

**COLLECTIVE AGREEMENT**

between the

**Delaware & Hudson Railway Company, Inc.**

and the

**UNITED TRANSPORTATION UNION (Yardmasters Department)**

on behalf of the

**Yardmasters**

**employed on the Delaware and Hudson  
Seniority Rosters  
on the Proprietary and Acquired Lines**

Codified as of November 14, 2007, and replaces the Collective Agreements dated July 12, 1990, December 17, 1991 and June 26, 2002.

"If any conflicts should arise due to any typographical errors of this codified document, dated November 14, 2007, the terms and conditions defined in the previous Collective Agreement will apply"



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## PREAMBLE

The right to make and interpret contracts, rules, rates and working agreements for Yardmasters shall be vested in the regularly constituted representatives of the United Transportation Union (Yardmasters Department).

This Agreement was designed to recognize the transportation and financial realities of the Delaware and Hudson Railway Company, Inc., as a regional railroad in the US Northeast corridor.

The parties acknowledge that the viability of the D&H depends on its ability to provide safe, efficient, consistent, and competitive service to its customers. D&H recognizes that the Yardmasters are an integral element in the success of this enterprise.

This Agreement incorporates features which reinforce the distinctive needs of D&H and its Yardmasters. D&H and UTU-Y believe this Agreement provides the framework within which the business and its employees can be successful.

**ARTICLE 1**  
**DEFINITIONS**

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The term "Yardmaster" as herein used shall include Yardmasters, Assistant Yardmasters, Relief Yardmasters and Extra Yardmasters.

**ARTICLE 2**

**YARDMASTERS' CLASSIFICATION**

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When Yardmasters are needed, they will be selected and appointed by the Carrier. Eligibility for Yardmasters' positions will not be confined to employees or any specific class of employees of the Carrier. The Yardmaster who is last appointed will be placed at the bottom of the roster. Should it develop after reasonable trial that the appointee is not qualified, he may exercise any rights he may have accumulated in some other class, provided this is permissible under the Agreement with the Union holding contract rights with the Carrier covering the particular class.

**ARTICLE 3**  
**BASIC DAY and OVERTIME**

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- 3.1 Eight (8) consecutive hours shall constitute a day's work; except where meal period is taken eight (8) hours within a spread of nine (9) hours shall constitute a day's work.
- 3.2 In any yard where three consecutive shifts are employed to provide 24 hours per day supervision, no meal period will be required
- 3.3 Time worked in excess of eight (8) hours shall be paid for as overtime on a minute basis at time and one-half. Time consumed making transfers shall not be considered as overtime

Note: See Appendix 7 relative to transfer time

**ARTICLE 4**  
**REST DAYS**

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- 4.1 Two regular rest days each week, designated by the Carrier, shall be assigned to each position. Consistent with requirements of the service, due regard shall be given to the preference of the regular Yardmasters, in seniority order, in fixing the rest days for their positions.

Such assigned rest days shall be the same days each week and shall be consecutive to the fullest extent possible. The Carrier may assign non-consecutive days off to a position whenever consecutive days off would cause or necessitate working a Yardmaster with reasonable regularity in excess of five days per week or, by agreement with the General Chairman, days off may be accumulated over a period not to exceed five consecutive weeks.

- 4.2 Regularly assigned Yardmasters required to perform service on either or both of the rest days assigned to their positions will be paid at the rate of time and one-half except where rest days are being accumulated

Extra Yardmasters worked as such in excess of five (5) consecutive days shall be paid one and one-half times the basic straight-time rate for work on either or both the sixth or seventh days, except where days off are being accumulated, but shall not have the right to claim work on such sixth or seventh days.

- 4.3 Where work is required to be performed by the Carrier on the rest day of an assignment or on a day which is not part of any assignment, it will be performed by the senior available extra or furloughed Yardmaster who would otherwise not have forty hours of work that week. In other instances it will be performed by the incumbent or in seniority order other available Yardmaster on his rest day.

- 4.4 Where relief assignments regularly consist of five (5) day per week relief Yardmaster positions will be established and filled in accordance with Article 8.3

Where relief assignments regularly consist of four (4) days work per week, Relief Yardmaster positions providing for four (4) days work per week, may, by agreement with the General Chairman, be established and filled in accordance with Article 8.3. Employees assigned to such positions will have preference over extra men for available extra work covered by this agreement to the extent of one day per work week.

- 4.5 A regularly assigned Yardmaster transferring from one regular position to another regular position will assume, the rest days assigned to the latter position and will be paid straight time for days he actually works on such positions between last assigned rest day of former position and first assigned rest day of new position.

Example: A Yardmaster transfers from position having Wednesday and Thursday as rest

days to position having Saturday and Sunday as rest days. First day worked on position to which transferred was Monday. He will be paid on straight time basis from Friday of preceding week to and including Friday of current week.

- 4.6 Nothing in this agreement shall be construed to require the filling of an assignment on the days off of the regularly assigned Yardmaster where the work can be absorbed by other Yardmasters then on duty.
- 4.7 The days off of extra or unassigned Yardmasters need not be consecutive.
- 4.8 Any tour of duty worked by an extra or unassigned Yardmaster in the exercise of his rights in another craft or class will not be considered in any way in connection with the application of the provisions of this agreement.
- 4.9 All existing guarantees shall be reduced to a basis of five days per week. Nothing in this agreement shall be construed to create a guarantee of any number of hours or days of work where none now exists.
- 4.10 Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees in the same seniority district.

**ARTICLE 5**  
**STARTING TIME**

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- 5.1 When three eight-hour shifts are worked in continuous service, the time for the first shift to begin work will be between 6:00 a.m. and 8:00 a.m.; the second 2:00 p.m. and 4:00 p.m.; and the third 10:00 p.m. and 12:00 midnight.
- 5.2 Where two shifts are worked in continuous service, the first shift may be started during anyone of the periods named in Article 5.1
- 5.3 Where two shifts are worked not in continuous service, the time for the first shift to begin work will be between the hours of 6:00 a.m. and 10:00 a.m. and the second not later than 10:00 p.m.
- 5.4 Where an independent assignment is worked regularly, the starting time will be during one of the periods provided in Article 5.1 or 5.3.
- 5.5 At points where only one Yardmaster is employed, he may be started at any time
- 5.6 Except for meal period, Yardmasters will not be required to suspend work during regular hours, to reduce or absorb overtime.

**ARTICLE 6**  
**RATES OF PAY**

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6.1 Rates of pay for additional positions which may be created will be in conformity with the established rates for positions of same grade and like responsibility.

6.2 Basic rates of pay for Yardmasters shall be as follows:

-----HOURLY RATES OF PAY EFFECTIVE -----

1-1-05	1-1-06	1-1-07	1-1-08
25.16	25.66	26.17	26.69

Note: The 2% GWI effective January 1, 2005 will be deferred until December 31, 2005, to pay for Health and Welfare cost sharing contributions owed by the employees for the period between January 1, 2004 and December 31, 2004.

6.3 Relief and Extra Yardmasters who fill vacancies will receive the basic rate of the position they fill.

## **ARTICLE 7**

### **DEADHEADING AND TRANSPORTATION**

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- 7.1 When a regular Yardmaster is required to fill a vacancy at other than his home terminal, or an extra Yardmaster is required to cover a position not protected by the extra board to which he is assigned, actual time deadheading to and from the assignment at pro rata rate will be allowed.
- 7.2 It is mutually agreed that the following shall apply in connection with providing transportation to Yardmasters holding regular relief positions, except where the positions constituting a relief assignment are confined to one city or terminal area (Capital District and Wilkes-Barre - Hudson District):
- (a) The carrier shall designate one of the offices included in the relief assignment as the home terminal of such assignment for transportation purposes.
  - (b) The carrier shall either provide transportation without charge or reimburse the employee for transportation cost between the home terminal and the locations of the other positions included in the relief assignment on such days as the employee performs service on such positions. "Transportation" means travel by train, bus, or private automobile, and "transportation cost" means established bus fare or automobile mileage allowance established by the carrier where automobile is used.

**ARTICLE 8**  
**SENIORITY**

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8.1 Except as otherwise agreed to between the Carrier and the General Chairman, seniority as Yardmaster shall date from the first day service is performed on a position under this Agreement, provided the employee is not disqualified by the Carrier prior to performing ninety (90) actual days of Yardmaster service.

8.2 Assignments to vacancies and new positions shall be based on fitness, ability and seniority. The Carrier will determine such qualifications after a thirty (30) day trial.

Yardmasters who are disqualified will be allowed to displace junior Yardmasters on their seniority district.

8.3 New positions and vacancies, permanent or temporary, will be advertised within a period of five (5) days after being established or becoming vacant, for a period of ten (10) days on the seniority district. Senior Yardmasters who make application for same will be assigned providing they possess the requisite qualifications and will be given thirty (30) days to qualify. Vacancies of less than thirty (30) days will not be advertised. Known vacancies of sixty (60) days or more will be advertised as permanent.

Applications to be made in duplicate, the original to the issuing officer with a copy to the Local Chairman. Copies of all bulletins and assignments will be sent to the Local Chairman.

8.4 When a regular or unassigned Yardmaster makes application for and is given a temporary position, he may make application for any permanent position that may be advertised during the time he remains on such temporary position.

If no permanent position is taken by him during this time, he will revert back to his regular position when the regular man returns or the position is advertised as permanent and filled by the man who bids it in.

8.5 Nothing in this article shall prevent any Yardmaster who bids in a permanent position from taking same when assignment is made.

8.6 When more than one vacancy occurs, Yardmasters will have a right to bid on all such vacancies, stating preference

- 8.7 Vacancies shall be filled by Extra Yardmasters for the first three (3) days working first-in, first-out, except that an Extra Yardmaster covering a vacant position shall hold same until the regular incumbent returns to the position, or until it is advertised and filled, or until a regularly assigned Yardmaster in the same location is assigned to the position after the expiration of the first three (3) days.

Regularly assigned Yardmasters in the location where the vacancy occurs desiring to fill the vacancy must make written application for same during the first three (3) days and shall hold it until the regular man returns or until the position is advertised and filled. However, when it is known in advance that a vacancy - e.g. vacations, personal injury, vacant positions - will exist for more than three (3) days such vacancy may be filled as of the first day by the senior regularly assigned Yardmaster at that location as provided for in this paragraph

If an Extra Yardmaster stands first-out for a vacancy on a position for which he is not qualified, he shall be taken off the extra board and not marked back on until the Extra Yardmaster who filled the vacancy returns to the extra board, except in case of emergency.

- 8.8 Yardmasters having established seniority as such must thereafter protect all Yardmaster service available to them, either regular assignment or extra work, or forfeit such seniority. However, a Yardmaster not working as such will not be required to relocate in order to hold work if a junior employee at the other location can fill the position or vacancy.

- 8.9 Seniority will be system in scope with prior rights. Seniority rosters as established on the effective date of this agreement will remain in effect. All Yardmasters will be placed in seniority order on the prior rights roster with the location of their prior rights division identified.

Employees acquiring Yardmaster seniority after the effective date of this Agreement will not have prior rights but will be identified on the roster as System Yardmasters with rights on all divisions.

The prior rights territories are as follows:

Division 1. Pennsylvania

Division 2. Binghamton - Buffalo - Mohawk - Mechanicville

Division 3. Capital District, Saratoga/Ft. Edward, Rouses Point

- 8.10 A Yardmaster absent by permission or on account of sickness, on returning to duty will have the right to displace any junior Yardmaster from a position if such position has been bid in during his absence, and have all the rights he would have had, had he been on duty.
- 8.11 Yardmasters now holding or who may be promoted to official or supervisory positions with the Carrier or official positions within the union, will retain and accumulate any seniority, provided they report for duty within sixty (60) days from the termination of their connection with such positions. A promoted Yardmaster reverting to the bargaining unit must revert to the position from which promoted unless abolished or held by a senior employee. In such instance the employee may exercise his seniority to displace a junior employee.

Effective October 1, 2002, Yardmasters accepting promotion to official or supervisory positions with the Carrier will retain and accumulate seniority provided they remit the required Maintenance of Membership Fee and report for duty within sixty (60) days from the termination of their connection with such position. Failure to timely remit will result in the forfeiture of Yardmaster seniority. A promoted Yardmaster reverting to the bargaining unit must revert to the position from which promoted unless abolished or held by a senior Yardmaster. In such instances, the Yardmaster may displace a junior Yardmaster.

Note: See Appendix 8, Letters of Understanding, Yardmaster Supplemental Displacement Agreement, dated November 18, 1998.

**ARTICLE 9**  
**CHANGE IN POSITIONS**

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- 9.1 In the event a position is abolished or its starting time is changed by two hours or more, the incumbent of such position may exercise his seniority and displace any Yardmaster his junior in service on the seniority territory. Yardmasters displaced by such exercise of seniority may likewise displace their juniors. If a Yardmaster so displaced is unable to displace another Yardmaster, he may exercise any rights he may have accumulated in some other class provided this is permissible under the Agreement with the Union holding contract rights with the Carrier covering the particular class.
- 9.2 Yardmasters displacing under this clause must make their choice within ten (10) days.

**ARTICLE 10**  
**EXTRA LISTS**

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- 10.1 Yardmasters who have no regular assignment as such will be assigned to the extra list. Extra Yardmasters may or may not accept service in other classifications in which they may hold rights when they are not required for service as Yardmasters, except that if they are needed in the other class due to shortage of employees, they will respond when called.
- 10.2 A Yardmaster standing first out on the extra list must make him or herself available for a vacancy on the calendar day such vacancy occurs, unless the need of the Carrier dictates otherwise and there is another Yardmaster available to cover the known vacancy. (Example: If an extra Yardmaster assigned to a clerical position or clerical extra board stands first out on the Yardmaster extra list for a known vacancy, and by filling that vacancy, it would create a situation where there was no Clerk available to cover a clerical position, the Carrier may utilize that extra yardmaster on the clerical position provided there is another Yardmaster available to cover the position at the pro rata rate.) The intent and purpose of this clause is to fill Yardmaster vacancies without the Carrier paying additional money at the overtime rate and to insure that the Carrier will not be short of personnel to fill clerical or transportation positions.
- 10.3 Guaranteed Extra Board Provision
- A. The Carrier will determine the location and size of the Guaranteed Extra Board (GEB). It is understood that the Carrier is not required to fill the Guaranteed Extra Board position. The Carrier and the Organization will meet each June and December, more often if required, to project the amount of known vacancies for the following months, based on the number of vacation and personal day vacancies.
- B. GEB Yardmasters will have a weekly guarantee equal to 85% of the current hourly wage times 40 hours for each work week that he/she is available the entire work week on the Yardmaster's GEB. The GEB work week shall be from 0001 hours on Wednesday to 2400 hours on the following Tuesday. Such employee must be available for call two (2) hours before and two (2) hours after the on duty time for each shift, except Kenwood which will be three (3) hours before and three (3) hours after the on duty time of each shift.
- C. The weekly guarantee will be reduced by the amount of all compensation earned, during the claimed week. This includes pay for time worked and pay for time not worked.
- D. The weekly guarantee will be reduced by the amount of compensation the employee would have earned, for each day the employee lays off for any reason or does not work or train due to the employee's failure to respond when work or training is offered. The weekly guarantee will be reduced by eight (8) hours pay at the Yardmaster's rate for each twenty-four hour period that the employee is not fully available for duty.

- E. An employee who may be eligible to receive any portion of the weekly guarantee must provide, on the Carrier's form, the amount of compensation received for the applicable calendar week, compensation lost account of not being available for the applicable week and reason why and amount due. This information must be provided to the designated Carrier Officer within thirty (30) days following the end of the week on which the claim is based.
- F. If a Extra Board Employee misses a call, he will be moved to the bottom of the Extra Board. Calls will be made sufficiently in advance so that the employee can get to the assigned location on time. If an employee is not called for a position account of his not being qualified, said employee will not lose his standing on the Board.
- G. Employees who placed on or who are displaced from the Guaranteed Extra Board position during the workweek and thus do not occupy such assignment the entire seven-day period, Wednesday to Tuesday, will be guaranteed payment of 85% of the eight (8) hour daily Yardmaster rate, pursuant to C and D above, for each complete calendar day actually assigned to the Extra Board minus two (2).
- H. It is understood that a Yardmaster displacing to a GEB , displaces the junior Yardmaster assigned thereto.
- I. It is understood that Yardmasters assigned or bidding to a GEB position must qualify on all positions in the advertisement within one hundred twenty (120) calendar days or forfeit all rights to this Agreement. The time limits of this section may be extended by mutual agreement of the General Chairman and the Carrier.
- J. Positions of the GEB are considered regular assigned Yardmaster positions, as they relate to this GEB Agreement, and employees holding such GEB positions may claim a "Hold Down" under the provisions of Article 8-Hold Downs. The GEB position is not subject to hold downs.
- K. GEB Yardmasters may be used to train on Yardmaster positions and assist Yardmasters in the territory of supervision assigned to their Extra Board, or assist Managers in the performance of their duties, when not otherwise needed to fill a Yardmaster vacancy.
- L. Incumbents of Extra Board positions will have preferential rights over Furloughed employees to short vacancies, training or assisting other employees or any other extra work in the craft within their assigned territory, and will be notified or called to on a rotating basis, first in, first out. Extra Board employees, after completing their assignment, will return to the Extra Board to which assigned.
- M. Extra Board forces may be augmented by the use of furloughed employees.

