	\$1,000,000 per person.
BENEFIT			
Alcoholism or Chemical Dependency Treatment			
- Inpatient	85% coverage after deductible for a maximum of 30 days per 12-month period, up to a lifetime maximum of \$25,000. Program must be completed for benefits to be payable. *	70% coverage after deductible for a maximum of 30 days per 12-month period, up to a lifetime maximum of \$25,000. Program must be completed for benefits to be payable. *	75% coverage after deductible for a maximum of 30 days per 12-month period, up to a lifetime maximum of \$25,000. Program must be completed for benefits to be payable. *
- Outpatient	85% coverage after deductible for up to 130 hours per 12-month period.	After deductible, 70% coverage for up to 130 hours per 12-month period.	After deductible, 75% coverage for up to 130 hours per 12-month period.
Ambulance	100% coverage, no deductible.	80% coverage, after deductible.	90% coverage, after deductible.
Chiropractor	85% coverage after deductible. Maximum 36 visits per calendar year per participant.	80% coverage after deductible. Maximum 36 visits per calendar year per participant.	90% coverage after deductible. Maximum 36 visits per calendar year per participant.
Emergency Room	100% coverage, no deductible, when admitted as inpatient within 72 hours of illness or accident. When not admitted inpatient, 85% coverage after deductible.	100% coverage, no deductible, when admitted as inpatient within 72 hours of illness or accident. When not admitted inpatient, 80% coverage after deductible.	100% coverage, no deductible, when admitted as inpatient within 72 hours of illness or accident. When not admitted inpatient, 90% coverage after deductible.
Hearing Benefits	85% coverage after deductible for the cost of one hearing exam conducted by a licensed physician or audiologist per 24-month period for each participant.	Same as current plan.	Same as current plan.
Home Health Care	85% coverage after deductible.	80% coverage after deductible.	90% coverage after deductible.
Hospice Care	85% coverage after deductible.	80% coverage after deductible.	90% coverage after deductible.
Hospital-Related Charges (Inpatient facility)	85% coverage after deductible for room and board charges (semi-private room) and regular daily services. *	80% coverage after deductible of room and board charges (semi-private room) and regular daily services. *	90% coverage after deductible of room and board charges (semi-private room) and regular daily services. *
Ancillary fees, such as anesthetics, delivery room or operating room and supplies, also covered at 85% after deductible. *	Ancillary fees, such as anesthetics, delivery room and operating room and supplies, also covered at 80% after deductible. *	Ancillary fees, such as anesthetics, delivery room and operating room and supplies, also covered at 90% after deductible. *	Ancillary fees, such as anesthetics, delivery room and operating room and supplies, also covered at 90% after deductible. *
Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.

Soo Line Health and Welfare Benefits Plan for Union Represented Employees
Alternative Plan Design

COMPREHENSIVE	FORMER COMPREHENSIVE PLAN	PROPOSED LOW	PROPOSED HIGH
		COMPREHENSIVE OPTION	COMPREHENSIVE OPTION
Maternity			
- in hospital	85% coverage after deductible for inpatient maternity.	80% coverage after deductible for inpatient maternity.	90% coverage after deductible for inpatient maternity.
- at birthing center	100% coverage, no deductible, for inpatient maternity.	100% coverage, no deductible, for inpatient maternity.	100% coverage, no deductible, for inpatient maternity.
Medical Services & Supplies			
	85% coverage after deductible	80% coverage after deductible	90% coverage after deductible
Mental Illness or Nervous Disorders			
- Inpatient	85% coverage after deductible for up to 30 days per 12-month period. *	70% coverage after deductible for up to 30 days per 12-month period. *	75% coverage after deductible for up to 30 days per 12-month period. *
- Outpatient	85% coverage after deductible for up to 130 hours per 12-month period.	After deductible, 70% coverage for up to 130 hours per 12-month period.	After deductible, 75% coverage for up to 130 hours per 12-month period.
Outpatient Services (Hospital or other facility)			
- Surgery	100% coverage, no deductible.	80% coverage, no deductible	90% coverage, no deductible.
- Therapies	85% coverage after deductible for speech therapy, physical therapy, occupational therapy, and other outpatient services.	80% coverage after deductible for speech therapy, physical therapy, occupational therapy, and other outpatient services.	90% coverage after deductible for speech therapy, physical therapy, occupational therapy, and other outpatient services.
- Other outpatient services	85% coverage after deductible.	80% coverage after deductible.	90% coverage after deductible.
Physician Services			
- Inpatient Surgery	85% coverage, no deductible, for surgeon and assistant surgeon fees, including procedures to treat a pregnancy, accident or illness. *	80% coverage (no deductible) for surgeon and assistant surgeon fees, including procedures to treat a pregnancy, accident or illness. *	90% coverage (no deductible) for surgeon and assistant surgeon fees, including procedures to treat a pregnancy, accident or illness. *
- Outpatient surgery	100% coverage, no deductible, for physician services and same-day related expenses.	80% coverage, no deductible, for physician services and same-day related expenses.	90% coverage, no deductible, for physician services and same-day related expenses.
- Other inpatient physician services	85% coverage, no deductible, for physician visits during hospitalization. *	80% coverage, no deductible, for physician visits during hospitalization. *	90% coverage, no deductible, for physician visits during hospitalization. *
- Second Surgical Opinion	100% coverage, no deductible.	80% coverage after deductible.	90% coverage after deductible.
- Office Visits	85% coverage after deductible for office visits, including routine immunizations.	80% coverage after deductible for office visits, including routine immunizations.	90% coverage after deductible for office visits, including routine immunizations.

