

AGREEMENT

Between

STOCKTON TERMINAL & EASTERN RAILROAD

And Its Employes

Represented by

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES

Effective: April 1, 1971

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RULE 1 - SCOPE

The rules contained herein shall govern the hours of service, working conditions and rates of pay of all employes in the Maintenance of Way Department represented by the Brotherhood of Maintenance of Way Employes. These employes shall perform such work in said Maintenance of Way Department historically and customarily performed by them.

This Agreement shall not apply to the following:

1. Employes in Maintenance of Way Department above the rank of Foreman.
2. Employes in any other department.

RULE 2 - CLASSIFICATION AND RATES OF PAY

Classification and rates of pay of employes covered by this Agreement are as follows:

1. Foreman \$3.95 per hour
2. Sectionmen \$3.53 per hour

Classes and rates of pay of new positions established shall be in accordance with the provisions of the October 7, 1959 Mediation Agreement. (See Appendix A)

RULE 3 - SENIORITY

Seniority District (a): Seniority of employes covered by this Agreement shall extend over the entire Railroad.

When Established (b): Seniority shall begin at the time the employe's pay starts in the class in which employed.

Identical Dates (c): In determining the seniority date of employes entering service in the same class and on the same date, preference shall be given to the employe with the greatest length of service with the Company. If no other service with the Company, the date and time of the application shall govern. If the question cannot be resolved by any of the above procedures, the relative age of the employes involved shall be used to dispose of the issue by according the earlier seniority date to the senior(s) of those involved.

RULE 4 - EMPLOYEES' ACCEPTANCE SERVICE LETTERS

Employes Accepted (a): An employe who enters the service of the Company shall be accepted or rejected within sixty (60) days from the date he entered service. If not notified to the contrary within such sixty (60) day period, it shall be understood that he becomes an accepted employe.

Service Letters (b): An employe who furnished the Company with certificates, letter of recommendation or other papers in connection with his application for employment or promotion shall have same returned to him within sixty (60) days. An employe leaving the service of the Company shall be furnished with Service Letters upon written request to the General Manager.

RULE 5 - SENIORITY ROSTERS

When Issued (a): Seniority rosters of employes will be compiled during January of each year. A copy of the seniority roster will be posted at gang headquarters not later than February 1 each year. Four copies of the rosters shall be furnished to the General Chairman and two copies to the District Chairman.

Date (b): Seniority rosters will show the individual's name, birthday, Social Security Number, and the seniority date in all classes.

Corrections (c): Seniority rosters shall be open for correction for a period of ninety (90) calendar days from the date posted. Request for correction or protest shall be directed to the Officer issuing such roster and any dating which remains unprotested on two (2) successive seniority rosters shall be considered as correct and no protest or request for correction will thereafter be considered, except that omissions or typographical errors shall be open for correction at any time.

RULE 6 - PROMOTION

Seniority to Prevail (a): A promotion is an advancement from a lower to a higher class. Promotion shall be based on ability and seniority. Ability being sufficient, seniority in succeeding lower classes shall prevail.

Supervisors to Cooperate (b): It will be the responsibility of the supervising Officer in charge of the work within the seniority district to determine the ability of an applicant to perform the work to which promotion is sought. Such determination shall be made by providing the applicant a thirty (30) working day trial period in which to demonstrate his ability to handle the position.

RULE 7 - LEAVING SERVICE

An employe who voluntarily leaves the service of the Railroad Company, if re-employed, shall establish a seniority date as of the date re-employed.

RULE 8 - BULLETINED POSITIONS

When Bulletined (a): When it is known fifteen (15) days in advance that a position is to be established, or that a vacancy of thirty (30) working days or more (excluding vacations) is to be open, such position or vacancy will be bulletined at once.

When it is not known fifteen (15) days in advance that such position is to be established or vacancy to occur, temporary assignment as per Paragraph (c) of this Rule may be made by Officers of the Railroad pending results of bids received on bulletin which shall be posted immediately.