- N. Vacancies at locations with GEB coverage will be filled in the following order:
- a. Qualified GEB Yardmasters from the rotating board at the straight time rate or extra Yardmaster where no GEB exists.
  - b. Qualified furloughed extra Yardmaster at the straight time rate.
  - c. Positions not filled in accordance with "a" and "b" of this paragraph will be filled at the overtime rate in accordance with Article 4.3 – Rest Days.
- O. In the event of any inconsistencies between this Extra Board Agreement and any provisions of the Collective Bargaining Agreement between the parties dated November 14, 2007, this Extra Board Agreement shall prevail.

**ARTICLE 11**  
**ATTENDING COURT AND HEARINGS**

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11.1 Yardmasters attending court or coroner's inquest as witnesses or engaged in any other work assigned to them by the Carrier will receive compensation for loss of wages together with necessary expenses while so engaged. Witness fees and other allowances will be turned over to the Carrier

11.2 (a) Regularly assigned Yardmasters required to attend hearings, and Extra Yardmasters required to attend hearings in the capacity of Yardmasters, starting two (2) hours or less prior to the reporting time of their assignments, or less than two (2) hours after the completion of their assignments shall be paid on a continuous time basis.

(b) If required to attend a hearing at other than the times mentioned in paragraph (a) hereof, and without losing time thereby on their assignments or extra boards, they shall be compensated for the time spent attending the hearing a minimum of four (4) hours for four (4) hours or less and for over four (4) hours actual time with a minimum of eight (8) hours. Compensation under this paragraph shall be based on rate of assignment for regular employees and rate of last assignment covered for extra employees

(c) If attendance at a hearing necessitates losing time on their assignments or extra boards, they shall be paid for the time so lost in lieu of the payment provided in paragraphs (a) or (b) of this section

(d) Yardmasters found guilty of the offence involved shall not be paid under this section.

NOTE. In this rule the words "assignment" or "assignments" mean "Yardmaster" assignment or assignments and "extra boards" means extra "Yardmaster" boards.

**ARTICLE 12**  
**LEAVE OF ABSENCE**

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- 12.1 Leave of absence will be taken at home terminal
- 12.2 A Yardmaster shall be allowed up to 30 days off duty upon receipt of permission from the designated Company Officer. Yardmasters must request written leave of absence when they are to be off duty for more than 30 consecutive days.
- 12.3 A written leave of absence without impairment of seniority shall be granted upon request to a Yardmaster for the following reasons.
- (a) To accept an official position with the Corporation or related national railroad agencies.
  - (b) To perform Union committee work or to accept full-time Union position.
  - (c) To accept an elective or appointive public office for which a competitive examination is not required.
- 12.4 A Yardmaster granted a leave of absence in accordance with paragraph 12.3(a) or (b) shall be granted that leave of absence for the duration of the assignment.
- 12.5 Upon request, a Yardmaster shall be granted a written leave of absence to perform military service in accordance with current applicable re-employment statutes.
- 12.6 A request for a leave of absence shall be considered only when the requirements of the service permit. If a request for a leave of absence is denied, the General Chairman shall, upon request, be advised the reason for denial.
- 12.7 A request for a leave of absence or for an extension must be made in writing to the designated officer of the Company, with a copy to the General Chairman.
- 12.8 No leave of absence or extension thereof shall exceed one year.
- 12.9 A Yardmaster who fails to report for duty within 15 days after the expiration of an authorized leave of absence or an extension thereof or fails to furnish satisfactory reason for not doing so shall have his seniority terminated and record closed. A Yardmaster whose seniority has been terminated may, through his General Chairman, appeal such termination to the designated Company officer within 30 days of the notice of termination.

- 12.10 A Yardmaster granted a leave of absence under paragraph 12.3 (a) and (b) shall be required to return to duty in the craft within 60 days after being relieved of his assignment, or he shall be subject to conditions set forth in paragraph 12.9.
- 12.11 A Yardmaster who absents himself without a written authorized leave of absence as provided in this rule shall have his seniority terminated.
- 12.12 A leave of absence is not required when a Yardmaster is unable to perform service for the Corporation due to a bona fide sickness or injury
- 12.13 A Yardmaster absent in accordance with paragraph 12.2 who engages in other employment shall forfeit all of his seniority under this Agreement.

**ARTICLE 13**  
**DISCIPLINE AND INVESTIGATION**

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- 13.1 Except as provided in Article 13.3, no Yardmaster will be disciplined, suspended or dismissed from the service until a fair and impartial formal investigation has been conducted by an authorized Carrier officer.
- 13.2 (a) Except when a serious act or occurrence is involved, a Yardmaster will not be held out of service in disciplinary matters before a formal investigation is conducted. A serious act or occurrence is defined as: Rule "G", Insubordination, Extreme Negligence, Dishonesty.
- (b) If a Yardmaster is held out of service before a formal investigation for other than a serious act or occurrence, he will be paid what he would have earned on his assignment had he not been held out of service beginning with the day he is taken out of service and ending with the date the decision is rendered or he is returned to service, excluding the day of the formal investigation, whether or not he is disciplined. Holding a Yardmaster out of service before a formal investigation or paying him for being out of service for less than a serious act or occurrence is not prejudging him.
- 13.3 Formal investigations, except those involving a serious act or occurrence, may be dispensed with should the Yardmasters involved and/or the Local Chairman and an authorized officer of the Carrier, through informal handling, be able to resolve the matter to their mutual interests. Request for informal handling must be made at least 24 hours before a formal investigation is scheduled to begin. No formal transcript, statement or recording will be taken at the informal handling. When a case is handled informally and the matter of responsibility and discipline to be assessed, if any, is resolved, no formal investigation will be required. A written notice of the discipline assessed and the reason therefore will be issued to the Yardmasters responsible, with a copy to the Local Chairman, if he participated in the informal handling, at the conclusion of the informal handling. Discipline matters resolved in accordance with this paragraph are final and binding.
- 13.4 (a) A Yardmaster directed to attend a formal investigation to determine his responsibility, if any, in connection with an act or occurrence will be notified in writing within 10 days from the date of the act or occurrence or in cases involving dishonesty, criminal offences, or letters of complaint, within 10 days from the date the designated Carrier officer becomes aware of such act or occurrence. The notice will contain:

- i) The time, date and location where the formal investigation will be held.
  - ii) The date, approximate time and the location of the act or occurrence.
  - iii) A description of the act or occurrence which is the subject of the investigation.
  - iv) A statement that he may be represented by his duly accredited representative of the United Transportation Union.
  - v) The identity of the witnesses directed by the Carrier to attend.
- (b) When a letter of complaint against a Yardmaster is the basis for requiring him to attend the formal investigation, the Yardmaster will be furnished a copy of the written complaint together with the written notice for him to attend the investigation.
  - (c) The investigation on any matter must be scheduled to begin within 10 days from the date the notice of the investigation is mailed to the Yardmaster.
  - (d) A Yardmaster who may be subject to discipline will have the right to have present desired witnesses who have knowledge of the act or occurrence, to present testimony, and the Carrier will order employee witnesses to be in attendance.
  - (e) The time limit is subject to the availability of the principal(s) involved and witness(es) to attend the formal investigation and may, by written notice to the Yardmaster involved, be extended by the equivalent amount of time the principal(s) involved or necessary witnesses are off duty due to sickness, temporary disability, discipline, leave of absence or vacation.
  - (f) When a Yardmaster is being held out of service for a serious act or occurrence pending the investigation and other principal(s) or witness(es) are not available for the reasons cited, he may request commencement of the investigation. If either the Yardmaster or the Carrier officer is of the opinion that the testimony of the unavailable principal(s) or witness(es) is necessary for the final determination of the facts and discipline has been assessed against the Yardmaster as a result of the investigation, such discipline will be reviewed when the testimony of the missing principal(s) or witness(es) is available.

- (g) When a formal investigation is not scheduled to begin within the time limit as set forth in this rule, no discipline will be assessed against the Yardmaster.
  - (h) A Yardmaster who may be subject to discipline and his representative will have the right to be present during the entire investigation. Witnesses appearing at the request of the Carrier at a formal investigation will be called upon prior to the Yardmaster subject to discipline and those witnesses testifying on his behalf. Witnesses may be examined separately but those whose testimony conflicts will be brought together.
- 13.5 When a Yardmaster is assessed discipline, a true copy of the investigation record will be given to the Yardmaster and to his duly accredited representative.  
(See Appendix 8)
- 13.6 If discipline is to be imposed following a formal investigation, the Yardmaster to be disciplined will be given a written notice of the decision within 21 days of the date the formal investigation is completed.
- 13.7 When a Yardmaster or his duly accredited representative considers the discipline imposed unjust, a grievance may be instituted in accordance with the provisions of Article 14 of the Collective Agreement. Such a grievance will be initiated in accordance with Clause 14.1, except that in appealing cases involving the discipline of dismissal, the General Chairman may expedite the provision contained in Article 14. In such circumstances, the General Chairman must, within 60 days from the date the decision was rendered, make an appeal in writing to the highest appeals officer of the Carrier.

**ARTICLE 14**  
**GRIEVANCE PROCEDURE**

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14.1 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 reason 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.

Note: The Carrier denial must state a specific reason or reasons for denial and state the Article on which denial is based.

14.2 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 stage of the handling of a claim or grievance on the property, extend the sixty (60) day period for either a decision or an appeal, up to and including the highest officer of the Carrier designated for that purpose.

14.3 The requirements outlined in paragraphs 14.1 and 14.2 pertaining to appeal by the employee and the decision by the Carrier, shall govern in appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest Carrier officer to handle such disputes.

14.4 Appeals to the designated Carrier officers will be handled as follows

Article 14.1 Initial Grievance - Employee or Local Chairman to Designated Carrier Officer

Article 14.2 General Chairman to Highest Designated Carrier Officer

14.5 All claims or grievances involved in a decision by the highest designated officer of the Carrier shall be barred unless within six (6) 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, Public Law Board, or a system, group or regional Special Board of Adjustment, that has been agreed to by the parties hereto as provided in Section 3 Second of the Railway Labor Act, as amended. It is understood, however, that the parties may by agreement, in any particular case extend the six (6) months' period herein referred to.

- 14.6 A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant(s) involved thereby shall, under this Article 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.
- 14.7 This rule recognizes the right of representatives of the Union to file or prosecute claims and grievances for and on behalf of the employees they represent.
- 14.8 This rule 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 six (6) months of the date of the decision of the highest designated carrier officer.
- 14.9 This rule shall not apply to requests for leniency.
- 14.10 The Carrier will not discriminate against employees who, as Committeemen, from time to time represent other employees and will grant them time off or leave of absence when requested in performance of their duty to represent other employees and members of their Union

**ARTICLE 15**  
**ANNUAL VACATIONS**

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- 15.1 An annual vacation of two weeks (10 working days) with pay will be granted, subject to the conditions set forth herein, to each Yardmaster who rendered compensated service as Yardmaster on not less than one hundred ten (110) days during the preceding calendar year.
- 15.2 An annual vacation of three weeks (15 working days) with pay will be granted, subject to the conditions set forth herein, to each Yardmaster who rendered compensated service as Yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has eight or more years of continuous service with the employing Carrier.
- 15.3 An annual vacation of four weeks (20 working days) with pay will be granted, subject to the conditions set forth herein, to each Yardmaster who rendered compensated service as Yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has seventeen or more years of continuous service with the employing Carrier.
- 15.4 An annual vacation of five weeks (25 working days) with pay will be granted, subject to the conditions set forth herein, to each Yardmaster who rendered compensated service as Yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has twenty-five or more years of continuous service with the employing Carrier.
- 15.5 Calendar days in each current qualifying year on which a Yardmaster renders no service as such because of his own sickness or because of his own injury shall be included in computing days of compensated service for vacation qualification purposes on the basis of a maximum of 10 such days for a Yardmaster with less than three years of continuous service with the employing Carrier, a maximum of 20 such days for a Yardmaster with three, but less than fifteen years of continuous service with the employing Carrier and 30 such days for a Yardmaster with fifteen or more years of continuous service with the employing Carrier, provided that no calendar day on which a Yardmaster was credited with any compensation under sick leave rules or practices shall be included under this Article 15.5. The maximum number of such days that may be claimed by any individual in any calendar year under this and other schedule agreements shall not exceed a total of 10, 20 or 30 days, respectively.

- 15.6 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
- 15.7 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 no compensated service or 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 the provisions of this Article.
- 15.8 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 the provisions of this Article.
- Note: A shift which extends from one calendar day into another shall be counted as one day in computing the number of qualifying days referred to above.
- 15.9 Local officers of the Carrier and local committees of the Union will co-operate in assigning vacation dates, giving due regard to business conditions, availability of a relief employee and to the desires and preferences of the Yardmasters in seniority order.
- 15.10 (a) When vacations are afforded
- i) A Yardmaster having a regular assignment will be paid for each working day of his vacation the daily compensation (excluding casual or unassigned overtime) of such assignment.

ii) A Yardmaster not having a regular assignment will be paid while on vacation on the basis of the average straight-time compensation earned as a Yardmaster in the last payroll period preceding the vacation during which he performed service for the number of vacation days to which entitled under this Article.

(b) When vacations are not afforded

If a vacation is not afforded, payment in lieu thereof will be made not later than the first payroll period in January of the following year, computed on the following basis:

i) A Yardmaster having a regular assignment will be paid in lieu of vacation the daily compensation (excluding casual or unassigned overtime) of such assignment for the number of vacation days to which entitled under this Article.

ii) A Yardmaster not having a regular assignment will be paid in lieu of vacation on the basis of the average straight-time compensation earned as a Yardmaster in the last payroll period during which he performed service preceding the close of the vacation year for the number of vacation days to which entitled under this Article.

15.11 A Yardmaster who performs service as Yardmaster on any day of his assigned Yardmaster vacation period will be paid for such service at time and one-half rather than straight time in addition to vacation pay provided in this Article.

15.12 Vacations, or allowance therefore, under two or more schedules held by different Unions on the same Carrier shall not be applied to create a vacation, or allowance therefore, of more than the maximum number of days provided for in either of such schedules

15.13 The vacation provided for in this Agreement shall be considered to have been earned when the Yardmaster has qualified pursuant to this Article. If his 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 Yardmaster has qualified pursuant to this Article. If a Yardmaster 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.

- 15.14 Vacations shall not be accumulated or carried over from one vacation year to another.
- 15.15 Past service with the D&H Railway, in addition to service with the acquired lines, will be recognized as service for the purposes of vacation entitlement in accordance with this Article.
- 15.16 Yardmasters who fail to render sufficient compensated service in a qualifying year to qualify for vacation under this Agreement, the Carriers' Operating Employees Agreement, or under the Carriers' Agreement applicable to such other craft or class, all such compensated service shall be combined for vacation qualifying purposes, and there shall be applied to him the provisions of vacation rules, including rates of pay, applicable to the craft or class in which he rendered the preponderance of his compensated service in the qualifying year.

Should the applicable Agreement provisions under which vacation is granted provide for annual vacation payments calculated using compensation earned in a qualifying period, all compensation paid to the employee by the Carrier in the qualifying period in such other craft or class, shall be included in the vacation compensation due in accordance with the applicable agreement provisions under which the vacation is granted

- 15.17 Effective April 21, 1998, employees may liquidate vacation in one day increments up to a minimum of five (5) days per calendar year as follows. Single day vacations taken in 1998 prior to the effective date of this Agreement will not be counted against the minimum of five (5) days for the 1998 vacation year.
- a. Employees will bid vacations as outlined in the collective agreement, designating one week, if desired, to draw single days from.
  - b. Request for a single day vacation must be in writing and submitted to the office of the appropriate department head no less than forty-eight hours prior to date of usage, unless approved by management.
  - c. When scheduling a single day vacation, employees will draw from the designated vacation week, starting with the first day of the assigned vacation for that week. All subsequent single days of vacation will be drawn from the designated week in sequence. All unused remaining single days in the designated week will be liquidated as originally scheduled.
  - d. Single vacation days will be accepted on a first come, first serve, basis in accordance with the requirements of service.
  - e. Single vacation days will be granted by the department head and will not be denied, unless for good reason. If denied, reasons for such denial will be afforded to the employee and the local representative, subject to the appeal process.