Soo Line Health and Welfare Benefits Plan for Union Represented Employees
Alternative Plan Design

COMPREHENSIVE	FORMER COMPREHENSIVE PLAN	PROPOSED LOW	PROPOSED HIGH
Prescription Drugs	COMPREHENSIVE OPTION	COMPREHENSIVE OPTION	COMPREHENSIVE OPTION
<p>- Card</p> <p>Card: 100% coverage, no deductible, after you pay:</p> <ul style="list-style-type: none"> • \$5 per generic Rx, or • \$7 per brand name Rx (if doctor requests) <p>If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.</p> <p>Up to a 34-day supply or 100 units, whichever is greater, when filled at local pharmacy.</p> <p>- Mail order</p> <p>Mail order: 100% coverage, no deductible, after you pay:</p> <ul style="list-style-type: none"> • \$5 per Rx • \$20 per generic Rx, • \$50 per brand name formulary Rx (if doctor requests), or • \$70 per brand name non-formulary Rx (if doctor requests). <p>If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.</p> <p>Up to a 34-day supply or 100 units, whichever is greater, when filled at local pharmacy.</p>	<p>Card: 100% coverage, no deductible, after you pay:</p> <ul style="list-style-type: none"> • \$10 per generic Rx, • \$25 per brand name formulary Rx (if doctor requests); or • \$40 per brand name non-formulary Rx (if doctor requests). <p>If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.</p> <p>Up to a 34-day supply or 100 units, whichever is greater, when filled at local pharmacy.</p>	<p>Card: 100% coverage, no deductible, after you pay:</p> <ul style="list-style-type: none"> • \$5 per generic Rx, or • \$10 per brand name Rx (if doctor requests). <p>If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.</p> <p>Up to a 34-day supply or 100 units, whichever is greater, when filled at local pharmacy.</p>	
<p>Preventive Medicine</p> <p>Including routine physical, preventive care, and well baby care</p>	<p>Up to 90-day supply of maintenance medication</p> <p>85% coverage after deductible for routine physicals, preventive care (pap smears, mammograms and sigmoidoscopies) and well-baby care. Subject to specific schedules and benefit limits.</p>	<p>Up to 90-day supply of maintenance medication</p> <p>100% coverage for preventive care, up to a \$400 annual maximum per person for routine physicals, well-baby care, pap smears, mammograms and sigmoidoscopies. Subject to specific schedules and benefit limits.</p>	<p>Up to 90-day supply of maintenance medication</p> <p>100% coverage for preventive care, up to a \$400 annual maximum per person for routine physicals, well-baby care, pap smears, mammograms and sigmoidoscopes. Subject to specific schedules and benefit limits.</p>
<p>Radiation and Chemotherapy</p>	<p>85% coverage after deductible.</p>	<p>80% coverage after deductible.</p>	<p>90% coverage after deductible.</p>
<p>Skilled Nursing Care</p>	<p>85% coverage after deductible.</p>	<p>80% coverage after deductible.</p>	<p>90% coverage after deductible.</p>
<p>Temporomandibular Joint Disorder (TMJ)</p>	<p>85% coverage after deductible. Lifetime maximum of \$1,000. Precertification required for inpatient treatment; otherwise no expenses will be covered. *</p>	<p>80% coverage after deductible. Lifetime maximum of \$1,000. Precertification required for inpatient treatment; otherwise no expenses will be covered. *</p>	<p>90% coverage after deductible. Lifetime maximum of \$1,000. Precertification required for inpatient treatment; otherwise no expenses will be covered. *</p>

Soo Line Health and Welfare Benefits Plan for Union Represented Employees
Alternative Plan Design

Appendix 2

COMPREHENSIVE	FORMER COMPREHENSIVE PLAN	PROPOSED LOW	PROPOSED HIGH
COMPREHENSIVE OPTION	COMPREHENSIVE OPTION	COMPREHENSIVE OPTION	COMPREHENSIVE OPTION
Transplants - Heart, kidney, liver, bone marrow			
		85% coverage after deductible for hospital, surgery and other medical expenses, plus 100% (no deductible) for limited travel and living expenses. If at least 4 appropriate facilities exist in the Centers of Excellence network, a Center of Excellence must be used or benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required * and no travel or living expenses will be covered.	80% coverage after deductible for hospital, surgery and other medical expenses, plus 100% (no deductible) for limited travel and living expenses. If at least 4 appropriate facilities exist in the United Resource Transplant Network (URN), a URN facility must be used or no benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required * and no travel or living expenses will be covered.
- Other organ transplants (non-experimental) under specified circumstances		85% coverage after deductible. *	90% coverage after deductible. *
Vision Benefits			
		100% coverage, no deductible, for the cost of one eye exam conducted by a VSP doctor per 12-month period for each participant. 100% coverage, no deductible, for the cost of frames (up to \$75) and lenses per 24-month period when a VSP provider is utilized. Contact lenses are covered with limitations. Use of a non-VSP provider may reduce benefits.	80% coverage after deductible. *
X-rays and Lab work		85% coverage after deductible.	90% coverage after deductible. *
CHOICE OF PROVIDERS		Employee or dependent may use any provider.	Employee or dependent may use any provider.
ADDITIONAL CONTEMPLATED REQUIREMENT	Employees are free to choose the Comprehensive Plan or PPO Plan, regardless of PPO network access.	Employees with PPO network access must elect one of the PPO Options and a PPO network (PHCS or SelectCare).	Employees with PPO network access must elect one of the PPO Options and a PPO network (PHCS or SelectCare).
2004 MONTHLY EMPLOYEE CONTRIBUTION		\$0.00	\$100.00

- * Precertification is required on these expenses, as well as on any and all inpatient expenses. If precertification is not obtained as required, the benefit is reduced or eliminated. Under the current comprehensive plan, failure to obtain required precertification results in a benefit of 65% of covered expenses after the deductible, except that no benefit is payable for TMJ inpatient treatment. Under the proposed comprehensive options, failure to obtain required precertification will reduce the otherwise applicable benefit percentage an additional 20%, except that no benefit is payable for TMJ inpatient treatment. For example, failure to obtain precertification under the proposed low option would result in coverage of 60% after the deductible for most hospitalizations, 50% after the deductible for inpatient mental illness or chemical dependency treatments.