Bulletin Form (b): Bulletin notice covering new positions or vacancies will be posted for a period of ten (10) days on bulletin boards during which time employes may file their applications with the Official whose name appears on the bulletin. Such bulletin will show headquarters, location, descriptive title, hours of service and rates of the position bulletined. Assignments will be made within fifteen (15) days from the date the bulletin is posted. Copy of the bulletins and assignments will be furnished to District Chairman and the General Chairman.

Rule 8 - Bulletin Positions (cont'd)

Temporary Assignment (c): No position will be bulletined for less than thirty (30) days. Positions or vacancies of thirty (30) days or less duration may be filled without bulletining, except that the senior employes in the seniority district unassigned to service in the same or higher class will be assigned.

Two or more Positions (d): When more than one vacancy or position exists and is bulletined at the same time, employes shall have the right to bid on all, stating preference.

Placement (e): An employe assigned to position on bulletin, unless being used for temporary or special service, must take such position and will be placed on such position within ten (10) days from date of assignment thereto.

RULE 9 - FORCE REDUCTION

Notice of Force Reduction (a): Except as otherwise provided in this Rule, positions will not be abolished nor will forces be reduced until the employes affected have been given at least five (5) working days' advance written notice.

No advance notice will be required before positions may be temporarily abolished or forces temporarily reduced when there is a suspension of the Company's operation, whole or in part, due to a labor dispute between the Company and any of its employes.

No advance notice shall be required before positions may be temporarily abolished or forces temporarily reduced under emergency conditions such as flood, snow storm, hurricane, tornado, earthquake, fire, or a labor dispute (other than between the Company and any of its employes) provided that such condition results in suspension of the Company's operation, in whole or in part. It is understood and agreed that such temporary force reduction 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 employe who is affected by such an emergency force reduction and reports for work for his position, without having been previously notified not to report, shall receive four (4) hours' pay at the applicable rate for his position. If an employe works any portion of the day, he will be paid in accordance with the regular rules.

Gangs will not be laid off for short periods when proper reduction of expenses can be accomplished by first laying off junior employes.

When forces are reduced, the senior qualified employe in each class and sub-department shall be retained.

Exercising Seniority (b): An employe losing his position through force reduction, abolishment of position or displacement must exercise his seniority by displacing any employe his junior in the class in which loss of position was suffered. If there are no junior employes working in that class, such displaced employe must exercise seniority in any other class in which he holds seniority.

Displacement Time (c): All displacements under this Rule must be made within five (5) calendar days from the date the employe loses his position, except that an employe who loses his position while sick, on leave of absence or vacation shall be allowed five (5) calendar days to make displacement after returning and reporting for work.

Rule 9 - Force Reduction (cont'd)

Temporarily Absent (d): If an employe becomes ill, is granted a leave of absence or vacation immediately following the loss of his position and as a result is prevented from making physical displacement, such employe shall, in writing, notify the General Manager with a copy to the District Chairman of the Brotherhood within five (5) calendar days from the date of loss of position, his election as to displacement, and such declaration shall protect the employe against the five (5) calendar day limit. An employe holding a position designated as intended displacement by such absent employe shall not be considered as having lost his position until he is physically displaced.

Retaining Seniority in Higher Class (e): An employe who exercises displacement rights in a lower class after having exhausted seniority in the higher class, or classes, in accordance with the provisions of this Rule, shall retain and accumulate seniority rights in such higher class or classes. He must, however, avail himself of every opportunity to return to service in such higher class or classes.

Filing Addresses (f): An employe losing his position through force reduction, abolishment, or displacement who is unable to exercise his seniority in accordance with this Rule, shall assume the status of a furloughed employe and must, within ten (10) days from date of loss of position, file his name and address in writing to the General Manager, furnishing the District Chairman with a copy. In the event his address should change while furloughed, such change shall be filed in the same manner set forth above, within ten (10) days from the date such change occurs.

RULE 10 - RECALL TO SERVICE

When forces are increased or vacancies occur, employes who have been cut off in force reduction or forced to displace in a lower class shall be recalled to service in the order of their seniority.