- f. Vacation relief employees, designated as such, will fill the single day requests by employees.
  - g. All other provisions of the current Vacation Agreement between the parties will apply to this agreement.
  - h. No single day vacations will be submitted until the vacation roster has been established for the applicable year in accordance with Article 15 Annual Vacations. 15.9
- 15.18 Yardmasters taking vacation or personal leave days will be considered as automatically marked up on their position as of the close of the last shift covered by the vacation or personal leave day.
- 15.19 Personal leave and single day vacation requests must be presented, in writing to the Yardmaster's immediate Supervisor at least forty-eight (48) hours in advance

Requested days will be granted unless the Yardmaster is advised of the reason for the denial within twenty-four (24) hours of the request.

Personal leave and single day vacation requests will be granted on a first request basis and not on a seniority basis.

NOTE: See Appendix 8, page for Vacation Rest Days for Yardmaster's Guaranteed Extra Board (GEB) Position

**ARTICLE 16**  
**GENERAL HOLIDAYS**

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16.1 Subject to the qualifying requirements and conditions contained herein, each employee shall receive eight hours' pay at the pro rata hourly rate for each of the following enumerated holidays:

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

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

16.3 Holiday pay shall be at the pro rata rate.

16.4 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.

16.5 Subject to the applicable qualifying requirements contained herein, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in this Article, provided:

- (a) compensation for service paid him by the carrier is credited to 11 or more of the 30 calendar days immediately preceding the holiday and,
- (b) 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

- 16.6 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.
- 16.7 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.
- 16.8 Except as provided in the following paragraph, all others for whom holiday pay is provided in this Article 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:
- (a) Compensation for service paid by the carrier is credited, or
  - (b) Such employee is available for service.
- Note: "Available" as used in subsection (b) 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.
- 16.9 For the purposes of this Article, other than regularly assigned employees who are relieving regularly assigned employees on the same assignment on both the work day preceding and the work day 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 work days preceding and following the holiday as apply to the employee whom he is relieving
- 16.10 Compensation paid under sick-leave rules or practices will not be considered as compensation for purposes of this rule
- 16.11 (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 and to Christmas Eve, in the same manner as to other holidays listed or referred to therein
- (b) Except as specifically provided herein, 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 the day

after Thanksgiving Day and New Year's Eve (the day before New Year's Day is observed) in the same manner as to other holidays listed or referred to therein.

- (c) 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.
- (d) 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 day, 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.

- (e) Except as provided herein, 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

16.12 When any of the eleven recognized holidays enumerated above, 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 holiday:

- (a) falls during a regular assigned Yardmaster's or regular assigned relief Yardmaster's vacation period, he shall in addition to his vacation compensation, receive one day's pay at the pro rata rate of the position he filled on the last work day immediately preceding his vacation period, providing he fills his regular position on the last work day immediately preceding and on the first work day immediately following his vacation period;
- (b) falls during a regular assigned Yardmaster's or regular assigned relief Yardmaster's rest day, he shall in addition to his regular pay one day's pay at the pro rata rate of the position he filled on the last work day immediately preceding the holiday falling on a rest day, provided he fills his regular position on the last work day immediately preceding and on the first workday immediately following the holiday falling on a rest day;
- (c) falls on an assigned work day of a regular Yardmaster assignment or regular relief Yardmaster assignment, the Carrier shall have the right to blank such position on that day and the Yardmaster then holding such assignment shall be paid for that day on the basis of his regular pro rata rate of pay, provided he does not render other compensated service for the Carrier during the hours of such Yardmaster assignment

**ARTICLE 17**  
**BEREAVEMENT LEAVE**

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17.1 Bereavement leave, not in excess of three (3) calendar days, following the date of death, will be allowed in case of death of an employee's spouse, son, daughter, mother, father, sister, brother, grandchild, grandparent, mother-in-law, father-in-law. 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.

Note: D&H agrees to apply this provision so that legally adopted children or the employee's spouse's children are covered.

(See Appendix 4 for Q and As)

**ARTICLE 18**  
**JURY DUTY**

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- 18.1 When a regularly assigned Yardmaster 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.
- (a) A Yardmaster must furnish the Carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.
  - (b) The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.
  - (c) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.
  - (d) When a Yardmaster is excused from railroad service account of jury duty the Carrier shall have the option of determining whether or not the Yardmaster's regular position shall be blanked, notwithstanding the provisions of any other rules.

**ARTICLE 19**  
**HEALTH AND WELFARE**

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- 19.1 The Carrier and UTU are among the parties which collectively participate in the National Railway Carriers and United Transportation Union (NRC/UTU) Health and Welfare Plan. Descriptive employee booklets outlining the Hospital, Surgical and Medical Benefits and Group Life Insurance issued by the Plan are furnished to each qualifying employee.
- 19.2 The Carrier and UTU are among the parties which collectively participate in the Railroad Employees National Dental Plan, established effective March 1, 1976, as amended. Employee booklets describing the dental benefits are issued by the Plan and furnished to each qualifying employee.
- 19.3 The Carrier and UTU are among the parties which collectively participate in the Railroad Employees National Early Retirement Major Medical Benefit Plan. Descriptive booklets outlining the specified major medical expense benefits for eligible retired or disabled employees and their dependents are issued by the Plan and provided to those employees who retire at or after 60 years of age under the 60/30 provisions of the 1974 Railroad Retirement Act.
- 19.4 The Supplemental Retiree Medical Insurance Contribution provision contained in the June 16, 1982 National Agreement, as may be amended, applies to employees covered by this Agreement.
- 19.5 The Supplemental Sickness Benefit Plan Agreement for Railroad Yardmaster Employees dated January 1, 2005, as may be amended, applies to employees covered by this Agreement.
- 19.6 The revisions to the National Railway Carriers and United Transportation Union (NRC/UTU) Health and Welfare Plan, as provided in the November 6, 2003 Memorandum of Agreement between the NCCC and UTU, are reproduced in Appendix 5.
- 19.7 The revisions to the Supplemental Sickness Benefit Plan Agreement, as provided in the Supplemental Sickness Benefit Plan for Railroad Yardmaster Employees, insured under Group Contract 9000, issued by Trustmark Insurance Company, dated January 1, 2005, apply to employees covered by this Agreement.

Note: The following plans, as outlined in D&H/UTU-Y Memorandum of Agreements dated, April 21, 1998; April 4, 2000, September 9, 2002; and August 7, 2006, have been modified, as more specifically outlined in the Agreements between the NCCC and UTU, dated May 8, 1996 and November 6, 2003. The specific improvements are reproduced in Appendix 5.

- Railroad Employees National Health and Welfare Plan;
- National Railroad Employees Dental Plan;
- Life Insurance;
- Accidental Death and Dismemberment;
- National Railroad Early Retirement Major Medical Plans;
- National Supplemental Sickness Plan.

19.7 The parties agree to continue to apply Section 4 – Health and Welfare, “Article IV – Health and Welfare” of the November 6, 2003, Agreement between NCCC and UTU, to D&H Yardmasters represented by the UTU-Y, except as otherwise set forth below:

- (a) “Part A - Plan Changes” will be effective January 1, 2005, and will remain in effect until modified by agreement between the NCCC and UTU.
- (b) “Part B – Employee Cost Sharing of Plan Cost Increases” will be effective January 1, 2004 and remain in effect until, and unless, modified by agreement between the NCCC and UTU. Note – The 2% GWI effective January 1, 2005 will be deferred until December 31, 2005, in lieu of retro payments, owed by employees for Health and Welfare cost sharing contributions for the period between January 1, 2004 and December 31 2004

It is understood that the D&H employee cost-sharing contributions will be 94% of the cost-sharing contributions calculated under Part B, Section 1, (a), (b), (c) and (d). It will remain in effect until, and unless, modified by agreement between the NCCC and UTU.

Time Period	National Cost Sharing	D&H Cost Sharing
01/04 thru 06/04	\$ 119.61 PEPM	\$ 112.43 PEPM
07/04 thru 06/05	\$ 100.00 PEPM	\$ 94.00 PEPM
07/05 thru 12/05	\$ 106.11 PEPM	\$ 99.74 PEPM
01/06 thru 06/06	\$ 131.96 PEPM	\$ 124.04 PEPM
07/06 thru 12/06	\$ 131.96 PEPM	\$ 124.04 PEPM

- (c) Subsequent to December 2006, as long as the increase in the National cost-sharing contribution is determined under Part B, Section 1 (e) through (j), the increase in the D&H cost-sharing contribution will be 94% of the National amounts. For example, if the January, 2007, increase in cost-sharing contribution calculated under Section 1 (f) is \$16.50 PEPM, for a new National cost-sharing contribution of \$148.46, then the increase on D&H would be \$15.51 for a new cost-sharing contribution of \$139.55.

- (a) When a new NCCC/UTU settlement covering Yardmasters is reached which covers the years 2005 through 2008, the D&H cost-sharing contribution will be recalculated for each year in this period that the NCCC/UTU Agreement provides for a General Wage Increase. The relative 2004 base pay rates for this calculation will be \$26.13/National and \$24.67 D&H.

Should there be no GWI in 2005 or thereafter under the NCCC/UTU Agreement, the \$26.13 will be adjusted to reflect the COLA amount, if any, rolled into the base rate and the \$24.67 will be adjusted by 2%.

Otherwise, for each year in this period, the National rate will be adjusted by the applicable National GWI and the D&H rate will be adjusted by the applicable D&H GWI. The rates will then be compared to one another to determine if the 94% relative value changes. If the relative value changes, the D&H cost-sharing contribution for the 12-month period immediately following the effective date of the National GWI will be adjusted accordingly.

**ARTICLE 20**  
**PERSONAL LEAVE**

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- 20.1 A maximum of two days of personal leave will be provided on the following basis:
- a) Employees who meet the qualifying requirements under vacation rules in effect on the effective date of this Agreement for three (3) weeks of vacation shall be entitled to one day of personal leave in 1990 and subsequent calendar years.
  - b) Employees who have met the qualifying requirements under vacation rules in effect on the effective date of this Agreement for four (4) weeks or more of vacation shall be entitled to two days of personal leave in 1990 and subsequent calendar years.
- 20.2 (a) Personal leave days provided in Article 20.1 may be taken upon 48 hours' advance notice from the employee to the proper Carrier officer provided, however, such days may be taken only when consistent with the requirements of the Carrier's service. It is not intended that this condition prevent an eligible employee from receiving personal leave days except where the request for leave is so late in a calendar year that service requirements prevent the employee's utilization of any personal leave days before the end of that year.
- (b) Personal leave days will be paid for at the regular rate of the employee's position or the protected rate, whichever is higher.
  - (c) The personal leave days provided in Article 20.1 shall be forfeited if not taken during each calendar year. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under these provisions.
- 20.3 Yardmasters taking vacation or personal leave days will be considered as automatically marked up on their position as of the close of the last shift covered by the vacation or personal leave day.
- 20.4 Personal leave and single day vacation requests must be presented, in writing to the Yardmaster's immediate Supervisor at least forty-eight (48) hours in advance.

Requested days will be granted unless the Yardmaster is advised of the reason for the denial within twenty-four (24) hours of the request.

Personal leave and single day vacation requests will be granted on a first request basis and not on a seniority basis.

**ARTICLE 21**  
**PHYSICAL FITNESS. DETERMINATION OF**

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- 21.1 When an employee has been removed from his position due to his physical condition and the employee or his representative desires the question of his physical fitness to be finally decided before he is permanently removed from his position, the case shall be handled in the following manner:
- (a) The General Chairman shall bring the case to the attention of the Highest Designated Carrier Officer. The Carrier and the General Chairman shall each select a doctor to represent them, each notifying the other of the name and address of the doctor selected. These two (2) doctors will confer and appoint a third doctor. Such Board of Doctors shall then fix a time and place for the employee to meet them.
  - (b) After completion of the examination, they shall make a full report in triplicate, one copy each to be sent to the Highest Designated Carrier Officer, the Carrier's Senior Corporate Advisor, Occupational & Environmental Health, and the General Chairman.
  - (c) The decision of the Board of Doctors, setting forth the employee's physical fitness and their conclusions as to whether he meets the requirements of the Carrier's physical examination policy, shall be final and binding on the parties, but this does not mean that a change in physical condition shall preclude a re-examination at a later time.
  - (d) The doctors selected for such Board shall be experts in the disease or injury from which the employee is alleged to be suffering, and they shall be located at a convenient point so that it will only be necessary for the employee to travel a minimum distance and, if possible, not to be away from home for a longer period than one (1) day.
  - (e) The fees and expenses of the third or neutral physician shall be borne equally by the Carrier and the employee. All other expenses shall be paid by the Carrier and the employee incurring them, including the fees of the physician selected by them. At the time the Board's report is made, a bill for the fee, and traveling expenses, if any, of the third or neutral physician should be made in duplicate, one (1) copy to be sent to the Carrier's Medical Director and one (1) copy to the employee.

**ARTICLE 22**

**FORCES REDUCTION RULE**

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- 22.1 In the event of a permanent abolishment of a Yardmaster's position the Carrier shall notify the General/Regional Chairman not less than ten (10) calendar days prior to the effective date of such abolishment. If requested by the General/Regional Chairman the appropriate officer of the Carrier, and the General/Regional Chairman or his representative, shall meet for the purpose of discussing such abolishment.
- 22.2 Such notice period may be reduced in the event of emergency conditions such as flood, snowstorm, hurricane, tornado, earthquake, fire or labor dispute provided that such conditions result in suspension of the Carrier's operations in whole or in part.
- 22.3 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 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.

**ARTICLE 23**  
**EXAMINATIONS - INSTRUCTION CLASSES**

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- 23.1 A Yardmaster required to take a periodic examination in the Operating Rules during his off-duty hours shall be allowed payment on the following basis:
- (a) A Yardmaster required to take a periodic rules examination shall be allowed four (4) hours' pay at the basic rate of his position.
  - (b) Payment will not be made to an employee directed to take a rules examination which he fails to pass to the satisfaction of the Rules Examiner.
- 23.2 Yardmasters required by the Carrier to attend classes covering Air Brake Rules Instruction and Handling Dangerous Commodities during their off-duty hours will be paid for actual time in attendance at such classes at their basic hourly rate, with a minimum of four hours.

**ARTICLE 24**  
**401-k SAVINGS PLAN**

Within 120 days of the implementation of this Agreement, all employees covered under this Agreement may participate in the "SOO Line 401k Plan for Unionized Employees", and if electing to participate, will be governed by all the Rules and Regulations as outlined in the aforementioned Plan.

Effective January 1, 2005:

"The current 10% of annual salary maximum of 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).

Salary Reduction Catch Up Contributions provision 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 25**  
**SALE OF D&H**

In the event the D&H is sold or leased and the Surface Transportation Board does not provide labor protection, any employees holding positions with the D&H at the time of sale or lease will be entitled to a separation allowance of \$30,000 if they are not offered work with the new owner or operator and \$10,000 for those who are offered such work. Any employees entitled to any other benefits under the collective bargaining agreement will be entitled to that benefit or the one provided here, whichever is the greater.

**ARTICLE 26**  
**DEPENDENT CARE ASSISTANCE PLAN**

D&H will make available to all eligible employees working under the labor contract with the UTU-Y, a Dependent Care Assistance Plan on the same basis, as this is available to D&H management. This plan is established pursuant to Sections 125 and 129 of the Internal Revenue Code.

The Plan may be changed from time to time consistent with ERISA, IRS and other applicable laws and regulations.

**ARTICLE 27**

**WHOLE AGREEMENT PROVISION**

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This Collective Bargaining Agreement supersedes in their entirety all prior collective bargaining agreements, memoranda of agreement, letters of understanding, Carrier letters or local agreements or understandings and constitutes the whole agreement between the parties.

**ARTICLE 28**  
**DURATION OF AGREEMENT**

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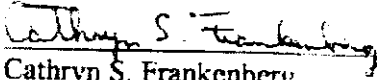
28.1 This Agreement will remain in effect through December 31, 2008 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act as amended.

28.2 No party to this Agreement shall serve prior to July 1, 2008 (not to become effective before January 1, 2009) any notice or proposal for the purpose of changing the subject matter of the provisions of this Agreement and all proposals in pending notices served by the organization on the signatory carrier or any of its predecessors, or all proposals in pending notices served by the signatory Carrier or any of its predecessors on the organization that have not been addressed by this Agreement are hereby withdrawn


It is understood that this Agreement resolves UTU-Y's section 6 notices dated November 16, 1994, November 10, 1999 and November 15, 2004; as well, D&H Section 6 notices dated July 28, 1995, December 8, 1999, January 13, 2000 and March 4, 2005.