NOTE: All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions, and exclusions. Existing plan provisions not specifically amended by this Appendix shall continue in effect without change. See summary plan description for full details.

Soo Line Health and Welfare Benefits Plan for Union Represented Employees
Alternative Plan Design

Appendix 2

PPO OPTIONS	FORMER UNION PREFERRED PROVIDER ORGANIZATION (PPO) PLAN		PROPOSED LOW PPO OPTION		PROPOSED HIGH PPO OPTION	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
ANNUAL DEDUCTIBLE	None.	\$200 per person \$500 per family.	\$200 per person \$600 per family.	\$200 per person \$600 per family.	None. None.	\$100 per person. \$300 per family.
ANNUAL OUT-OF-POCKET MAXIMUM (including the deductible)	None.	\$1,300 per person. \$3,600 per family.	\$2,500 per person \$5,000 per family	\$2,500 per person \$5,000 per family	N/A N/A	\$1,500 per person. \$3,000 per family.
LIFETIME MAXIMUM		\$1,000,000 per person.	\$1,000,000 per person.	\$1,000,000 per person.	\$1,000,000 per person.	\$1,000,000 per person.
BENEFIT						
Alcoholism or Chemical Dependency Treatment	- Inpatient	100% coverage, no deductible, subject to a maximum of 30 days per 12-month period. Program must be completed for benefits to be payable. *	75% coverage after deductible, subject to a maximum of 30 days per 12-month period. Program must be completed for benefits to be payable. *	90% coverage after deductible, subject to a maximum of 30 days per 12-month period. Program must be completed for benefits to be payable. *	70% coverage after deductible, subject to a maximum of 30 days per 12-month period. Program must be completed for benefits to be payable. *	100% coverage, no deductible, subject to a maximum of 30 days per 12-month period. Program must be completed for benefits to be payable. *
	- Outpatient	100% coverage, no deductible, after you pay a \$10 copayment per visit, subject to a maximum of 130 hours per 12-month period.	75% coverage after deductible, subject to 130 hour maximum per 12-month period.	90% coverage after deductible, subject to a maximum of 130 hours per 12-month period.	70% coverage after deductible, subject to 130 hour maximum per 12-month period.	100% coverage, no deductible, after \$15 copayment per visit, subject to a maximum of 130 hours per 12-month period.
Ambulance		100% coverage, no deductible, to and from network provider.	75% coverage after deductible.	90% coverage after deductible to and from network provider	70% coverage after deductible from network provider	100% coverage, no deductible, after \$15 copayment per visit, subject to a maximum of 130 hours per 12-month period.
Chiropractor		100%, no deductible, after \$10 copayment per visit. Maximum 36 visits per calendar year.	75% after deductible. Maximum 36 visits per calendar year.	90% coverage after deductible, after \$10 copayment per visit. Max 36 visits per calendar year.	70% after deductible. Maximum 36 visits per calendar year.	100%, no deductible, after \$10 copayment per visit. Maximum 36 visits per calendar year.
Emergency Room		100% coverage, no deductible, after a \$35 copayment per visit, when care received within 72 hours of illness or accident.	75% coverage after deductible when care received within 72 hours of illness or accident.	100% coverage, no deductible, after \$35 copayment per visit when care received within 72 hours of illness or accident.	70% coverage after deductible when care received within 72 hours of illness or accident.	100%, no deductible, after \$35 copayment per visit when care received within 72 hours of illness or accident.
Hearing Benefits		100% coverage, no deductible, after you pay a \$10 copayment per visit for the cost of routine hearing exams.	Not covered.	100% coverage, no deductible, after you pay a \$10 copayment per visit for the cost of routine hearing exams.	100% coverage, no deductible.	Not covered.
Home Health Care		100% coverage, no deductible.	75% coverage after deductible.	90% coverage, after deductible.	70% coverage after deductible.	100% coverage, no deductible.
Hospice Care		100% coverage, no deductible.	75% coverage after deductible.	90% coverage, after deductible.	70% coverage after deductible.	100% coverage, no deductible.

Soo Line Health and Welfare Benefits Plan for Union Represented Employees
Alternative Plan Design