Employes off account force reduction shall be notified of their recall to service by Registered or Certified Mail, Return Receipt Requested, at their last address on record and must report for service within fifteen (15) calendar days from the date notice of recall is received. The fifteen (15) calendar days allowed for reporting may be extended by agreement between the Company's representative and the District Chairman, provided such extension is requested by the recalled employe within the initial fifteen (15) day period.

Employes failing to respond to recall to service under the provisions of this Rule shall forfeit their seniority in the class to which recalled.

Positions may be filled temporarily pending the return to service of a recalled employe by the senior employe holding seniority rights in the class available without delay to the work.

RULE 11 - WORK WEEK

Established work week covered by this Agreement shall be Monday through Friday with rest days of Saturday and Sunday.

RULE 12 - BASIC DAY

Eight (8) consecutive hours, exclusive of the meal period, shall constitute a day's work.

For regular operation requiring continuous hours, eight (8) consecutive hours without meal period may be assigned as constituting a day's work in which case twenty (20) minutes shall be allowed in which to eat without reduction in pay.

RULE 13 - BEGINNING AND ENDING OF DAY

The employes shall commence and end all work assignments at the regular designated headquarters. Headquarters shall not be changed except by an Agreement with the General Chairman.

The starting time of regular work assignments shall be fixed but will not be earlier than 6:00 a.m. nor later than 8:00 a.m.. Starting time within this spread shall not be changed except by giving the employe affected five (5) work days' written advance notice.

RULE 14 - MEAL PERIOD

When Assigned (a): A meal period of not less than thirty (30) minutes or more than one (1) hour shall be designated by bulletin and allowed between the ending of the 4th and the beginning of the 6th hour after the start of the assignment, except that employes assigned eight (8) continuous hours, as provided in Rule (12), shall be allowed twenty (20) minutes for lunch without deduction in pay, between the ending of the 4th and the beginning of the 6th hour after the start of the assignment. Such designated meal periods shall not be changed except by giving the employes affected three (3) work days' written advance notice.

If emergency conditions prevent the meal period being granted at the designated time, the employes will be paid therefor at time and one-half rate and be allowed sufficient time (not less than twenty (20) minutes) for the meal, at the first opportunity, without deduction in pay.

Subsequent Meal Periods (b): Employes required to render overtime service shall be accorded meal periods corresponding as nearly as possible to their normal meal periods and in no case shall they be required to render more than five (5) continuous hours of service between meal periods.

There shall be no deduction in pay or termination of continuous service account meal periods granted in accordance with this Subsection (b).

RULE 15 - OVERTIME AND CALLS

Overtime -- How Computed (a): Time worked preceding or following and continuous with the regular eight (8) hour assignment shall be computed on an actual minute basis and paid for at time and one-half rate with double time applying after sixteen (16) hours of continuous service, computed from the time called or reporting for regular assignment until relieved from service and afforded an opportunity for eight (8) or more hours of uninterrupted rest.

For the purpose of computing sixteen (16) hours of continuous service as referred to herein, actual time worked shall be counted from time last placed on duty after last having been relieved for eight (8) hours consecutive time off duty.

Rule 15 - Overtime and Calls (cont'd)

Calls (b): Employees notified or called to perform services not continuous with regular work assignment or on rest days or one of the designated holidays, will be paid a minimum of two (2) hours forty (40) minutes at time and one-half rate for two (2) hours forty (40) minutes of service or less. If the service for which called extends beyond the minimum of two (2) hours forty (40) minutes, employees will be paid at the overtime rates as specified in Subsection (a) of this Rule until relieved from service and afforded an opportunity for eight (8) or more hours of uninterrupted rest.

Continuity of Service (c): Continuity of overtime service shall not be broken at any time except by giving the employe eight (8) consecutive hours of uninterrupted rest as provided in Subsections (a) and (b) of this Rule.

Suspending Work (d): Employees shall not be required to suspend work during the regular hours of assignment of work day for the purpose of absorbing overtime provided, however, that nothing contained in this Rule shall require that an employe be retained on duty after having performed sixteen (16) or more hours of continuous service.