28.3 This Article will not bar nor preclude the Carrier and representatives of the United Transportation Union (Yardmasters Department) from reaching agreements on any subject of mutual interest.

For the Delaware & Hudson  
Railway Company, Inc.

  
Cathryn S. Frankenberg  
AVP LR & HR US  
November 14, 2007

For the United Transportation  
Union (Yardmaster Department)

  
Robert E. Keeley  
General Chairman  
November 14, 2007

## APPENDIX 1

### COST-FREE UNION DUES DEDUCTION

Within 60 days following request by the Union, each railroad party to this Agreement and the Union signatory to this Agreement will reach an understanding or agreement to modify their union dues deduction agreement (or, if there is no dues deduction agreement, the parties on the individual railroads will negotiate a union dues deduction agreement), effective with the first calendar month following 60 days after the date of such agreement (unless otherwise agreed to), which will conform to the following guidelines:

1. Deductions will be limited to periodic union dues, initiation fees, and assessments (not including fines and penalties) which are uniformly required as a condition of acquiring or retaining membership.
2. No costs will be charged against the Union or the affected employees in connection with the dues deduction agreement.
3. Appropriate written assignment form executed by the individual involved must be in the hands of the designated railroad officer at least 30 days in advance of the first payroll deduction scheduled for that individual; provided, however, that dues deduction assignments currently in effect need not be re-executed and may be continued in effect subject to their terms and conditions.
4. The dues deduction amounts may not be changed more often than once every three months.
5. The parties to the dues deduction agreement will mutually agree on the payroll period on which the deductions uniformly will be made.
6. The dues deduction agreement will include appropriate priorities of deductions in cases where the individual's pay check is insufficient to permit deduction of the full amounts specified on the deduction lists. The following payroll deductions, as a minimum, will have priority over the deductions called for by the dues deduction agreement.  
  
Federal, State and Municipal taxes; premiums on any life insurance, hospital-surgical insurance, group accident or health insurance, or group annuities; other deductions required by law such as garnishments and attachments, and amounts due the Carrier by the individual.
7. In the event there is insufficient earnings to permit the full amount of the union dues deduction no deduction will be made.
8. The Carrier will furnish uniform alphabetical deduction lists (in triplicate) for each local lodge each month. Such lists will include the employee's name, Social Security number or payroll identification number, and the amount of union dues deducted from the pay of each employee.

## APPENDIX 2

### UNION SHOP

The Agreement made this 29th day of August, 1952, by and between the participating carriers represented by the Eastern Carriers' Conference Committee, and the employees shown thereon and represented by the Railway Labor Organizations signatory hereto, through the Employees' National Conference Committee Seventeen Cooperating Railway Labor Organizations is applicable to employees covered by this collective agreement.

IT IS AGREED:

#### Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employees of the carriers 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.

- (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 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 therefore. 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 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, 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 anyone 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 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 determine the employment of an employee until such time as a 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 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 carriers 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 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 carriers 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 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 September 15, 1952 and is in full and final settlement of notices served upon the carriers by the organizations signatory hereto, on or about February 5, 1951. It shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented by each organization on each of said carriers as heretofore stated. This agreement shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

SIGNED AT WASHINGTON, D.C. THIS TWENTY-NINTH DAY OF AUGUST, 1952.

### APPENDIX 3

#### OFF TRACK VEHICLE

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 (Amended in accordance with Article IX Off-Track Vehicle Accident Benefits, of the Agreement between the NCCC and UTU, dated August 20, 2002)

(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 anyone 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 the Plan 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	\$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.

(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 anyone accident, less any amounts payable under the Plan 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) 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.

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to \$10,000,000 for any one accident and the carrier shall not be liable for any amount in excess of \$10,000,000 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 thereof, 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 Appendix 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 Appendix.

The payments provided for above will be made, as above provided, for covered accidents on or after the effective date of this agreement

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 Appendix 3.

(employee or personal representative)

agrees to be governed by all of the conditions and provisions said and set forth by this Appendix 3.

## APPENDIX 4

### Q&A'S RE BEREAVEMENT LEAVE

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 following 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 the 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.

## APPENDIX 5

### HEALTH AND WELFARE PLAN AND EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN

#### Part A - Health and Welfare Plan

##### Section 1 - Continuation of Plan

The Railroad Employees National Health and Welfare Plan (the "Plan"), modified as provided in this Part, 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 any insurer, third party administrator or other entity in connection with the Plan and by the use of funds held in trust that are not otherwise needed to pay claims, premiums, or administrative expenses that are payable from funds held in trust; provided, however, that such amounts as may at any time be in that certain special account maintained at The Travelers Insurance Company, known as the "Special Account Held in Connection with the Amount for the Close-Out Period," relating to the obligations of the Plan to pay, among other things, benefits incurred but not paid at the time of termination of the Plan in the event such termination should occur, shall be used to pay or provide for Plan benefits as follows: one-third of the balance in such special account as of January 1, 1992, shall be used to pay or provide for benefits that become due and payable during 1992. One-half of the balance in such special account as of January 1, 1993, shall be used to pay or provide for benefits that become due and payable during 1993. All of the balance in such special account in excess of \$25 million as of January 1, 1994, shall be used to pay or provide for benefits that become due and payable during 1994. The \$25 million referred to in the preceding sentence shall be maintained by the Plan as a cash reserve to protect against adverse claims experience from year to year.

In the event that a carrier participating in the Plan defaults for any reason, including but not limited to bankruptcy, on its obligation to contribute to the Plan, and the carrier's participation in the Plan terminates, the carriers remaining in the Plan shall be liable for any Plan contribution that was required of the terminating carrier prior to the effective date of its termination, but not paid by it. The remaining carriers shall be obligated to make up in a timely fashion such unpaid contribution of the terminating carrier in pro rated amounts based upon their shares of Plan contributions for the month immediately prior to such default.

## Section 2 - Change to Self-Insurance

Except for life insurance, accidental death and dismemberment insurance, and all benefits for residents of Canada, the Plan will be wholly self-insured and administered, under an administrative services only arrangement, by an insurance company or third party administrator.

## Section 3 - Joint Plan Committee

The Joint Policyholder Committee shall be renamed the Joint Plan Committee. This change in name shall not in any way change the functions and responsibilities of the Committee.

A neutral shall be retained by and at the expense of the Plan for the duration of this Agreement to consider and vote on any matter brought before the Joint Plan Committee (formerly the Joint Policyholder Committee), arising out of the interpretation, application or administration (including investment policy) of the Plan, but only if the Committee is deadlocked with respect to the matter. A deadlock shall occur whenever the carrier members of the Committee, who shall have a total of one vote regardless of their number, and the organization members of the Committee, who shall also have a total of one vote regardless of their number, do not resolve a matter by a vote of two to nil and either side declares a deadlock.

If the members of the Joint Plan Committee cannot agree upon a neutral within 30 days of the date this Agreement becomes effective, either side may request the National Mediation Board to provide a list of seven persons from which the neutral shall be selected by the procedure of alternate striking. Joint Plan Committee members and the neutral shall, to the extent required by ERISA, be bonded at the expense of the Plan. The Joint Plan Committee shall have the power to create such subcommittees as it deems appropriate and to choose a neutral chairman for such subcommittees, if desired.

## Section 4 - Managed Care

Managed care networks that meet standards developed by the Joint Plan Committee, or a subcommittee thereof, concerning quality of care, access to health care providers, and cost-effectiveness, shall be established wherever feasible as soon as practicable. Until a managed care network is established in a given geographical area, individuals in that area who are covered by the Plan will have the comprehensive health care benefit coverage described in Section 5 of this Part A. Each employee in a given geographical area who is a Plan participant at the time a managed care network is established in that area will be enrolled in the network (along with his or her covered dependents) unless the employee provides timely written notice to his or her employer of an election to have (along with his or her covered dependents) the comprehensive health care benefit coverage rather than to be enrolled in the network. Any such employee who provides such timely written notice shall have an annual opportunity to revoke his or her election by providing a written notice of revocation to his or her employer at least sixty days prior to January 1 of the calendar year for which such revocation shall first become effective. Similarly, each employee in a given geographical area who is a Plan participant at the time a managed care network is established in that area and is



thereafter enrolled in the network (along with his or her covered dependents) shall have an annual opportunity to elect to have (along with his or her covered dependents) the comprehensive health care benefit coverage rather than continue to be enrolled in the network. This election may be made by such an employee by providing written notice thereof to his or her employer at least sixty days prior to January 1 of the calendar year for which the election shall first become effective. Each employee hired after a managed care network is established in his or her geographic area (and his or her covered dependents) will be enrolled in the network and may not thereafter elect to be covered by the comprehensive benefits until the January 1 which falls on or after the first anniversary of his or her initial date of eligibility for Plan coverage. Employees who return to eligibility for Plan coverage within 24 months of loss of eligibility for Plan coverage and whose employment relationship has not terminated at any time prior to such return will be enrolled in the program of Plan benefits in which they were enrolled when their eligibility for Plan coverage was lost, and shall thereafter have the same rights of election as other employees whose eligibility for Plan coverage was not lost.

Covered individuals enrolled in a managed care network will have a point of service option allowing them to choose an out-of-network provider to perform any covered health care service that they need. The benefits provided by the Plan when a service is performed by an in-network provider and the benefits provided by the Plan when the service is performed by an out-of-network provider will be as described in the table below:

<u>PLAN FEATURE</u>	<u>IN-NETWORK</u>	<u>OUT-OF-NETWORK @</u>
Primary Care Physician Required	Yes	No
Annual Deductible		
Individual	None	\$100
Family	None	\$300
		Deductible applies to all covered expenses
		expenses
Plan/Employee Coinsurance	100%/0%	75 %/25 %
Annual Out-of-Pocket Maximum (exclusive of deductible)		
Individual	None	\$1,500
Family	None	\$3,000
Maximum Lifetime Benefit	None	\$1,000,000 (\$5,000 annual restoration)
Special Maximum Lifetime Benefit for Mental Health	None	\$100,000 lifetime (\$500 annual restoration)
Hospital Charges (inpatient and outpatient)	100%	75%*
Ambulatory Surgery	100%	75%*
Emergency Room	100% after \$15 employee copayment	75%
Inpatient Mental Health & Substance Abuse Benefit		
Hospital	100%	75%#
Alternative Care Residential Treatment Center Inpatient or Partial Hospitalization/ Day Treatment	100%	75%#

<u>PLAN FEATURE</u>	<u>IN-NETWORK</u>	<u>OUT-OF-NETWORK<sup>a</sup></u>
Outpatient Mental Health & Substance Abuse	100% after \$15 Employee Copayment per visit	75%#
Physician Services		
Surgery/ Anesthesia	100%	75%*
Hospital visits	100%	75%*
Office Visits	100% after \$15 Employee Copayment	75%**
Diagnostic Tests	100%	75%*
Routine Physical	100% after \$15 Employee Copayment	Not Covered
Well Baby Care	100% after \$15 Employee Copayment	Not Covered
Skilled Nursing Facility Care	100%	75%*
Hospice Care	100%	75%*
Home Health Care	100%	75%*
Temporomandibular Joint Syndrome	100%	75%*
Birth Center	100%	75%*
Prescription Drugs (other than by mail order)	100% after \$5 Employee Copayment for brand name (\$3 for generic)	75%**
Mail Order Prescription Drugs (60-90 day supply of maintenance drugs only)	100% after \$5 Employee Copayment	100% (not subject to regular deductible) after \$5 employee copayment (not counted toward regular deductible)**

<u>PLAN FEATURE</u>	<u>IN-NETWORK</u>	<u>OUT-OF-NETWORK@</u>
Claim System	Paperless	Forms Required
Approval by Utilization Review/Large Case Management	Physician-initiated, included in network management	Required. If approval not given, benefits reduced by 20% (except for mental health and substance abuse care where benefits reduced by 50%) both before and after annual out-of-pocket maximum is reached, and amount of reduction is not counted toward that maximum.

@ The medically necessary health care services for which out-of-network benefits will be paid are those listed in subparagraphs 1 through 7 of Part A, Section 5, of this Agreement.

\* Benefits reduced by 20% if care is not approved by utilization review program.

# Benefits reduced by 50% if care is not approved by utilization review program.

\*\* Benefits not generally subject to utilization review program but may be reviewable in specific circumstances with advance notice to the employee; in such cases, benefits reduced by 20% if care not approved by utilization review program.

At any time after the expiration of two years from the effective date of implementation of the first managed care network, either the carriers or the organizations may bring before the Joint Plan Committee for consideration a proposal to change the Plan's in-network or out-of-network benefits for the purpose of promoting an increase in the use of in-network providers by Plan participants.

## Section 5 - Comprehensive Health Care Benefits

The comprehensive health care benefits provided under the Plan in geographical areas where managed care networks are not available to Plan participants and their dependents, and in cases where a Plan participant has elected to be covered, along with his or her dependents, by such comprehensive benefits rather than to be enrolled in a managed care network, shall be as described below. Terms used in such description shall have the same meaning as they have in the Plan

After satisfaction of an annual deductible of \$100 per covered individual or \$300 per family unit of three or more, the Plan will pay 85%, and the covered individual 15%, of certain health care expenses, up to an annual out-of-pocket maximum (which shall not include the deductible) of \$1,500 per covered individual or \$3,000 per family. The expenses counted toward the \$3,000 annual family out-of-pocket maximum will include those, which are otherwise eligible, incurred on behalf of a covered employee and each of his or her covered dependents regardless of whether the employee or dependent has reached the \$1,500 individual annual out-of-pocket maximum. Once the applicable annual out-of-pocket maximum has been reached, the Plan will pay 100% of such reasonable charges up to an overall lifetime maximum of \$1 million per covered individual, restorable at a rate of \$5,000 per year; provided, however, that there shall be a separate lifetime maximum of \$100,000 per covered individual, restorable at a rate of \$500 per year, for Plan benefits for the treatment of mental and/or nervous conditions and substance abuse. (Benefits counted for purposes of determining whether or not a lifetime maximum has been reached are all benefits paid under the Plan as amended by this Agreement and all Major Medical Expense Benefits paid under the Plan prior to such amendments.) The Plan will pay 85% of the reasonable charges for medically necessary health care services as follows:

1. All expenses that are "Covered Expenses" (as defined in the Plan) at any time under the current major medical expense benefits provisions of the Plan, and not within any exclusion from or limitation upon them, except that the exclusion for treatment of polio will be removed.
2. Expenses for mammograms described in American Cancer Society guidelines, childhood disease immunization, pap smears and colorectal cancer screening.
3. Donor expense benefits as now defined
4. Jaw joint disorder benefits as now defined, and subject to the current exclusions from and limitation on them, except that the \$50 separate lifetime cash deductible will be removed.
5. Home health care expense benefits as now defined, subject to the current exclusions from and limitation on them, except that the exclusion that governs if polio benefits are payable will be removed

6. Treatment center expense benefits, subject to the current exclusions from and limitation on them, except that
  - a. the separate \$100 cash deductible per confinement will be removed in connection with benefits for transportation to a treatment center, and
  - b. the separate \$100 cash deductible per benefit period and the \$40 maximum limitation on benefits per episode of treatment -- all with regard to outpatient benefits -- will be removed.
7. Expenses for the services of psychologists of benefits would be paid for such services had they been rendered by a physician.

The Plan will provide the same benefits to all employees eligible for Plan coverage, including those in *their* first year of such eligibility and those eligible for extended Plan coverage because of disability.

The Plan's comprehensive health care benefits will include, where permissible under applicable law, a mail order prescription drug benefit that will reimburse a covered individual, after he or she pays \$5.00 per prescription, 100% of the cost of prescriptions covering a 60-to-90 day supply of maintenance drugs for such individual. This benefit will not be subject to, and the covered individual's \$5.00 copayment will not be counted against, the Plan's regular \$100/\$300 deductible and will be included only upon execution of appropriate contracts with vendors.

#### Section 6 - Strengthened Utilization Review and Case Management

The Plan's current utilization review/case management contractor, and any successor, shall henceforth require that its prior approval be secured for the following services to the extent that benefits with respect to them are payable under the Plan: (a) all non-emergency confinements, and all lengths of stay, in any facility, (b) all home health care, and (c) all in-patient and out-patient procedures and treatment, except for any care where, pursuant to standards developed by the Joint Plan Committee, prior approval is not feasible or would not be cost-efficient. Approval may be withheld if the utilization review/case management contractor determines that a less intensive or more appropriate diagnostic or treatment alternative could be used.

If an individual covered by the Plan incurs expenses without the requisite approval of the Plan's utilization review/case management contractor, such benefits as the Plan would otherwise pay will be reduced by one-fifth, provided, however, that if such unapproved expenses are incurred for the treatment of mental or nervous conditions or substance abuse, such benefits as the Plan would otherwise pay will be reduced by one-half. These reductions will continue to apply after the out-of-pocket maximum is reached, i.e., the 100% benefit will become 80% (or 50%, as the case may be) if approval by the utilization review/case management contractor is not obtained.