Appendix 2

PPO OPTIONS	FORMER UNION PREFERRED PROVIDER ORGANIZATION (PPO)		PROPOSED LOW PPO OPTION		PROPOSED HIGH PPO OPTION	
	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK
Hospital-Related Charges (Inpatient facility)	100% coverage, no deductible, for semi-private room & board and regular daily services. *	75% coverage after deductible for semi-private room and board and regular daily services. *	90% coverage after deductible of semi-private room & board and regular daily services. *	70% coverage after deductible for semi-private room and board and regular daily services. *	100% coverage, no deductible, for semi-private room & board and regular daily services. *	75% coverage after deductible for semi-private room and board and regular daily services. *
Ancillary fees , such as anesthetics, delivery room or operating room and supplies, also covered at 100%, no deductible. *	Ancillary fees, such as anesthetics, delivery room or operating room and supplies, also covered at 75% after deductible. *	Ancillary fees, such as anesthetics, delivery room or operating room and supplies, also covered at 70% after deductible. *	Ancillary fees, such as anesthetics, delivery room or operating room and supplies, also covered at 90% after deductible. *	Ancillary fees, such as anesthetics, delivery room or operating room and supplies, also covered at 100%, no deductible. *	Ancillary fees, such as anesthetics, delivery room or operating room and supplies, also covered at 75% after deductible. *	Ancillary fees, such as anesthetics, delivery room or operating room and supplies, also covered at 75% after deductible. *
Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.	Personal items and expenses are not covered expenses.
Maternity	<p>- in hospital</p> <p>100% coverage, no deductible, for inpatient maternity.</p> <p>100% coverage, no deductible, for inpatient maternity.</p> <p>- at birthing center</p>	<p>100% coverage after deductible for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p>	<p>90% coverage after deductible for inpatient maternity.</p> <p>70% coverage after deductible for inpatient maternity.</p> <p>70% coverage after deductible for inpatient maternity.</p>	<p>100% coverage, no deductible, for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p>	<p>100% coverage, no deductible, for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p>	<p>100% coverage, no deductible, for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p> <p>75% coverage after deductible for inpatient maternity.</p>
Medical Services and Supplies	100% coverage, no deductible, for first \$500 in calendar year. Then \$50 copayment, and 100% thereafter.	75% coverage after deductible.	70% coverage, after deductible.	100% coverage, no deductible.	75% coverage, after deductible.	
Mental Illness or Nervous Disorders	<p>- Inpatient</p> <p>100% coverage, no deductible, subject to a maximum of 30 days per 12-month period. *</p> <p>- Outpatient</p> <p>100% coverage, no deductible, after you pay a \$10 copayment per visit, subject to a maximum of 130 hours per 12-month period.</p>	<p>75% coverage after deductible, subject to a maximum of 30 days per 12-month period. *</p> <p>75% coverage after deductible, subject to 130 hour maximum per 12-month period.</p>	<p>90% coverage after deductible, subject to a maximum of 30 days per 12-month period. *</p> <p>90% coverage after deductible, subject to a maximum of 130 hours per 12-month period.</p>	<p>70% coverage after deductible, subject to a maximum of 30 days per 12-month period. *</p> <p>70% coverage after deductible, subject to 130 hour maximum per 12-month period.</p>	<p>100% coverage, no deductible, subject to a maximum of 30 days per 12-month period. *</p> <p>100% coverage, no deductible, after \$15 copayment per visit, subject to a maximum of 130 hours per 12-month period.</p>	<p>75% coverage after deductible, subject to a maximum of 30 days per 12-month period. *</p> <p>75% coverage after deductible, subject to 130 hour maximum per 12-month period.</p>

Soo Line Health and Welfare Benefits Plan for Union Represented Employees
Alternative Plan Design

Appendix 2

PPO OPTIONS	FORMER UNION PREFERRED PROVIDER ORGANIZATION (PPO) PLAN		PROPOSED LOW PPO OPTION		PROPOSED HIGH PPO OPTION	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Outpatient Services (Hospital or other facility)						
- Surgery	100% coverage, no deductible, of outpatient surgery.	75% coverage after deductible for outpatient surgery.	90% coverage after deductible for outpatient surgery.	70% coverage after deductible for outpatient surgery.	100% coverage, no deductible, for outpatient surgery.	75% coverage after deductible for outpatient surgery.
- Therapies	100% coverage, no deductible, after \$10 copayment per visit for speech therapy, physical therapy, occupational therapy.	75% coverage after deductible, for speech therapy, physical therapy, occupational therapy.	90% coverage after deductible, after \$10 copayment per visit for speech therapy, physical therapy, occupational therapy.	70% coverage after deductible, for speech therapy, physical therapy, occupational therapy.	100% coverage, no deductible, after \$10 copayment per visit for speech therapy, physical therapy, occupational therapy.	75% coverage after deductible, for speech therapy, physical therapy, occupational therapy.
- Other outpatient services	100% coverage, no deductible, after you pay a \$10 copayment per visit.	75% coverage after deductible.	90% coverage after deductible after you pay a \$10 copayment per visit.	70% coverage after deductible.	100% coverage, no deductible, after you pay a \$10 copayment per visit.	75% coverage after deductible.
Physician Services						
- Inpatient surgery	100% coverage, no deductible. *	75% coverage after deductible. *	90% coverage after deductible. *	70% coverage after deductible. *	100% coverage, no deductible. *	75% coverage after deductible. *
- Outpatient surgery	100% coverage, no deductible.	75% coverage after deductible.	90% coverage after deductible.	70% coverage after deductible.	100% coverage, no deductible.	75% coverage after deductible.
- Other inpatient physician services	100% coverage, no deductible, for physician visits during hospitalization. *	75% coverage after deductible for physician visits during hospitalization. *	90% coverage after deductible for physician visits during hospitalization. *	70% coverage after deductible for physician visits during hospitalization. *	100% coverage, no deductible, for physician visits during hospitalization. *	75% coverage after deductible for physician visits during hospitalization. *
- Second surgical opinion	100% coverage, no deductible.	75% coverage after deductible.	90% coverage, after deductible.	70% coverage after deductible.	100% coverage, no deductible.	75% coverage after deductible.
- Office Visits	100% coverage, no deductible, including routine immunizations after \$10 copayment per visit.	75% coverage after deductible.	90% coverage, including routine immunizations, after deductible.	70% coverage after deductible, including routine immunizations after \$15 copayment per visit.	100% coverage, no deductible, including routine immunizations after \$15 copayment per visit.	75% coverage after deductible.

Soo Line Health and Welfare Benefits Plan for Union Represented Employees

Appendix 2

FORMER UNION PREFERRED PROVIDER ORGANIZATION (PPO)		PROPOSED LOW PPO OPTION		PROPOSED HIGH PPO OPTION	
		In-Network	Out-of-Network	In-Network	Out-of-Network
Prescription Drugs		In-Network Coverage for birth control is subject to medical necessity.	Out-of-Network	In-Network All FDA-approved non-surgical forms of birth control are covered.	Out-of-Network All FDA-approved non-surgical forms of birth control are covered.
	- Card	Card: 100% coverage, no deductible, after you pay: <ul style="list-style-type: none"> • \$5 per generic Rx; or • \$7 per brand name Rx (if doctor requests) If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.	Up to a 34-day supply or 100 units, whichever is greater, when filled at local pharmacy.	Card: 100% coverage, no deductible, after you pay: <ul style="list-style-type: none"> • \$10 per generic Rx; • \$25 per brand name formulary Rx (if doctor requests); or • \$40 per brand name non-formulary Rx (if doctor requests). If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.	Up to a 34-day supply or 100 units, whichever is greater, when filled at local pharmacy.
Preventive Medicine		Mail order: 100% coverage, no deductible, after you pay: <ul style="list-style-type: none"> • \$5 per Rx If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.	Up to 90-day supply of maintenance medication 100% coverage, no deductible, for routine physicals, preventive care (pap smears, mammograms and sigmoidoscopies) and well-baby care (routine immunizations, and routine hearing exams). Well-baby care subject to \$10 copayment per visit. All preventive medicine expenses are subject to specific schedules and benefit limits.	Mail order: 100% coverage, no deductible, after you pay: <ul style="list-style-type: none"> • \$20 per generic Rx; • \$50 per brand name formulary Rx (if doctor requests); or • \$70 per brand name non-formulary Rx (if doctor requests). If patient requests brand, price difference between generic and brand must be paid by patient, in addition to copayment.	Up to 90-day supply of maintenance medication 100% coverage for preventive benefits, up to an annual \$400 maximum per person, for routine physicals, preventive care (pap smears, mammograms and sigmoidoscopies) and well-baby care. Subject to specific schedules and benefit limits.
Radiation and Chemotherapy (Outpatient)					
Skilled Nursing Care	100% coverage, no deductible.	75% coverage after deductible.	90% coverage, after deductible.	70% coverage after deductible.	100% coverage, no deductible.
Temporomandibular Joint Disorder (TMJ)	100% coverage, no deductible, subject to a lifetime maximum of \$1,000.	75% coverage after deductible, subject to a lifetime maximum of \$1,000. Precertification required for inpatient treatment; otherwise, no expenses will be covered. *	90% coverage, after deductible, subject to a lifetime maximum of \$1,000.	70% coverage after deductible, subject to a lifetime maximum of \$1,000.	75% coverage after deductible, subject to a lifetime maximum of \$1,000. Precertification required for inpatient treatment; otherwise, no expenses will be covered. *

So Line Health and Welfare Benefits Plan for Union Represented Employees
Alternative Plan Design

Appendix 2

PPO OPTIONS	FORMER UNION PREFERRED PROVIDER ORGANIZATION (PPO) PLAN		PROPOSED LOW PPO OPTION		PROPOSED HIGH PPO OPTION	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Transplants - Heart, kidney, liver, bone marrow	100% coverage, no deductible, for hospital, surgery, and other medical expenses plus 100%, no deductible, for limited travel and living expenses. If at least 4 appropriate facilities exist in the Centers of Excellence network, a Center of Excellence must be used or no benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required and coverage will be at 100% in-network or 75% after deductible out-of-network; no travel or living expenses will be covered if not using Center for Excellence.	90% coverage after deductible for hospital, surgery, and other medical expenses, plus 90% after deductible for limited travel and living expenses. If at least 4 appropriate facilities exist in the United Resource Transplant Network (URN), a URN facility must be used or no benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required* and coverage in-network will be at 90% after deductible, coverage out-of-network will be at 70% after deductible. No travel or living expenses will be covered if not using URN.	100% coverage, no deductible, for hospital, surgery, and other medical expenses, plus 100%, no deductible, for limited travel and living expenses. If at least 4 appropriate facilities exist in the United Resource Transplant Network (URN), a URN facility must be used or no benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required* and coverage in-network will be at 100%, no deductible, coverage out-of-network will be at 75% after deductible. No travel or living expenses will be covered if not using URN.	90% coverage after deductible for hospital, surgery, and other medical expenses, plus 90% after deductible for limited travel and living expenses. If at least 4 appropriate facilities exist in the United Resource Transplant Network (URN), a URN facility must be used or no benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required* and coverage in-network will be at 100%, no deductible, coverage out-of-network will be at 75% after deductible. No travel or living expenses will be covered if not using URN.	100% coverage, no deductible, for hospital, surgery, and other medical expenses, plus 100%, no deductible, for limited travel and living expenses. If at least 4 appropriate facilities exist in the United Resource Transplant Network (URN), a URN facility must be used or no benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required* and coverage in-network will be at 100%, no deductible, coverage out-of-network will be at 75% after deductible. No travel or living expenses will be covered if not using URN.	90% coverage after deductible for hospital, surgery, and other medical expenses, plus 90% after deductible for limited travel and living expenses. If at least 4 appropriate facilities exist in the United Resource Transplant Network (URN), a URN facility must be used or no benefit is payable. If less than 4 facilities in network, other facility may be used, but precertification required* and coverage in-network will be at 100%, no deductible, coverage out-of-network will be at 75% after deductible. No travel or living expenses will be covered if not using URN.
Other organ transplants (non-experimental) under specified circumstances	100% Coverage, no deductible. *	75% coverage after deductible. *	90% after deductible. *	70% after deductible. *	100% coverage, no deductible. *	75% after deductible. *
Vision Benefits	VSP Plan	Enhanced to "Standard" VSP plan.	Enhanced to "Standard" VSP plan.	100% coverage, after deductible.	70% coverage, after deductible.	100% coverage, after deductible.
X-rays and Lab work	100% coverage, no deductible.	75% coverage after deductible.	90% coverage, after deductible.	70% coverage, after deductible.	100% coverage, no deductible.	75% coverage, after deductible.
CHOICE OF PROVIDERS	Employee or dependent may use any provider; use of network providers (PHCS or SelectCare) results in higher benefits.	Employee or dependent may use any provider; use of network providers (PHCS or SelectCare) results in higher benefits.	Employee or dependent may use any provider; use of network providers (PHCS or SelectCare) results in higher benefits.	Employee or dependent may use any provider; use of network providers (PHCS or SelectCare) results in higher benefits.	Employee or dependent may use any provider; use of network providers (PHCS or SelectCare) results in higher benefits.	Employee or dependent may use any provider; use of network providers (PHCS or SelectCare) results in higher benefits.
ADDITIONAL CONTEMPLATED REQUIREMENT	Employees are free to choose the Comprehensive Plan or PPO Plan, regardless of PPO network access.	Employees with PPO network access must elect one of the PPO Options and a PPO network (PHCS or SelectCare).	Employees with PPO network access must select one of the PPO Options and a PPO network (PHCS or SelectCare).			
2004 MONTHLY EMPLOYEE CONTRIBUTION		\$0.00		\$100.00		