When there is disagreement between an attending physician and the utilization review/case management contractor, the patient and/or attending physician after all opportunities for appeal have been exhausted within the utilization review/case management contractor's organization, shall be afforded an opportunity to obtain a review (including if necessary, an examination) by an independent specialist physician. This independent physician, who shall be conveniently located and board certified in the appropriate specialty, shall be designated by a physician appointed for this purpose by the Joint Plan Committee. Neither physician may be an employee of or under contract to the utilization review/case management contractor. In the event of an appeal to a specialist described above, the utilization review/case management contractor shall bear the burden of convincing the specialist that the utilization review/case management contractor's determination was correct.

#### Section 7 - Coordination of Benefits

The Plan's coordination of benefit rules shall be changed so that the Plan will pay no benefit to any covered individual that would cause the sum of the benefits paid by the Plan and by any other plan with which the Plan coordinates benefits to exceed (a) the maximum benefit available under the more generous of the Plan and such other plan, or (b) with respect only to spouses who are both covered as employees under the Plan (and the Dependents of such spouses), and to spouses one of whom is covered as an employee under the Plan and the other as a retired railroad employee under the Railroad Employees National Early Retirement Major Medical Benefit Plan (and the Dependents of such spouses), 100% of the reasonable charges for services the expense of which is covered by the Plan.

#### Section 8 - Medicare Part B Premiums

Active employees currently covered by Medicare Part B and those who elect to enroll in Medicare Part B when they become eligible shall not be reimbursed for premiums they pay for such Part B Medicare participation unless Medicare is their primary pay or of medical benefits.

#### Section 9 - Solicitation of Bids

As promptly as practicable, the Joint Plan Committee will solicit bids from qualified entities for the performance of (a) all managed care functions under the Plan, including without limitation the establishing and/or arranging for the use by individuals covered by the Plan of managed networks of health care providers in those geographical areas where it is feasible to do so, and (b) all utilization review/case management functions under the Plan, including specialized utilization review/case management functions for mental health and substance abuse to assure

expert determination of medical necessity and appropriateness of treatment and provider. The Committee will select one or more contractors, from among those that the Committee determines are likely to provide high-quality, cost-effective services, to perform such functions on behalf of the Plan. In the meantime, the Plan's current utilization review/case management contractor will continue to perform those functions. Hospital associations shall be incorporated into the managed care networks wherever appropriate.

Upon the expiration of three years from the effective date of this Agreement, the Joint Plan Committee will solicit bids for all of the services involved in the administration of the Plan, including the utilization review/case management and/or managed care functions, unless the Committee unanimously determines not to seek bids for anyone or more of the services involved in the administration of the Plan

## Part B - Early Retirement Major Medical Benefit Plan

### Section 1 - Continuation of Plan

The Railroad Employees Early Retirement Major Medical Benefit Plan ("ERMA"), modified as provided in this Part, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to ERMA will be offset by the expeditious use of such amounts as may at any time be in one or more special accounts or funds maintained by any insurer, third party administrator or other entity in connection with ERMA and by the use of funds held in trust that are not otherwise needed to pay claims, premiums, or administrative expenses that are payable from funds held in trust; provided, however, that such amounts as may at any time be in the special account maintained at The Travelers Insurance Company in connection with the obligations of ERMA to pay benefits incurred but not paid at the time of termination of ERMA, in the event such termination should occur, shall be used to pay or provide for Plan benefits as follows: one-third of the balance in such special account as of January 1, 1992, shall be used to pay or provide for benefits that become due and payable during 1992. One-half of the balance in such special account as of January 1, 1993, shall be used to pay or provide for benefits that become due and payable during 1993. All of the balance in such special account in excess of \$1 million as of January 1, 1994, shall be used to pay or provide for benefits that become due and payable during 1994. The \$1 million referred to in the preceding sentence shall be maintained by the Plan as a cash reserve to protect against adverse claims experience from year to year.

### Section 2 - Change to Self-Insurance

ERMA will be wholly self-insured. It will be administered, under an administrative services only arrangement, by an insurance company or third party administrator.

### Section 3 - Coordination of Benefits

ERMA's coordination of benefit rules shall be changed so that ERMA will pay no benefit to any covered individual that would cause the sum of the benefits paid by ERMA and by any other plan with which ERMA coordinates benefits to exceed (a) the maximum benefit available under the more generous of ERMA and such other plan, or (b) with respect only to spouses who are both covered as retired railroad employees under ERMA (and the Dependents of such spouses), and to spouses one of whom is covered as a retired railroad employee under ERMA and the other as an employee under the Railroad Employees National Health and Welfare Plan (and the Dependents of such spouses), 100% of the reasonable charges for services the expense of which is covered by ERMA.

### Section 4 - Strengthened Utilization Review and Case Management

ERMA's current utilization review/case management contractor, and any successor, shall henceforth require that its prior approval be secured for the following services to the extent that benefits with respect to them are payable under ERMA: (a) all non-emergency confinements, and all lengths of stay, in any facility, (b) all home health care, and (c) all in-patient and out-patient procedures and treatment, except for any care where prior approval is not feasible or would not be cost-efficient. Approval may be withheld if the utilization review/case management contractor determines that a less intensive or more appropriate diagnostic or treatment alternative could be used.

If an individual covered by ERMA incurs expenses without the requisite approval of ERMA's utilization review/case management contractor, such benefits as ERMA would otherwise pay will be reduced by one-fifth; provided, however, that if such unapproved expenses are incurred for the treatment of mental or nervous conditions or substance abuse, such benefits as ERMA would otherwise pay will be reduced by one-half.

When there is disagreement between an attending physician and the utilization review/case management contractor, the patient and/or attending physician, after all opportunities for appeal have been exhausted within the utilization review/case management contractor's organization, shall be afforded an opportunity to obtain a review (including if necessary, an examination) by an independent specialist physician. This independent physician, who shall be conveniently located and board certified in the appropriate specialty, shall be designated by a physician appointed for this purpose by mutual agreement between the Chairman of the Health and Welfare Committee, Cooperating Railway Labor Organization and of the National Carriers' Conference Committee. Neither physician may be an employee of or under contract to the utilization review/case management contractor. In the event of an appeal to a specialist described above, the utilization review/case management contractor shall bear the burden of convincing the specialist that the utilization review/case management contractor's determination was correct.

The standards developed by the Joint Plan Committee for determining whether or not prior approval is feasible and cost-efficient under the Health and Welfare Plan shall be applied by the National Carriers' Conference Committee under ERMA, and the utilization review/case management contractor(s) selected by the Joint Plan Committee under the Health and Welfare Plan shall be selected by the National Carriers' Conference Committee under ERMA.

#### Section 5 - Mail Order Prescription Drug Benefit

The Plan's benefits will include, where permissible under applicable law, a mail order prescription drug benefit that will reimburse a covered individual, after he or she pays \$5 per prescription, 100% of the cost of each prescription covering a 60-90 day supply of maintenance drugs for such individual. This benefit will not be subject to, and the covered individual's \$5.00 copayment will not be counted against, the Plan's regular \$100 deductible, and will be included only upon execution of appropriate contracts with vendors.

#### Section 6 - Solicitation of Bids

As promptly as practicable, the National Carriers' Conference Committee will solicit bids from qualified entities for the performance of all utilization review/case management functions under the Plan, including specialized utilization review/case management functions for mental health and substance abuse to assure expert determination of medical necessity and appropriateness of treatment and provider. The Committee will select one or more contractors, from among those that the Committee determines are likely to provide high-quality, cost-effective services, to perform such functions on behalf of the Plan. In the meantime, the Plan's current utilization review/case management contractor will continue to perform those functions.

Upon the expiration of three years from the date of this Agreement, the National Carriers' Conference Committee will solicit bids for all of the services involved in the administration of the Plan, including the utilization review/case management function, unless the Committee determines not to seek bids for anyone or more of the services involved in the administration of the Plan.

**Benefit modifications, as outlined in the Agreement between the NCCC and UTU, dated May 8, 1996, are reproduced below:**

## **DENTAL BENEFITS**

### **Section 1 Continuation of Plan**

The benefits now provided under the Railroad Employees National Dental Plan (Dental Plan), modified as provided in Section 2 below, will be continued subject to the provisions of the Railway Labor Act, as amended.

### **Section 2 - Eligibility**

Existing eligibility requirements under the Dental Plan are amended, effective June 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. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Dental Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

### **Section 3 - Benefit Changes**

The following changes will be made effective as of the first day of the first full calendar month immediately following the date of this Agreement

- (a) 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 \$750 to \$1,500.
- (b) 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.
- (c) The exclusion from coverage for implantology (including synthetic grafting) services will be deleted and dental implants and related services will be added to the list of Type C dental services for which the Plan pays benefits
- (d) Repair of existing dental implants will be added to the list of Type B dental services for which the Plan pays benefits
- (e) One application of sealants in any calendar year for dependent children under 14 years of age will be added to the list of Type A dental services for which the Plan pays benefits

(f) The Plan will pay 80%, rather than 75%, of covered expenses for Type B dental services.

(g) The Plan will establish and maintain an 800 telephone number that employees and dependents may use to make inquiries regarding the Plan.

## VISION CARE

### Section 1 - Establishment and Effective Date

The railroads will establish a Vision Care Plan to provide specified vision care benefits to employees and their dependents, to become effective January 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 the first day of January 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. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section.

(b) Managed Care Managed vision care networks that meet standards developed by the National Carriers' Conference Committee 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 a point-of-service 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.

<b>Plan Benefit</b>	<b>In Network</b>	<b>Other Than In-Network</b>
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 (3)	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 (4)	100% of reasonable and customary charges up to the following maximums:  up to \$25 for single vision lenses  up to \$40 for bifocals  up to \$55 for trifocals  up to \$80 for lenticulars  up to \$210 for medically necessary contact lenses  up to \$105 for contact lenses that are not medically necessary
where the employee or dependent requires only one lens	100% of reasonable and customary charges <u>±</u>	100% of reasonable and customary charges up to a maximum of one-half of the maximum benefit payable a set of two lenses of the same kind

(3) 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

(4) 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 a contact lens, 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 2 - Administration**

The Vision Care Plan will be administered by the National Carriers' Conference Committee, which will bear the same responsibilities and perform the same functions as it does with respect to The Railroad Employees National Dental Plan, including the development of detailed plan language describing the Plan's eligibility, coverage, benefit and other provisions

## **ARTICLE V BENEFITS ELIGIBILITY**

### **Section 1 Health and Welfare Plan**

The Railroad Employees National Health and Welfare Plan ("the Plan") is amended, effective June 1, 1996, as provided in this Section. 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. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

## **ARTICLE VII - SUPPLEMENTAL SICKNESS**

The October 31, 1978 Supplemental Sickness Benefit Agreement, as subsequently amended effective July 29, 1991 (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 on 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 on December 31, 1994

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

#### **4. Benefits**

(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be \$1,401, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be \$2,184. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar days basis at 1/30 of the monthly benefit rate

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness, and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the \$1,401 monthly benefit should exceed \$2,290, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for yardmasters under the amended RUIA will not exceed \$2,290. "The average daily benefit for Yardmasters under the RUIA as so amended" for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the December 31, 1994 wage level was \$3,271.

### **Section 2 - Adjustment of Plan Benefits During Agreement Term**

Effective December 31, 1999, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

## **ARTICLE V - BENEFITS ELIGIBILITY**

### **Section 1 - Health and Welfare Plan**

Q-1 In situations where employees are assigned to Reserve Boards or observe Personal Leave Days, will such time be counted toward fulfillment of the seven (7) calendar day requirement for benefit eligibility in the succeeding month?

A-1: *This Article does not change existing definitions of the term "render compensated service" for purposes of Plan eligibility.*

Q-2 Does the seven (7) day qualifying requirement in the previous month apply to those employees who take a period of family or medical leave authorized and provided for under the Family and Medical Leave Act (FMLA)?

A-2: *No. Such period of authorized leave will be treated as if it were a period during which the employee rendered compensated service, subject to the limitations contained on Page 21 of the current Summary Plan Description of The Railroad Employees National Health and Welfare Plan.*

Q-3 If an employee has two (2) starts in one calendar day, how many days will he/she be credited with for purposes of fulfilling the seven (7) calendar day qualifying requirement?

A-3: *The employee receives credit for each calendar day worked.*

- Q-4: How are employees treated with reference to benefit eligibility in cases of off-the-job injury and/or illness?
- A-4: *In the same manner as currently being treated by the Plan without change.*
- Q-5: How is benefit eligibility handled for employees who are absent?
- A-5: *The employee must meet the eligibility requirements to be eligible for benefits in the following month.*
- Q-6: How are the provisions of the Health and Welfare Plan affected by the changes benefit eligibility?
- A-6: *There is no change.*
- Q-7: Do the provisions of Side Letter No. 6 of Document "A" also apply to General Chairpersons, Local Chairpersons and State Legislative Directors ("local officials") who are represented by the UTU Yardmasters Department?
- A-7: *Yes, in accordance with Side Letter #4, Document "B".*
- Q-8: What was the intent of the parties when increasing the number of qualifying days for health benefit eligibility?
- A-8: *The intent was for the employee to render a more proportionate amount of service in a given month so as to be eligible for health benefit coverage in the succeeding month.*
- Q-9: Existing rules on some properties contain monthly mileage limitations, monthly earnings limitations, and/or maximum monthly trip provisions so as to possibly preclude an individual from satisfying the seven (7) day qualifying requirement?
- A-9: *Under these circumstances, it was not the intent of the parties to disqualify the individual for health care benefits, nor was it the parties' intent for the individual to expend vacation days so as to otherwise meet the service requirements.*
- Q-10: Will the new qualifying provisions be applied retroactively to January 1, 1996 so as to disqualify individuals for employee and/or dependent health benefits who were eligible under the previous requirements?
- A-10: *No. As provided in Side Letter #8, Document "A", such provisions shall be applied effective on the first day of the calendar month immediately following the month in which the Agreement is ratified.*
- Q-11: Will mileage equivalents and overtime hours be used in calculating the seven (7) day requirement?

*A-11: No.*

Q-12: In situations where employees return to work after periods of extended absence as a result of but not limited to, disability, furlough, suspension, dismissal, leave of absence or pregnancy at a point in a calendar month so as to make it impossible to satisfy the seven (7) day requirement, but make themselves otherwise available or work all of the remaining days in that month, will they qualify for medical benefit coverage in the month next following their return to work?

*A-12 This is addressed in and will be determined in accordance with the provisions of Side Letter #9, Document "A".*

Q-13 Does the term "local officials" include local presidents, secretaries, treasurers and legislative representatives who may also be required to lose time from their assignments due to union obligation?

*A-13: No. local officials are limited to working General Chairmen, Local Chairmen, and state legislative directors.*

Q-14 Will regular assigned road freight service employees and/or pool service employees who may be prevented from performing service in a calendar month equal to or exceeding the seven (7) calendar days due to, but not limited to acts of God, catastrophe, inclement weather, related industry shutdowns or other traffic pattern conditions be deemed ineligible for health benefits in the succeeding month?

*A-14 This is addressed in and will be determined in accordance with the provisions of Side Letter #9, Document "A".*

Q-15 Is it correct that in the event of an employee and/or dependent (s) losing coverage under this rule, such individual will be eligible to continue coverage in accordance with the COBRA rules?

*A-15: Eligibility for COBRA coverage remains unchanged.*

Q-16. When does a newly hired employee first become covered for employee and/or dependent health benefits?

*A-16. This is addressed in and will be determined in accordance with the provisions of Side Letter #9, Document "A".*

Q-17: Will paid holidays be counted in meeting the qualifying requirement?

*A-17: This Article does not change existing definitions or the term "render compensated service" for purposes of Plan eligibility.*

**Benefit modifications, as outlined in the Agreement between the NCCC and UTU, dated November 6, 2003, are reproduced below:**

**SECTION 4 - HEALTH AND WELFARE**

Article IV - Health and Welfare of the 2002 National Agreement is (amended to read as follows:

**ARTICLE IV - HEALTH AND WELFARE**

**Part A - Plan Changes**

**Section 1 - Continuation of Health and Welfare Plan**

The National Railway Carriers and United Transportation Union Health and Welfare Plan and the Railroad Employees National Health and Welfare Plan (individually and collectively referred to in this Agreement, depending on the context, as "the Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act

**Section 2 - Plan Benefit Changes**

(a) 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 shall continue in effect without change

(b) The Plan's Comprehensive Health Care Benefit ("CHCB") is amended to include one routine physical examination (including diagnostic testing and immunizations in connection with such examination) each calendar year for covered employees and their eligible dependents. Such CHCB benefit shall cover 100% of the Eligible Expenses involved up to \$150, and 75% of such Eligible Expenses in excess of \$150

(c) Routine childhood (up to age 18) immunizations, including boosters, for Diphtheria, Pertussis or Tetanus (DPT), measles, mumps, rubella, and polio shall be provided under the CHCB. This benefit is subject to the applicable deductible and percentage of Covered Expenses (Eligible Expenses) payable

(d) In addition to the Plan's existing coverage for speech therapy, such therapy will be a Covered Expense (Covered Health Service) under the CHCB and the Plan's Managed Medical Care Program ("MMCP"), when given to children under three years of age as part of a treatment for infantile autism, development delay, cerebral palsy, hearing impairment, or major congenital anomalies that affect speech

(e) Phenylketonurial blood tests ("PKU") will be a Covered Expense (Covered Health Service) under the MMCP and the CHCB when given to infants under the age of one in a hospital or on an out-patient basis.