* Precertification is required on these expenses, as well as on any and all inpatient expenses. In-network care precertification is arranged by the primary care physician; the participant must make arrangements for precertification on out-of-network care. If precertification is not obtained as required, the benefit is reduced or eliminated. Under the current PPO plan, failure to obtain required precertification results in an out-of-network benefit of 65% of covered expenses after the deductible, except that no benefit is payable for TMJ inpatient treatment. Under the proposed PPO options, failure to obtain required precertification will reduce the otherwise applicable out-of-network benefit percentage an additional 10%, except that no benefit is payable for TMJ inpatient treatment. For example, failure to obtain precertification under the proposed low option would result in coverage of 60% after the deductible for most hospitalizations.

NOTE: All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions, and exclusions. Existing plan provisions not specifically amended by this Appendix shall continue in effect without change. See summary plan description for full details.

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
BROTHERHOOD OF RAILROAD SIGNALMEN

In consideration of the National Settlement reached with the NCCC/BRS effective July 1, 2007, and BRS's cooperation in facilitating the return of Soo's BRS represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, the parties have agreed:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2 ½) percent applied so as to give effect to the increase in pay irrespective of the method of payment.

Section 2 - General Wage Increase Effective July 1, 2006

On July 1, 2006, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 3 - General Wage Increase Effective July 1, 2007

On July 1, 2007, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 4 - General Wage Increase Effective July 1, 2008

On July 1, 2008, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 5 - General Wage Increase Effective July 1, 2009

On July 1, 2009, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four and one-half (4-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 6 - Application of Wage Increases

(a) Daily Rates

Add the appropriate percent to the existing daily rates of pay.

(b) Disposition of Fractions

Rates of pay resulting from the application of General Wage Increases under this Agreement, which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(c) Application of Wage Increase

The increase in wages provided for in this Agreement shall be applied in accordance with the wages or working conditions in effect between Soo and BRS. Special allowances not included in rates of pay for all services rendered, will not be increased. Overtime hours will be computed in accordance with Soo schedules for all overtime hours paid.

Section 7 - COLA Payments

Any cost of living allowance amounts rolled into basic rates of pay on or after July 1, 2005 pursuant to Article II, Part B of the May 1, 2004, Soo/BRS Agreement shall be excluded before application of the general wage increase provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

ARTICLE II – COST OF LIVING ALLOWANCE PAYMENTS

Article II, Part B of the May 1, 2004, Soo/BRS Agreement shall be eliminated effective on the date of this settlement. All cost of living allowance payments made under that 2005 Agreement to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article 1 of this Agreement.

ARTICLE III – HEALTH AND WELFARE

Section 1 - Transition from Soo Plan to National Plan

(a) Effective April 1, 2008, or as soon thereafter as administratively practicable, Soo employees represented by BRS will be covered by The Railroad Employees National Health & Welfare Plan (including Life and AD&D), Railroad Employee's National Flexible Benefits Program, the Railroad Employee's National Dental Plan, and the Railroad Employees National Vision Plan (collectively referred to herein as the National Plan), plus the Railroad Employee's National Early Retirement Benefit Plan.

(b) It is understood that this National Plan will be modified to include all subsequent amendments that are negotiated by NCCC/BRS.

(c) Off-Track Vehicle Accident Benefits as modified in Article VI of the April 27, 2004 Agreement between Soo and BRS will continue to apply.

Section 2 – Employee Cost Sharing of Cost of H&W Plan

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the cost of the National Plan in the amount of \$166.25 Per Employee Per Month (PEPM). This amount will be adjusted in accord with the NCCC/BRS settlement effective July 1, 2007.

(b) Employee cost sharing contributions already paid in 2007 and in 2008 will offset the above PEPM amounts.

(c) Once the Soo Signalmen are in the National Plan, all subsequent employee contributions will be based on National Plan costs and calculated in accord with the NCCC/BRS Agreement effective July 1, 2007.

Section 3 – Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Article shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan, to the extent applicable.

Section 4 – Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on or after January 1, 2007, shall be offset against any retroactive wage payments provided to the affected employee under Article 1 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

Section 5 – Prospective Contributions

For months subsequent to the retroactive period covered by Section 4, employee cost-sharing contributions will be made for the employee by Soo. Soo shall deduct the amount of such employee contribution from the employee's wages and retain the amounts deducted as reimbursement for the employee contributions that the employer had made for the employee.

ARTICLE IV – SUPPLEMENTAL SICKNESS

Article IV – Supplemental Sickness of the NCCC/BRS Agreement effective July 1, 2007 will apply.

ARTICLE V – General Provisions

- (a) This Agreement will remain in effect through the moratorium period stipulated in the NCCC/BRS Agreement effective July 1, 2007.
- (b) This Agreement constitutes full and final resolution of BRS's November 22, 2004 Section 6 Notice and Soo's February 15, 2005 Section 6 Notice.
- (c) No party to this Agreement shall serve nor progress prior to November 1, 2009 (not to become effective before January 1, 2010), any notice or proposal.
- (d) This Article will not bar the parties from discussing or reaching agreements on any subject of mutual interest.