(f) The MMCP will continue to require a co-payment with respect to the first office visit by a participant or beneficiary to her obstetrician or gynecologist for treatment of a pregnancy but will not require a co-payment with respect to any subsequent visit to that obstetrician or gynecologist for treatment of the same pregnancy.

(g) The MMCP will not require a co-payment on behalf of a participant or beneficiary with respect to any visit to a physician's office solely for the administration of an allergy shot.

(h) This Section shall become effective with respect to employees covered by this Agreement as soon as practicable.

### **Section 3 - Plan Design Changes To Contain Costs**

(a) The parties to this Agreement, hereinafter referred to as the "parties," will promptly solicit bids from interested companies to provide those services to the Plan involving the MMCP that are currently provided by Aetna Inc. The parties will evaluate the bids received and the capabilities of ( the companies making those bids and will accept such of them (or enter into negotiations with the bidding company or companies) as the parties deem appropriate

(b) The parties will promptly research the existence, costs, benefits and services provided, outcomes and other relevant statistics of regional health maintenance organizations, and shall make participation in such of those organizations as the parties deem appropriate available as an option to individuals covered by the Plan.

(c) With respect to geographic areas where the Plan's MMCP is not currently available but where companies capable of administering the MMCP provide such services, the parties will solicit proposals from such companies to administer the MMCP, and will evaluate the proposals they receive and accept such of them (or enter into negotiations with the proposing company or companies) as the parties deem appropriate

(d) The parties will solicit proposals from pharmacy benefit managers who specialize in filling prescriptions for injectable medications (and any other medications on which the parties may agree) and will accept one or more of such proposals (or enter into negotiations with the proposing company or companies) as the parties deem appropriate

(e) With respect to Plan participants and their beneficiaries who live in an area where they may choose between CHCB and MMCP coverage, the percentage of Covered Expenses (Eligible Expenses) payable by the Plan with respect to an individual covered under the CHCB will be 75% until the Out-of-Pocket Maximum is reached, but only 60% if a required notice to Medical

Management (Care Coordination/Patient Management) is not given or if Medical Management (Care Coordination/Patient Management) determines that the service or supply involved is not Medically Appropriate.

(f) The Individual and Family Out-of-Network Deductibles under the Plan's MMCP will be increased to \$200 and \$600, respectively.

(g) The Plan's Prescription Drug Card Program co-payments per prescription are revised as follows: (i) Generic Drug - \$5.00; (ii) Brand Name Drug - \$10.00. The Plan's Mail Order Prescription Drug Program co-payment is revised as follows: (i) Generic Drug - \$10.00; (ii) Brand Name Drug - \$15.00.

(h) Plan coverage for an "Eligible Employee" and his/her "Eligible Dependents" will commence on the first day of the fourth calendar month after such employee first renders the "Requisite Amount of Compensated Service." For purposes of this subsection the terms set forth in quotations shall be defined as provided in the Current Plan booklet.

(i) The parties shall establish a new benefit package denominated as (the Basic Health Care Benefit ("BHCB")) effective January 1, 2004 that will be administered by one or more vendors. Participation in that arrangement shall be made available as an option to individuals covered by the Plan. The plan design for the BHCB shall be as provided in Attachment A hereto.

(j) The parties will promptly research the costs, benefits, outcomes and other relevant aspects of consumer driven health care benefit arrangements offered by various vendors and shall make participation in such of those arrangements as the *parties* deem appropriate available, through a pilot program not exceeding two (2) years in duration, as an option to individuals covered by the Plan. If the parties agree, they may extend and expand such arrangements to other covered individuals.

(k) During a prescribed election period preceding January 1, 2004 and preceding each January 1 thereafter, 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 foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. Such election is hereafter referred to as an "Opt-Out Election" and, where exercised, will eliminate an employer's obligation to make a contribution to the Plan and/or dues offset payment to a Hospital Association for foreign-to-occupation health benefits for the employee and his dependents.

Each employee who makes an Opt-Out Election will be paid by his employer \$100 for each month that his employer 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 (k) 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 foreign-to-occupation health benefits under the Plan or, in the case of an employee who is a member of a Hospital Association, by the Plan (for dependent coverage) and by the Hospital Association (for employee coverage). See Side Letter No.8.

The following events are the events referred to in the immediately preceding paragraph.

- (i) 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
- (ii) if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

(1) The Plan design changes contained in this Section shall become effective as soon as practicable except as otherwise provided.

## **Part B - Employee Cost Sharing of Plan Cost Increases**

### **Section 1 - Employee Cost-Sharing Contributions**

See Rule 19.7 (b), for amendments to this part.

(a) Effective November 1, 2003, each employee covered by this Agreement shall contribute \$119.61 per month to the Plan for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents.

(b) Effective July 1, 2004, the per month employee cost-sharing contribution amount set forth in subsection (a) shall be changed to \$100.00

(c) Effective July 1, 2005, the per month employee cost-sharing contribution amount set

forth in subsection (b) shall be increased by the lesser of (x) one-half of the increase, if any, in the carriers' 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 III, Part B, Section 1 (a), multiplied by one-twelfth of the average straight-time (equivalent hours ("ASTE Hours") for calendar year 2003.

(d) 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 the carriers' 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 (c) of this Section exceeds the product described in part (y) of such subsection (c), and (y) one-half of the cost-of-living allowance effective January 1, 2006 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(e) 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 (d) of this Section exceeds the product described in part (y) of such subsection (d), and (y) one-half of the cost-of-living allowance effective July 1, 2006 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(f) 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 the carriers' 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 (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, 2007 pursuant to Article III, Part B, Section 1 (a), multiplied by one-twelfth of the ASTE Hours for calendar year 2005.

(g) The pattern specified in subsections (e), and (f) above shall be followed with respect to computation of adjustments to the amount of the employee cost sharing contribution in subsequent periods during which this Part is in effect.

(h) For purposes of subsections (c) through (f) above and subsection (j) below, the carriers' payment rate for any year shall mean twelve times the sum of what the carriers' payments to the Plan would have been, in the absence of any employee contributions to the Plan, for foreign-to-occupation health benefits under the Plan per month (in such year) per employee. The carriers' monthly payment rate for any year shall mean the carriers' payment rate for that year divided by 12. An "employee" for these purposes shall include any employee who has elected to opt-out of foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which he participates (except for employees who opt-out pursuant to item no 2 of Side Letter No 7).

Carrier payments to the Plan for these purposes shall be deemed to include amounts paid pursuant to Section 3(k) of Part A of this Article IV to employees who elected to opt-out of

foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which they participate, but shall not be deemed to include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained *in* connection with the Plan, to pay or provide for current Plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating carriers pursuant to Article III, Part A, Section 1 of the November 1, 1991 Implementing Document applicable to employees represented by the organization signatory hereto and the carriers represented by the National Carriers' Conference Committee.

(i) For the purpose of this Section, the ASTE Hours to be used shall be based on all such hours for individuals in operating employee crafts and classes represented by the United Transportation Union, and who are employed by Class One carriers that are participating in national bargaining in the round of negotiations that commenced January 1, 2000

(j) 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 amount 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 level established for calendar year 2004. The cost-sharing amount shall also be subject to adjustment as provided in Article III, 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 a Section 125 cafeteria plan will be established pursuant to this Agreement.

### **Section 3 - Employer Election**

At the employer's election, employee cost-sharing contributions may be made for the *employee* by the employee's employer. If that election is exercised, the employer shall then deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee."

### **SECTION 5 - SIDE LETTERS**

The 2002 National Agreement is amended by adding Side Letter Nos. 4 through 10, attached hereto.

November 6, 2003

#4

Mr. Byron A. Boyd, Jr. President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Document "A" of the Agreement of this date (Agreement).

For the purpose of computation and application of the employee cost-sharing provisions contained in Article IV, Part B of the Agreement, for periods beginning on or after July 1, 2005, the payment rate used shall (i) be based on the costs of the National Railway Carriers and United Transportation Union Health and Welfare Plan ("NRC/UTU Plan"), and (ii) be established for a calendar year on or before December 31 of the immediately preceding year and may be changed during such calendar year only if additional contributions are needed to fund NRC/UTU Plan benefits and expenses that must be paid during such year.

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

Very truly yours,

(sgd) Robert F. Allen

I agree:

(sgd) Byron A. Boyd, Jr

November 6, 2003

#.5

Mr. Byron A. Boyd, Jr.  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Boyd

This confirms our understanding with respect to Document "A" of the Agreement of this date.

In any month beginning November 1, 2003 in which an active employee receives his or her FO healthcare benefits from a Hospital Association and not from the NRC/UTU Plan and makes a Plan contribution pursuant to Article IV, Part B, Section 1, then, at the carrier's option, either

- (1) Such employee's monthly "cost-sharing contribution amount" referred to in Article IV, Part B Section 1 shall be reduced by the Reduction Factor, or
- (2) The carrier shall pay the Hospital Association each month an amount equal to the Reduction Factor, provided that the Hospital Association that receives such payment has agreed to decrease the employee's dues by the same amount.

For purposes of this Side Letter, the term "Reduction Factor" means with respect to any given month, the smallest of

- (i) the monthly dues amount in effect on January 1, 2003 that was established by the Hospital Association for payment by an active employee,
- (ii) the "cost-sharing contribution amount" for the month referred to in Article IV, Part B, Section 1, or
- (iii) the monthly dues amount established by the Hospital Association for payment by an active employee in that month

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

Very truly yours,

Robert F. Allen

I agree:

(sgd) Byron A. Boyd, Jr.

November 6, 2003

#6

Mr. Byron A. Boyd, Jr.  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Document "A" of the Agreement of this date.

The provisions of Article IV, Part A, Section 3(k) (Opt-Outs) and Part B (Employee Cost Sharing of Plan Cost Increases) are not applicable to employees covered by the Agreement who reside in Canada ("Canadian Employees"), provided however, that any local agreements that use the Plan "Payment Rate" to compute amounts payable to active Canadian Employees in connection with health care arrangements are amended as necessary to provide that, for such purposes, the Payment Rate shall be reduced by the Employee Cost-Sharing Contribution Amount in effect at the time pursuant to Article IV, Part B.

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

Very truly yours,

(sgd) Robert F. Allen

I agree:

(sgd) Byron A. Boyd, Jr.

November 6, 2003

#7

Mr. Byron A. Boyd, Jr.  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Article IV Part A, Section 3(k) of Document "A" of the Agreement of this date (Agreement)

That provision provides employees with an option to opt out of coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. This will confirm our understanding with respect to the intended application of that provision.

1. An employee who opts out will be opting out of FO health 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 AD&D insurance coverage.

2. If a husband and wife are each covered by the Plan (or a Hospital Association) by virtue of railroad employment and either or both hold positions covered by this Agreement, a UTU-represented spouse may elect to opt out as provided in Section 3(k). If that election is made (and provided the other spouse remains so covered), (i) such UTU-represented spouse shall not receive the \$100/month payment provided in Section 3(k) and shall not be required to make the employee cost-sharing contributions required under Article IV, Part B, and (ii) the Plan's 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 both as an Eligible Employee and as an Eligible Dependent shall continue to be applicable.

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

Very truly yours,

(sgd) Robert F. Allen

I agree:

(sgd) Byron A. Boyd, Jr.

November 6, 2003  
#8

Mr. Byron A. Boyd, Jr.  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to the opt-out provision, Article IV, Part A, Section 3(k) of Document "A" of the Agreement of this date (Agreement).

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 foreign-to-occupation health benefits under the Plan and under any Hospital Association 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 foreign-to-occupation health benefits under the Plan or any Hospital Association plan prior to the next regular opt-out election period, (iii) that the terms of Article IV, Part A, Section 3(k) 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 anyone of his dependents becoming covered, pursuant to Section 9801 (f), for foreign-to-occupation health benefits under the Plan or any Hospital Association 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 foreign-to-occupation health 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 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.

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

Very truly yours,

(sgd) Robert F. Allen

I agree

(sgd) Byron A. Boyd, Jr.

November 6, 2003  
#9

Mr. Byron A. Boyd, Jr.  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Boyd:

Article IV, Section 3 - Employer Election of Document "A" of the Agreement of this date provides in pertinent part that a carrier, at its election, may make cost-sharing contributions on an employee's behalf and subsequently deduct the amount of such contributions from the employee's wages as reimbursement. This will confirm that each of the carriers comprising the National Carriers' Conference Committee will exercise that election with respect to the employees covered by this Agreement.

Very truly yours,

(sgd) Robert F. Allen

November 6, 2003  
#10

Mr. Byron A. Boyd, Jr.  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding regarding Article IV, Part B of Document "A" of the Agreement of this date

1. If a deduction from an employee's wages for his monthly cost-sharing contribution pursuant to Article IV, Part B is scheduled to be made at the same time as the payroll deduction for the employee's union dues, the union dues deduction may be made on a subsequent date mutually agreeable to the parties.
2. Each carrier shall examine the feasibility of including in the standard payroll documents provided to its employees information concerning the cost of the Plan and the employee's cost-sharing contributions. The results of that examination will be shared with the authorized organization representative and, if feasible, the parties shall use their best efforts to implement such arrangements.

Please acknowledge your agreement by signing your name in the space provide below

Very truly yours

(sgd) Robert F. Allen

I agree

(sgd) Byron A. Boyd, Jr

## APPENDIX 6

### SUPPLEMENTAL SICKNESS

The October 31, 1978 Supplemental Sickness Benefit Agreement, as amended effective July 1, 1982 (Sickness Agreement), shall be further amended as follows, 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 on July 1, 1982, under the terms of that Implementing Document.

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

#### 4. Benefits.

(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be \$1,305, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be \$1,979. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar days basis at 1/30 of the monthly benefit rate.

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness, and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the \$1,305 monthly benefit should exceed \$2,076, the amount of the monthly benefit shall be reduced to the extent that the sum of the of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for yardmasters under the amended RUIA will not exceed \$2,076. "The average daily benefit for Yardmasters under the RUIA as so amended" for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the June 30, 1991 wage level was \$2,965.

#### 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 - Adjustment of Plan Benefits During Agreement Term**

Effective December 31, 1994, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

**Section 4 - Administrative and Procedural Improvements**

Any recommendations adopted and implemented by the parties pursuant to Article IV Section 4 of the Implementing Document identified as "Document "C" " dated November 1, 1991, which reflects the joint efforts of the Yardmasters Department United Transportation Union and the National Carriers' Conference Committee to reduce to contract terms the report and recommendations of Presidential Emergency Board No. 219 as clarified and modified by the Special Board pursuant to Public Law 102-29, shall have application to the plan improvements covered by this Memorandum of Agreement.

**Benefit modifications, as outlined in the Agreement between the NCCC and UTU, dated May 8, 1996, are reproduced below:**

**ARTICLE VII - SUPPLEMENTAL SICKNESS**

The October 31, 1978 Supplemental Sickness Benefit Agreement, as subsequently amended effective July 29, 1991 (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 on 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 on December 31, 1994.

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

**4. Benefits**

(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be \$1,401, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be \$2,184. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar days basis at 1/30 of the monthly benefit rate.

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness, and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the \$1,401 monthly benefit should exceed \$2,290, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for yardmasters under the amended RUIA will not exceed \$2,290. "The average daily benefit for Yardmasters under the RUIA as so amended" for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the December 31, 1994 wage level was \$3,271.

**Section 2 - Adjustment of Plan Benefits During Agreement Term**

Effective December 31, 1999, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article

APPENDIX 7

TRANSFER TIME

Delaware and Hudson Railway  
United Transportation Union  
Yardmasters Department

April 21, 1998

Donald R. Carver  
Assistant to President  
Yardmaster Department  
14600 Detroit Avenue  
Cleveland, Ohio 44107-4250

Joseph M. Mercurio  
General chairman UTU-Y  
504 Ridge Road  
Queensbury, NY 12804

Dear sirs,

During the recent negotiations between the parties, the Organization made issue of the fact that they were required to spent upwards of thirty (30) minutes, without pay, making transfers from one shift to another, either at the beginning and/or end of their assigned shift.