For the

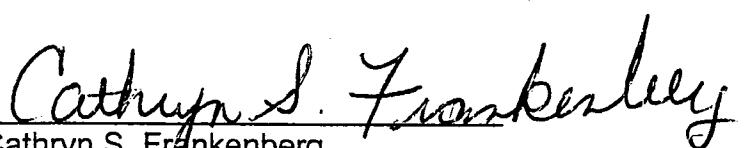
BROTHERHOOD OF RAILROAD
SIGNALMEN

For the

SOO LINE RAILROAD COMPANY

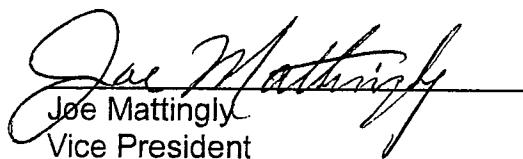


Kim T. Poole
General Chairman



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources-US

Approved:



Joe Mattingly
Vice President

Effective this date of March 11, 2008

Side Letter No. 1

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

This confirms our understanding with respect to the general wage increases provided for in Sections 1, 2 and 3 of Article 1 of the Agreement of this date.

It is understood that the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with Soo on the date of this Agreement or who retired or died subsequent to June 30, 2005.

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

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources – US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 2

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

This confirms our understanding with respect to the General Wage Increases provided in Sections 1, 2 and 3 of Article I of this Agreement.

Soo will make all reasonable efforts to pay the retroactive portion of such GWIs as soon as possible and no later than sixty(60) days after the date of the Agreement.

If Soo finds it impossible to make such payments by this date, it shall notify BRS in writing explaining why such payments have not been made and indicating when the payments will be made.

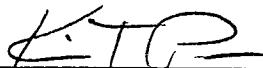
Please indicate your concurrence by signing in the space provided below.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources – US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 3

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

In our discussion on transitioning Soo's BRS represented employees from the Soo Plan to the National Plan, the question arose as to how pre-existing medical conditions for employees and their eligible dependents would be handled.

It is our understanding that pre-existing conditions will be covered by the National Plan provided that Soo's signalmen and their dependents were eligible for coverage under the Soo Plan on the day immediately preceding the effective date of coverage under the National Plan.

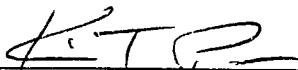
Please acknowledge by signing below that this is consistent with your understanding.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources - US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 4

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

During our discussions on the transitioning of Soo's signalmen from the Soo Plan to the National Plan the question arose as to how Deductibles and Out-of-Pocket Maximums (OOPMs) already paid for 2008 under the Soo Plan would be handled under the National Plan.

It is recognized by both Soo and BRS that some signalmen currently enrolled in the Comprehensive Option under the Soo Plan may have paid all or part of required deductibles and/or OOPMs for 2008. As a result, a geo-access analysis of Soo's signalmen was completed to determine how many of these signalmen would not have access to a United Healthcare, Aetna or Blue Cross Blue Shield (BCBS) network under the revised National Plan. The result is most of Soo's signalmen have access to the expanded National Plan network that was implemented on July 1, 2007, and, therefore, will not have deductibles nor OOPMs to satisfy.

Nevertheless, Soo and BRS jointly commit to work with the Plan sponsors of the National Plan to credit any deductible or OOPM paid in 2008 under the Soo High Option Comprehensive Plan to any required deductible and/or OOPM required under the National Plan. This only applies to Soo signalmen and their dependents who enroll in the Comprehensive Health Care Benefit (CHCB) under the National Plan.

Furthermore, if an alternative arrangement on this issue is agreed upon by any other union representing employees covered by the Soo Plan (High-Low Options), Soo commits that it will make the same arrangement available to BRS represented employees who are in the same situation.

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

Sincerely,

Cathryn Frankenberg
Cathryn Frankenberg
AVP Labor Relations & Human Resources – US

I concur:

KTP

Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 5

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

It is our understanding that employees who are covered under the Soo Plan who have elected to continue coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA), whose "COBRA Qualifying Event" occurred prior to the effective date of the transition to the National Plan, and who have made the required COBRA payments, will continue to be covered under the Soo Plan until such time as their COBRA continuation coverage ends.

If the participant, after the effective date of the transition to the National Plan, works the Requisite Amount of Service to become eligible for health & welfare coverage, this coverage will be provided by the National Plan provided the participant meets the eligibility requirements of the National Plan.

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

Sincerely,



Cathryn Frankenberg
AVP Labor Relations & Human Resources – US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 6

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

It is our understanding that employees who have retired prior to the effective date of the transition from the Soo Plan to the National Plan and who are eligible for coverage under the Soo Line Early Retirement Major Medical Plan for Union Represented Employees will continue to be covered under this Plan until their coverage ends. Employees who retire after the effective date of the transition to the National Plan and who meet the eligibility requirements of the Railroad Employees National Early Retirement Major Medical Benefit Plan will have coverage under that National Plan.

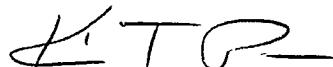
Please indicate your concurrence by signing in the space provided below.

Sincerely,



Cathryn Frankenberg
AVP Labor Relations & Human Resources – US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 7

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

This will confirm that, prior to the effective date of the transition from the Soo Plan to the National Plan, Soo's signalmen will have an opportunity to elect a plan option under the National Plan consistent with the terms and conditions of the National Plan. It is understood that the process, the materials presented and the timeline for making the election will be determined by the sponsor of the National Plan in consultation with the Plan Administrator, United Health Care.

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

Sincerely,


Cathryn Frankenberg
AVP Labor Relations & Human Resources -- US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 8

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

A BRS represented employee in an inactive status (including disabled status) who is receiving benefits under the Soo Plan on the effective date of the transition to the National Plan will continue to be covered under the Soo Plan until either of the following occurs:

- eligibility for such coverage under the Soo Plan ends; or
- the employee meets the eligibility requirements for coverage under the National Plan at which time he will be enrolled in that Plan.

A BRS represented employee in an inactive status who has not elected or is not eligible for COBRA coverage and who is not receiving benefits under the Soo Plan will be enrolled in the National Plan when he meets the necessary eligibility requirements.

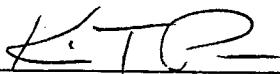
Please indicate your concurrence by signing below.

Sincerely,


Cathryn S. Frankenberg

AVP Labor Relations & Human Resources – US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

Side Letter No. 9

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

This will confirm our agreement to modify RULE 10 – ASSIGNMENTS TO BULLETINED POSITIONS of the January 1, 1986 agreement between the Soo Line Railroad and the Brotherhood of Railroad Signalmen by adding paragraph (d) as follows:

“(d) When a headquartered signal maintainer’s position is bulletined for one bulletin period and closes with no qualified bidders, the junior qualified employee not working as a maintainer or in a higher class, will be assigned to the position as the regular incumbent.

Note: this provision is not intended to supersede any obligation provided for in Rule 5 (e).”

This modification to RULE 10 will be effective with the date of this agreement.

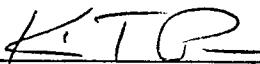
Please indicate your concurrence by signing below.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources – US

I concur:



Kim Poole, General Chairman, BRS

Dated: March 11, 2008

January 25, 2008

Side Letter No. 10

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Subject: Adjustments to Travel Allowance

Dear Mr. Poole:

This will confirm our agreed modification to **Rule 24 - Expenses (b) – Mobile Crews (10)** effective as of the first day of the month following the Effective Date of our Agreement.

Travel allowances will be computed on the actual mileage of the most reasonable and direct highway route to and from the town in which the employee's home residence is located. Allowance will be determined in accordance with the following schedule:

ACTUAL MILEAGE	CURRENT ALLOWANCE	NEW ALLOWANCE
0 - 60	\$ -	\$ -
61 - 100	\$7.84	\$24.20
101 - 150	\$11.79	\$36.39
151 - 200	\$15.70	\$48.46
201 - 250	\$19.63	\$60.59
251 - 300	\$23.54	\$72.65
301 - 350	\$27.47	\$84.78
351 - 400	\$31.39	\$96.88
401 - 450	\$35.32	\$109.01
451 - 500	\$39.23	\$121.08
501 - 550	\$43.17	\$133.24
551 - 600	\$47.09	\$145.34
601 - 650	\$51.02	\$157.47
651 - 700	\$54.93	\$169.54
701 - 750	\$58.86	\$181.67
751 - 800	\$62.78	\$193.77
801 - 850	\$66.70	\$205.86
851 - 900	\$70.62	\$217.96
901 - 950	\$74.56	\$230.12
951 - 1000	\$78.48	\$242.22

The travel allowance table will be increased or decreased effective January 1 of each calendar year beginning in 2009, by applying the same percentage difference in the IRS

standard business mileage rate from the previous calendar year to the current calendar year.

Examples:

Assume the 2017 mileage chart authorizes an allowance of \$25.00 for a 61-100 mile trip and that the difference between the rates in 2017 and 2018 yields an increase of 4.5%. The allowance for 2018 is \$26.13 (rounded to nearest cent).

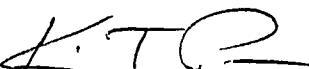
Assume that the 2018 mileage chart authorizes an allowance of \$26.13 for a 61-100 mile trip and that the difference between the rates in 2018 and 2019 yields a decrease of 2%. The allowance for 2019 is \$25.61 (rounded to nearest cent).

Please indicate your concurrence by entering the date and your signature below.

Sincerely,


Cathryn Frankenberg
AVP Labor Relations & Human Resources – US

I concur:



Kim Poole, General Chairman, BRS

Date: March 11, 2008

Side Letter No. 11

January 25, 2008

Mr. Kim Poole, General Chairman
Brotherhood of Railroad Signalmen
1921 Adair Avenue North
Golden Valley, MN 55422

Dear Mr. Poole:

Gainsharing

BRS and CPR hereby commit to design and implement an incentive performance based compensation program, Gainsharing. The fundamental premise of this program is that productivity in the workplace is enhanced by employees who are informed and knowledgeable about the business and understand the impact they can have on productivity and the achievement of defined, measurable improvements or goals.

This is an opportunity for employees to share in CPR's success by achieving jointly developed business targets and goals. The following guidelines will frame the program:

- (1) BRS representatives and CPR management will jointly develop annual gainsharing goals, with gains measured from agreed upon baselines or the attainment of specific targets which the parties establish at the beginning of each calendar year; the first program will be for July 1, 2008 through December 31, 2008 with the specific targets established by the parties by March 31, 2008.
- (2) Goals and targets are to be aligned with CPR's corporate and departmental business plans and objectives – both annual and 4 year plan – People, Safety, Service, Productivity, and Financial. Agreed upon goals and targets may be systemwide, location specific or a combination thereof.
- (3) Measurable savings generated by achieving the established goals or targets will be shared with employees on a 70/30 (CPR/employee) basis with annual payouts capped at 4% of each employee's previous years straight time compensation for service rendered. For 2008 the payout will be prorated, based on straight time compensation for service rendered from July 1, 2008 through December 31, 2008.

- (4) Employees will be eligible for a payout for that year if they have performed sufficient service to earn a vacation the following year.
- (5) BRS and CPR will jointly communicate to employees the agreed upon goals and targets at the beginning of each plan year. Employees will receive ongoing feedback as to results and will be informed and educated as to what they need to do to achieve identified goals or targets.
- (6) Gainsharing payouts will be made by the end of the first quarter of the following year.
- (7) A mechanism will be established whereby employees may suggest ideas for gainsharing goals and/or targets
- (8) Except for 2008, it is agreed that this performance based compensation arrangement may be terminated by either party upon written notice to the other party no later than September 30th. Such termination will apply to the following calendar year and every year thereafter unless otherwise mutually agreed by the parties.

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

Please indicate your concurrence by signing below.

Sincerely,

Cathryn S. Frankenberg

Cathryn S. Frankenberg
AVP Labor Relations & Human Resources – US

I concur:

K. Poole

Kim Poole, General Chairman, BRS

Dated: March 11, 2008