In recognition of this transfer time the Carrier is prepared to pay 10 minutes transfer time at the beginning of the shift and 10 minutes transfer time at the end of the shift for Saratoga, Buffalo and Binghamton. All payments for this transfer time will be made at the current straight time rate of pay

In order to receive either of these payments there must be a physical transfer from Yardmaster to Yardmaster outside his/her regularly assigned hours

Yours truly,

(sgd) Donald V. Brazier  
Director-Labor Relations

I concur:

(sgd) Joseph M. Mercurio  
General Chairman UTU-Y

(sgd) Donald R. Carver  
Assistant to the President  
Yardmaster Department

April 29, 1998

Mr. Joseph Mercurio  
504 Ridge Road  
Queensbury, NY 12804

Dear Joe:

Effective May 6, 1998 the following provision of the Yardmaster's Collective Bargaining Agreement will be implemented.

This provision states:

"During the recent negotiations between the parties, the Organization made issue of the fact that they were required to spend upwards of thirty (30) minutes, without pay, making transfers from one shift to another, either at the beginning and/or end of their assigned shift.

In recognition of this transfer time the Carrier is prepared to pay 10 minutes transfer time at the beginning of the shift and 10 minutes transfer time at the end of the shift for Saratoga, Buffalo and Binghamton. All payments for this transfer time will be made at the current straight time rate of pay.

In order to receive either of these payments there must be a physical transfer from Yardmaster to Yardmaster outside his/her regularly assigned hours."

To insure there is no confusion as to its application please review the following examples of questions and answers as they relate to the above. All examples are worked around the 0700 to 1500 hours shift, but do directly relate to all shifts at the applicable locations.

1. Q. If my assigned shift is 0700 to 1500 hours and I arrive at work at 0640 hours and do a physical transfer at that time with the Yardmaster going off duty, and as well do a physical transfer from 1500 hours to 1510 hours with the Yardmaster coming on duty, am I entitled to 20 minutes transfer payment?  
A. Yes
2. Q. If my assigned shift is 0700 to 1500 hours and I arrive at 0650 hours and do a physical transfer at that time with the Yardmaster going off duty, will I be entitled to a 10 minute transfer payment for this?  
A. Yes

Mr. Joseph Mercurio  
April 29, 1998  
Page two

- 3 Q If my assigned shift is 0700 to 1500 hours and I perform a physical transfer from 1500 to 1510 hours with the Yardmaster coming on duty, am I entitled to a 10 minute transfer payment for this?
- A Yes
- 4 Q What is the maximum transfer time payment I could receive for working one shift?
- A 20 minutes
- 5 Q What is the minimum transfer time payment I could receive for working one shift?
- A No payment at all
- 6 Q Will I receive this payment just for showing up for work?
- A No.
- 7 Q If my assigned shift is 0700 to 1500 hours and I arrive at work at 0640 hours, and do a physical transfer at that time with the Yardmaster going off duty, will I receive 20 minutes transfer time?
- A No, only 10 minutes.
- 8 Q Based on question #7, if the Yardmaster that is going off duty at 0700 hours departs at, or before 0700 hours, will he receive 10 minutes transfer time for this transfer?
- A No
- 9 Q If my assigned shift is 0700 to 1500 hours and I arrive at work at 0700 hours and perform my physical transfer with the Yardmaster from 1500 hours to 1520 hours, will I receive 20 minutes transfer time?
- A No, only 10 minutes
- 10 Q If my assigned shift is 0700 to 1500 hours, and I arrive at 0640 hours but do not perform a physical transfer with the Yardmaster going off duty until 0700 hours, do I receive any transfer payment?
- A No

Mr. Joseph Mercurio  
April 29, 1998  
Page three

11. Q. If I just leave a line up for the Yardmaster, does this full fill the physical transfer portion of the Agreement?

A. No.

12. Q. Are the Yardmasters at Kenwood and Rouses Point entitled to the transfer payment in any way?

A. No.

13. Q. Can I come into work 10 minutes before my shift starts, or stay 10 minutes after my shift ends, whereat a physical transfer with the Yardmaster is not required and be entitled to the 20 minutes transfer time or any portion thereof?

A. No, if no physical transfer from the Yardmaster is required, no payment is due regardless of what time you come on duty or go off duty.

14. Q. If the shift preceding my assigned shift does not have a Yardmaster on duty to get a physical transfer from, am I entitled to any portion of the transfer time?

A. No.

15. Q. If the shift following my assigned shift does not have a Yardmaster on duty to give a physical transfer to, am I entitled to any portion of the transfer time?

A. No.

16. Q. As a Yardmaster, can I get and/or give this physical transfer to any employee, other than a Yardmaster, and still receive any portion of the transfer time?

A. No. it must be a Yardmaster.

Mr. Joseph Mercurio  
April 29, 1998  
Page four

If there are any further questions that require answering in regard to this Agreement, please contact Matt Higgins, or his designate, at 607-771-3052

Sincerely,

(sgd) Brian D. Wilson  
District General Manager

**APPENDIX 8**

**LETTERS OF UNDERSTANDING**

Letter No. 1

**CANADIAN PACIFIC - U.S.**

**UNITED TRANSPORTATION UNION (Yardmasters Department)**

LATHAM, New York July 12, 1990

Mr. P.G. Tramontano  
General Chairman  
United Transportation Union  
Yardmaster Department  
3 Navy Drive  
Smithtown, N.Y. 11787

Dear Sir

With respect to the application of Article 13.5 of the Collective Agreement between the parties it is understood that the phrase "a true copy of the investigation record" will mean a stenographic report of the hearing, either by means of a carrier provided tape recording or a transcript of the proceeding.

(Sgd) D. V. Brazier  
Assistant Vice-President  
Industrial Relations  
CP Rail

I CONCUR

(Sgd for) P. G. Tramontano (J.M.M.)  
General Chairman  
United Transportation Union  
(Yardmasters Department)

Letter No.2

CANADIAN PACIFIC - U.S.

UNITED TRANSPORTATION UNION  
(Yardmasters Department)

LATHAM, New York July 12, 1990

Mr. P. G. Tramontano  
General Chairman  
United Transportation Union  
Yardmaster Department  
3 Navey Drive Smithtown, N.Y. 11787

Dear Sir:

It is agreed that the duties of a Yardmaster will be determined by the Carrier. These include supervision over employees directly engaged in the switching, blocking, classifying and handling of cars and trains and duties directly incidental thereto that are required of the Yardmaster in a territory as designated, and such other duties as assigned by the Carrier.

It is understood that the Yardmaster's classification does not have work exclusivity to the aforementioned duties and the Carrier will not be required to establish a Yardmaster's position where the volume of work does not warrant it.

The Carrier will not use the provisions of this letter of understanding to abolish a Yardmaster's position and establish a position doing essentially the same duties in another classification.

(Sgd) D. V. Brazier  
Assistant Vice-President  
Industrial Relations  
CP Rail

I CONCUR

(Sgd for) P. G. Tramontano (J.M.M.)  
General Chairman  
United Transportation Union  
(Yardmasters Department)

Delaware and Hudson Railway  
United Transportation Union  
Yardmasters Department

**YARDMASTERS SUPPLEMENTAL DISPLACEMENT AGREEMENT**

Joseph M. Mercurio  
Assistant General Chairman UTU-Y  
504 Ridge Road  
Queensbury, N Y 12804

Dear Mr. Mercurio.

The Organization has recently requested the Carrier allow each D&H Yardmaster working as such to be able to make one displacement per year onto another Yardmasters position.

The Carrier is mutually agreeable to allow Yardmasters to displace other Yardmasters, in accordance with each Yardmasters seniority and in full compliance with the provisions outlined in Article 8 of the Collective Agreement between the parties and as well the following provisions.

1. Displacements, relative to this agreement, will only be allowed once per year between 0001 hours on December 1 to 2359 hours on December 10
2. Only Yardmasters, holding a permanent position as such during the time frame outlined in item 1 above, will be allowed one displacement, per year, in accordance with this Agreement
3. All displacements require a minimum of 72 hours advance notice, in writing to the Yardmaster being displaced and the designated Carrier Official.
4. No punitive rate will apply to any Yardmaster displacing under this Agreement.
5. No initial displacement will be allowed, under the provisions of this Agreement, if the Yardmaster wishing to make the initial displacement is not qualified on the Yardmasters position to which they wish to displace.
6. No part of this Agreement shall be used against the Carrier, in any manner whatsoever, either directly or indirectly, as a basis for a grievance or time claim by or on behalf of any employee

Yardmasters Supplemental Displacement Agreement  
Joseph M. Mercurio  
Page two

7. In the event of any inconsistency between the Collective Agreement dated April 15, 2007, and this Agreement, this Agreement shall prevail.

This Agreement may be terminated by either party upon twenty (20) days written notice to the other party to this Agreement.

Dated: November 18, 1998

Yours truly,

(sgd) Donald V. Brazier  
Director, Labor Relations

I concur

(sgd) Joseph M. Mercurio  
Assistant General Chairman  
UTU-Y

200 Clifton Corporate Park  
PO Box 8002  
Clifton Park, New York 12065  
Tel (518) 383-7200 Fax (518) 383-7222

## ***Delaware & Hudson Railway***

September 14, 2005

Mr. Robert I. Keeley  
General Chairman UTU- Y  
85-62 76th Street  
Woodhaven, NY 11421

Re: Vacation Rest Days for Yardmaster's Guaranteed Extra Board (GEB) Position.

Dear Mr. Keeley,

Reference is made to our recent discussions concerning rest days for the Yardmaster(s) holding the GEB position(s) that take a paid vacation in five (5) day increments. The concern was does this position receive the benefit of two rest days immediately preceding or following the paid weeks vacation.

Based on these discussions, it is understood that when a Yardmaster covering the GEB position is assigned and afforded their contractual paid vacation week, the assigned vacation days will consist of the following, the first five (5) consecutive days will be paid vacation days and the two (2) consecutive days immediately following the first five (5) consecutive paid vacation days will be unpaid relief days.

It is further understood that the GEB Yardmaster will not be required to be available for work during their assigned seven (7) day period, neither the five (5) consecutive paid vacation days nor the two (2) consecutive unpaid relief days immediately following the (5) consecutive paid vacation days.

Note 1 Article 4 Rest Days, paragraph 4.7 is not applicable to the GEB Yardmaster assigned a seven (7) day vacation period. Wherefore, when GEB Yardmasters are assigned vacation, the two (2) unpaid relief days immediately following the five (5) paid vacation days are to be continuous and consecutive.

Should the GEB Yardmaster desire, he/she may notify his/her immediate Supervisor, as designated by the Carrier, in writing, with a copy to his/her Local Chairman, that he/she is available to perform Yardmaster work during the two (2) unpaid relief days immediately following the five (5) paid vacation days. Should the GEB Yardmaster take additional consecutive five (5) day paid vacation periods in succession, it is understood that this will apply to the last two (2) unpaid relief days.

Mr. Keeley  
September 14, 2005  
Page two

It is further understood that Article 4 Rest Days, paragraph 4.3 is not applicable when a GEB Yardmaster chooses to make him or herself available for work on the two (2) unpaid relief days, as previously outlined. Regardless of the Yardmaster's seniority, he/she will be the last qualified person available for such work during the two (2) unpaid relief days.

It is understood that this understanding only applies to GEB Yardmaster's taking paid vacation in five (5) day increments

If this meets with your approval, please so indicate by affixing your signature in the outlined area below.

Sincerely,

(sgd) Howard Buchanan  
Manager Labor Relations

I concur:

(sgd) Robert J. Keeley  
General Chairman UTU-Y

200 Clifton Corporate Park  
PO Box 8002  
Clifton Park, New York 12065  
Tel (518) 383-7200 Fax (518) 383-7222

## **Delaware & Hudson Railway**

October 10, 2006

Mr. Robert J. Keeley  
General Chairman UTU- Y  
85-62 76th St  
Woodhaven, NY, 11421

Re: Filling of Binghamton Train Yard Coordinator (TYC) Vacancies, with Yardmasters at Binghamton, NY

Dear Mr. Keeley,

The parties have had numerous conversations/correspondence concerning the use of Binghamton Yardmasters to fill TYC short term vacancies at Binghamton. These short term vacancies occur when a TYC is on vacation or otherwise not available on a given date.

On one hand, in short summary, the Organization argues that the Carrier has no agreement with the UTU- Y to use a Yardmaster in this manner. On the other hand, in short summary, the Carrier argues that this is strictly voluntary on the Yardmaster's part, and therefore no agreement is required. Officially, the parties' positions remain unchanged.

Nonetheless, and without prejudice to the Carrier's position concerning the requirement to do so, after much discussion and in the spirit of good labor relations between the Carrier and the Organization the parties have mutually agreed to the following procedures when using a Binghamton Yardmaster to fill a TYC's short term vacancy:

1. A short term vacancy would be considered a vacation vacancy, or single day vacancy.
2. The decision on which Yardmasters are qualified to fill a TYC's vacancy, if any, rests solely with the Carrier, and not a topic for dispute or claim. It is further understood that any Yardmaster who has resigned from, or been dismissed from a Management position will be considered not qualified to fill a TYC position unless mutually agreed to contrary, between the UTU- Y General Chairman and the Labor Relations Department NEUS.

Mr Keeley  
October 10, 2006  
Page two

- 3 Using a Yardmaster to fill a TYC vacancy provides no exclusive right, either in part or in total, to the UTU- Y, or the Yardmaster used to fill the vacancy, to the work performed by a TYC. The Carrier intends to give preference to qualified Yardmasters to fill TYC short term vacancies, however, reserves the exclusive right to use other Management employees, or other craft employees, qualified to fill these TYC vacancies when filled, rather than use a Yardmaster.
4. When using a Yardmaster to fill a TYC short term vacancy, it will first go to the first out Yardmaster on the Yardmaster's Guaranteed Extra Board (GEB), qualified to work as a TYC, at the straight time rate. The qualified GEB Yardmaster must fill the TYC vacancy, unless, his services are required to fill a must fill Yardmaster vacancy.
- 5 TYC short term vacancies that are unable to be filled by a Yardmaster at the straight time rate, from the Yardmaster's GEB, which the Carrier determines will still be filled by a Yardmaster, at the overtime rate, will be filled in accordance with Article 4.3 of the D&H/UTU-Y Collective Agreement, that is qualified to fill a TYC vacancy.

Yardmasters desiring to fill TYC vacancies at the overtime rate, must qualify on their own time, at no expense to the Carrier, on the TYC position.

It is understood that where a Yardmaster vacancy and a TYC vacancy occurs at the same time, and only one (1) qualified Yardmaster is available to fill one (1) of the vacancies at the straight time rate, the Yardmaster vacancy will be filled first.

This letter of understanding will not be the basis for the submission of any time claim, by any Yardmaster, for any TYC vacancy, for any reason. The parties do however, agree to meet and discuss any issues that may arise as a result of this letter of understanding, and the application thereof.

Sincerely,

(sgd)Cathryn S. Frankenberg  
AVPLR&HR

I concur:

(sgd) Robert J. Keeley  
General Chairman UTU-Y

200 Clifton Corporate Park  
PO Box 8002  
Clifton Park, New York 12065  
Tel (518) 383-7200 Fax (518) 383-7222

## ***Delaware & Hudson Railway***

October 10, 2006

Mr Robert J Keeley  
General Chairman UTU- Y  
85-62 76th St.  
Woodhaven, NY 11421

Dear Mr Keeley,

Reference is made to the conference held between the parties, at the Carrier's offices in Binghamton, NY, on September 25, 2006

At this conference one of the issues that was discussed was the recent abolishment of the Yardmaster positions in Saratoga, NY and the recent e-mails between UTU- Y Local Chairman, J. J. Alexander and Manager Labor Relations, Howard Buchanan

As a result of these reductions, there were certain duties that remained behind, that did not justify employing a Yardmaster to perform. Further, the Organization does not have exclusivity to this work

However, where it made operational sense, the Carrier has given some of these duties to the Yardmasters at Binghamton. UTU- Y Local Chairman Alexander took exception to this, and the Carrier was quite willing to give these duties to the Binghamton TYC if the Binghamton Yardmasters didn't want these additional duties. The Organization assured the Carrier that it wanted the Binghamton Yardmasters to perform these duties and did not desire to have the Binghamton TYC's perform same

Although the Carrier's position remains that the D&H Yardmasters do not have exclusivity to the duties in question, and that Managers can perform these duties without penalty, as long as no other barriers are presented by the UTU- Y, the Carrier was willing to continue the practice of having the Binghamton Yardmasters perform these duties

The second issue the Organization had, dealt with the ability for the Binghamton Yardmasters to travel to Saratoga and Kenwood, if they desire, to see the yards first hand. The Saratoga and Kenwood yards are relatively small and the maps of each of these terminals, found in the

Mr. Keeley  
October 10, 2006  
Page two

Binghamton Yard Manager's office, details them quite well. However, if any of the Yardmasters desires to travel to Saratoga and/or Kenwood to physically see these terminals, such arrangements can be made through Yard Manager William Farley.

The Carrier would provide lodging, reasonable expenses for meals and mileage for travel with personal automobile between Binghamton and Saratoga/Kenwood and return

The Carrier would suggest the Yardmaster travel on day one to Saratoga, spend the day there, take rest. Day two, travel to Kenwood, spend time there and travel home. The Carrier would pay eight (8) hours straight time for each of the two days

If a Yardmaster believes they require more than two (2) days at Saratoga/Kenwood, as outlined in the previous paragraph, the Carrier agrees to pay up to a maximum of four (4) days, at the straight time rate, for Saratoga/Kenwood

It should be noted that if a Binghamton Yardmaster takes the position that he is not qualified in Saratoga and/or Kenwood yard because he has not physically seen the facilities, they will be required to travel to Saratoga and/or Kenwood, on the Carrier's schedule, to physically see the facilities. Failure to agree to this will require that TYC's perform the related duties.

If the above accurately reflects the discussions concerning these two (2) issues, please so advise by applying your signature in the designated area below, and return one (1) fully endorsed copy to the undersigned

Sincerely,

I concur

(sgd) Howard Buchanan  
Manager Labor Relations

(sgd) Robert J. Keeley  
General Chairman UTU-Y

## APPENDIX 9

### GOALSHARING

Letter of Understanding No. 1

August 7, 2006

Mr. Robert Keeley  
General Chairman UTU-Y  
85-62 76<sup>th</sup> St.  
Woodhaven, NY, 11421

Dear Sir:

This has reference to the Goalsharing Program between the Delaware and Hudson Railway Co., Inc. and the United Transportation Union-Yardmaster Division (UTU-Y):

During the discussion on enhancing Yardmaster performance, the Carrier and UTU-Y recognized that for this to happen a new working relationship between the Yardmasters and the Yard Management TEAM is essential. This approach focuses on clear communication of expectations, a commitment to Yardmaster development through training, education, coaching and/or mentoring, regular constructive feedback to Yardmasters as to how they are doing, as well as a commitment by Yardmasters to meet business targets and performance expectations

This Program will incorporate the principles and actions necessary to effectively implement CPR's Vision and Mission which is:

"We will be the preferred business partner in rail-based transportation services. Through teamwork we will create value by delivering superior customer/focused transportation solutions.

The Goalsharing Program will be designed as follows

The Manager Operations NEUS, or his designate, and the UTU-Y General Chairman, or his designate will form a Committee, to oversee the administration of the Goalsharing Program, including the establishment of specific targets for 2007 and 2008, which will be aligned with those of the D&H yard management team.

The Goalsharing Program will be effective in one year increments, starting January 1, and expiring December 31, of each calendar year, that this provision is in effect, except for 2006, which will be from July 1 to December 31.

The performance targets and expectations for Yardmasters will be aligned with those by which the non-union yard supervisory team is measured. These targets and expectations will be clearly communicated to the Yardmasters during the month of January, for each calendar year that this

Mr. Keeley  
August 7, 2006  
Page two

provision is in effect. This communications shall include a review of CPR's "Core Values" (one (1) of the goals) and the "Code of Business Ethics", which may be changed from time to time by the Carrier, by which ALL CPR employees are required to comply.

Goalsharing payouts for each year will be comprised of an Individual Component and a Corporate Component, each with a value of 2.5%, if the specified targets are fully met.

The Corporate targets (both threshold and corporate performance for payouts) will be determined by the Management Resources and Compensation Committee of CPR's Board of Directors annually. To date, those targets have been based on a CPR's achieving a specified Operating Income. The corporate targets applicable to yardmasters in this Gainsharing program will be the same as those identified for CPR's management team in the Performance Incentive Program (PIP). It is understood that if CPR's falls below the threshold amount, no payouts will be made to the yardmasters for the corporate component, as would also be true for the management team.

The second component of the Goalsharing Program is the individual performance component which is based on an individual's ability to fully achieve the objectives they have defined in a calendar year in support of their Business Plan. (See 2006 Individual Targets, Attachment "A").

Goalsharing percentages for the individual portion will be determined for each target by the Carrier. The maximum payout for the individual portion will be 2.5% of the individual Yardmasters previous calendar years' compensation for service performed as a yardmaster, except for 2006, which will be based on July 1 through December 31, 2006. The actual payments will be on the same schedule as the PIP payments for managers, normally paid in Q1 of the following year.

New hire Yardmasters will be eligible under this plan after completion of the probationary period and will have their Goalsharing payouts pro-rated based on the period of time eligible for participation in the year.

#### EXAMPLES

If the Yardmasters achieve all five (5) targets (Individual component), as outlined above (SAFETY, Service, Productivity, Financials and Values), they would be entitled to a 2 1/2 % payout (1/2% for each target). Additionally, if the CPR achieves it's operating income target (Corporate component), the Yardmasters would receive an additional 2 1/2 % payout (1/2% for each target).

Mr. Keeley  
August 7, 2006  
Page three

Another example would be, if the Yardmasters achieve all five (5) targets (Individual component), as outlined above (SAFETY, Service, Productivity, Financials and Values), they would be entitled to a 2 ½ % payout (½% for each target). However, if the CPR does not achieve its operating income target (Corporate component), the Yardmasters would not receive the additional 2 ½ % payout (½% for each target).

Should the Performance Incentive Plan change for the non-union employees, the parties will meet within ninety (90) days, to discuss what comparable change will be made to this Plan that maintains the same relationship to the yard management team.

This goalsharing provision will expire December 31, 2008 unless otherwise mutually agreed by the parties.

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

Sincerely,

I Concur.

(sgd) Cathryn S. Frankenberg  
AVP LR & HR

(sgd) J. R. Cumby  
Vice President  
UTU Yardmaster Division

(sgd) Guido Deciccio  
AVP Operations East

(sgd) Robert Keeley  
General Chairman UTU-Y

(sgd) A. J. Troccia  
Manager Operations NEUS

(sgd) Howard H. Buchanan  
Manager Labor Relations

## ATTACHMENT "A"

### **Section 1**                    2006 Goalsharing Corporate Target

For July through December, 2006, the Goalsharing targets for the Corporate Portion of the Program is (it is the same as applies to the management 2006 PIP program):

Operating Income                    \$ 1.120 Billion (Cdn)

### **Section 2**                    2006 Goalsharing Individual Targets

For July through December, 2006, the Goalsharing targets for the Individual Portion of the Program will be as follows:

**1. Objective Type:**                    **Business**

**Weight (%)**                                    **1%**

**Objective:**                                    **SAFETY**  
What needs to be  
achieved to deliver  
business value

- a. Operating department to achieve a FRA injury frequency of .084 (2) or less in 2006
- b. Operating department to achieve a Non-FRA injury frequency of 1.25 (3) or less in 2006
- c. Operating department: to achieve a FRA Train Accident frequency of 1.04 (2) or less in 2006
- d. Operating department to achieve a Non-FRA Train Accident frequency of 12.39 (24) or less in 2006
- e. Operating department to achieve a CRV frequency of 2.51 (6) or less in 2006

To facilitate the achievement of this objective the Yardmaster is expected to

1. Participate in two (2) Health and Safety Committee meetings
2. Perform five (5) operational and five (5) safety tests per week.
3. Mentor less experienced employees, both yardmasters and running trades employees.

4. Actively participate in, and insure, that all crews working in, or departing from the Terminal, have a proper Job Briefing and pre-departure checklist.
5. Monitor radio communication to insure proper radio procedures are being used and not allowing unnecessary radio communication and immediately address inappropriate communications.
6. Monitor and coach all employees for compliance with all safety and operating rules

**2. Objective Type:**                    **Business**

**Weight (%):**                                **1%**

**Objective:**                                **Service**  
 What needs to be  
 achieved to deliver  
 business value:

- a. Deliver consistent, reliable 100, 200, 400 and 500 series train service by achieving on time service levels of 90% in compliance with Integrated Operating Plan (IOP).

To facilitate the achievement of this objective, the yardmaster is expected to:

1. Know and adhere to Integrated Operating Plan (IOP) for 100, 200, 400 and 500 series trains, as well as the LSOP and YOP

**3. Objective Type:**                    **Business**

**Weight (%):**                                **1%**

**Objective:**                                **Productivity**  
 What needs to be  
 achieved to deliver  
 business value

- a. Reduce terminal processing time in Binghamton yard to 25 hours average for 3<sup>rd</sup> quarter, and 22 hours for 4<sup>th</sup> quarter 2006
- b. Meet Crew to train ratio target of 1.05 for year 2006.

To facilitate the achievement of this objective, the yardmaster is expected to:

1. Ensure on time departures per IOP.
2. Implement and operate the "AT" and "DT" functions in NEXUS.
3. Assist yarding of road freights within yard limits with yard crews when necessary
4. Execute plan, provided by the TYC, to enhance overall Yardmasters effectiveness in operations
5. Achieve an 85% compliance with NEXUS, including timely and accurate NEXUS updates
6. Attend and participate in MOS turnover meetings, be on time and prepared, and follow up on action items assigned to them.
7. Maintain 85% grade on MOS audits
8. Switch trains within eight (8) hours of arrival.

**4. Objective Type: Business**

**Weight (%): 1%**

**Objective: Financials**  
What needs to be achieved to deliver business value

- a. Reduce yard and local freights working overtime by 5% over previous year.
- b. Reduce through freight ITD, FTD and overtime, at Binghamton and Saratoga, by 5% over previous year.
- c. Reduce the payment of crews handling EOT's. at Binghamton and Saratoga, by 10% over previous year.

To facilitate the achievement of this objective, the yardmaster is expected to:

1. Get yards and local freights to work within twenty (20) minutes of their on duty time
2. Get yards and local freights off duty before going on overtime.

3. Get through freights trains out of the yard within IOP compliance.
4. Get through freight crews off duty prior to going on FTD at the home terminal.
5. Get through freight crews off duty before going on overtime. If on overtime, get through freight crew off duty and yard train with yard crew when possible.
6. Plan work in a manner that EOT's will be removed by Carmen

5. Objective Type:                    **Personal**

Weight (%):                                **1%**

Objective:                                    **Values**

What needs to be  
achieved to deliver  
business value.

At the heart of CPR, we have values that directs our interactions with others, in our workplace and our communities. As a Yardmaster, you can contribute to a positive, healthy and successful work environment by following this set of values. This is how the yardmasters are expected to behave in getting the work done and each yardmasters will be evaluated based on his/her meeting them.

- a. **Integrity/Trust** – honesty, reliability, a positive belief in others.
  1. We earn and maintain trust by delivering on commitments to all employees, customers, unions, communities and investors
  2. We further our own interests through collaborative behaviors
  3. Our actions are consistent with our words.
  4. We recognize that people want to do their best, and that we all contribute to CPR's success.
- b. **Respect** - consideration for people and their overall well-being
  1. We treat each other with respect and dignity

2. We support an open and honest work environment where differences are valued and all employees are given equal opportunity to contribute and develop.
  3. Through our commitment to health, safety and the environment, we strive for the well-being of all our employees and their families, and the sustainability of the company.
- c. Drive for Results** – positive results for individuals, groups and the company
1. We share a sense of urgency and passion for excellence in the achievement of high quality results
  2. In our decisions we balance the need for short-term results with our requirement for long-term success.
  3. We follow through on commitments and ensure individual and group accountability
  4. We take pride in our accomplishments and recognize the success of individuals, groups and the company.
- d. Leadership Through Teamwork** – achieving success through effectively working together.
1. We achieve co-operation and teamwork across organizational boundaries through open communication and shared business objectives.
  2. We expect people to foster co-operation, commitment and trust.
  3. We develop effective partnerships for achieving success with all our employees, customers, unions, communities and investors.
- e. Improvement and Innovation** – encouraging new ideas and continuous improvement
1. We foster an environment where new ideas flourish
  2. We encourage learning, initiative and creativity.
  3. We focus on continuous improvement to meet and exceed the needs of customers, employees and investors

Letter of Understanding No.2

August 7, 2006

Mr. Robert Keeley  
General Chairman UTU-Y  
85-62 76<sup>th</sup> St  
Woodhaven, NY 11421

Dear Sir:

This will confirm the understanding reached between the parties on a new team based working relationship between the Yardmasters and the Yard Management teams which focuses on the following commitments designed to make the D&H more productive and equip the yardmasters to be highly successful front line supervisors.

- . Clear communication to the yardmasters of performance expectations,
- . A commitment to provide necessary resources and material for the development and expanded training of yardmasters;
- . To enhance the yardmaster's competence in the areas of coaching and mentoring to better equip them to be effective front line supervisors;
- . A commitment by the yardmasters to better understand CPR's and D&H's business and to meet business targets and performance expectations.

To facilitate these changes, a Goalsharing arrangement has been incorporated into this settlement.

The parties agree that if performance gaps are noted in the regular performance feedback process, the Manager, the General or Local Chairman and the involved Yardmaster will design a development plan with specific improvement targets, timelines, and resources, if required. This Plan is intended to assist the Yardmasters in successfully meeting business targets and performance and behavioral expectations.

In recognition of this significant commitment that the UTU-Y has made to encourage the Yardmasters to be more effective leaders of D&H yard operations, the Company is prepared to eliminate Article 6.4 of the D&H/UTU-Y Collective Agreement, dated June 26, 1992, as amended, effective the 1<sup>st</sup> of the month following notification of ratification of this Agreement.

Mr. Keeley  
August 7, 2006  
Page two

Please indicate your concurrence by signing on the line below.

Sincerely,

I Concur:

(sgd) Cathryn S. Frankenberg  
AVP LR & HR

(sgd) J. R. Cumby  
Assistant to the President  
UTU Yardmaster Division

(sgd) Guido Deciccio  
AVP Operations East

(sgd) Robert Keeley  
General Chairman UTU-Y

(sgd) A. J. Troccia  
Manager Operations NEUS

(sgd) Howard H. Buchanan  
Manager Labor Relations

Letter of Understanding No.3

August 7, 2006

Mr. Robert Keeley  
General Chairman UTU-Y  
85-62 76<sup>th</sup> St.  
Woodhaven, NY 11421

Dear Sir,

During the discussion on enhancing yardmaster performance, the Company and UTU-Y recognized that for this to happen a new working relationship between the Yardmasters and the yard Management Team is essential. This approach focuses on clear communication of expectations, a commitment to yardmaster development through training, education, coaching and/or mentoring, regular constructive feedback to Yardmasters as to how they are doing, as well as a commitment by Yardmasters to meet business targets and performance expectations.

Should issues arise preventing this new approach, the General Chairman or the Manager Operations NEUS can request that the Vice President UTU-Y and the Assistant Vice President Operations East, attend an emergency meeting at the involved terminal. This emergency meeting would take place within 30 days of the initial request.

Sincerely,

I Concur.

(sgd) Cathryn S. Frankenberg  
AVP LR & HR

(sgd) J. R. Cumby  
Vice President  
UTU Yardmaster Division

(sgd) Guido Deciccio  
AVP Operations East

(sgd) Robert Keeley  
General Chairman UTU-Y

(sgd) A. J. Troccia  
Manager Operations NEUS

(sgd) Howard H. Buchanan  
Manager Labor Relations

200 Clifton Corporate Park  
PO Box 8002  
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Tel (518) 383-7200 Fax (518) 383-7222

## ***Delaware & Hudson Railway***

November 1, 2006

Mr. Robert J. Keeley  
General Chairman  
UTU- Y 8562 76th St.  
Woodhaven, NY 11421

Dear Mr. Keeley,

Reference is made to our recent discussions regarding Letter of Understanding No. 1, ATTACHMENT "A", of the Memorandum of Agreement between the parties, signed August 7, 2006.

In particular, the discussions centered around "Attachment "A", Section 2, Objective #1 "Safety", and where would a Yardmaster be required to travel to achieve item 2, "Perform five (5) operational and five (5) safety tests per week", of this part. In that regard, it was mutually agreed that the Yardmasters would not be required to travel outside of the confines of the building in which the Yardmaster's office is located.

If this meets with your understanding of our mutual agreement, please so indicate by affixing your signature in the outlined area below and returning one (1) fully endorsed copy to the undersigned.

Sincerely,

(sgd) Howard Buchanan  
Manager Labor Relations

(sgd) A. J. Troccia  
Manager Operations NEUS

I concur.

(sgd) Robert J. Keeley  
General Chairman UTU-Y