RULE 16 - PHYSICAL EXAMINATIONS

Employees covered by this Agreement, who may be subject to physical examinations, shall not be required to take an examination any more rigid or frequently than employees in other departments.

RULE 17 - PHYSICAL DISQUALIFICATION

Disqualification (a): When an employe is removed from service or restricted in service by the Company because of physical or mental impairment or as a result of examination disclosing physical or mental impairment and he has reason to question the accuracy of the diagnosis on which the removal from service or restriction was based, he will be given the opportunity to submit to an examination, after the request in writing is given by the employe involved or his duly accredited representative, to be made jointly by a doctor of his choice and a doctor selected by the Company. This examination will be made in the office of the Company's doctor unless the two doctors agree otherwise. If this examination discloses no basic disagreement as to diagnosis, the Company's decision will be accepted and the matter closed.

Medical Panel (b): In the event of a basic disagreement between the two doctors as to diagnosis, they will jointly select a third doctor who shall be a practitioner of recognized standing in the medical profession and a specialist in the branch of medicine which deals with the physical or mental impairment indicated and who shall not, to the best knowledge of either doctor, have had prior consultation or medical association with the employe. These three doctors will comprise a medical panel to review the full medical history, and should a majority of them deem it necessary, conduct a joint examination of the employe; after which each will confirm or reject the original diagnosis. This examination will be conducted in the office of the third doctor unless the third doctor agrees otherwise. Each of the doctors selected under the foregoing process must be a graduate of a Class A Medical School which confers the Degree of Doctor of Medicine. Each of the doctors selected by the parties will be paid by the party selecting him.

Rule 17 - Physical Disqualification (cont'd)

Medical Panel (b) (cont'd): The expense of the third doctor, including fees for hospital expense, laboratory and X-ray examination resulting from the service of the third doctor will be shared equally by the parties.

If a majority rejects the basic diagnosis of the Company doctor, the decision will be accepted and the matter will be considered closed.

Compensation (c): If there is any question as to whether there was sufficient medical evidence to support the original diagnosis which resulted in restricting the employe's service or removing him from service at the time of his disqualification or restriction by the Company doctors, the medical findings which supported the original diagnosis shall be furnished to the third neutral doctor for his consideration and he shall specify whether or not in his opinion there was justification for the original decision, and his opinion shall be accepted by both parties. If it is concluded that the disqualification or restriction was improper, the employe will be compensated for actual loss of earnings, if any, resulting from decision incident to his disqualification or restriction but not retroactive beyond the date of the request made under Subsection (a) of this Rule.

Reconsideration (d): The foregoing should not be construed as affecting or nullifying the Company's right and obligation to establish and maintain reasonable physical and mental standards which each employe must meet to remain in service; nor will the foregoing affect the employe's right to request further consideration of any improved physical or mental health condition. Such further consideration will not be made more often than at six (6) months' intervals.

In the event an employe has previously been examined by a medical panel in accordance with Subsection (b) of this Rule, it will be necessary that he present reasonable evidence of his physical or mental condition having improved since said examination, before being given further consideration under the provisions of this Rule.

RULE 18 - LEAVE OF ABSENCE

Length (a): Leaves of absence (service requirements permitting) will not be granted for more than ninety (90) days except in case of sickness to an immediate member of the employe's family, assigned committee work or elected as defined in Subsection (b) of this Rule, or appointed to a public office, or where serving in the Armed Forces pursuant to the provisions of the Universal Military Training and Service Act as amended. However, employes in the service of the Company five (5) years or more desiring leave of absence exceeding ninety (90) days may make written request to the General Manager for extension not exceeding ninety (90) days for each leave; total not to exceed nine (9) months in any twelve (12) months' period. Each individual case shall be handled on its merits. An employe failing to return on or before the expiration of his leave of absence, or who engages in outside employment without having received permission through the proper Company Official, will lose his seniority rights.

Employes desiring to be off for short periods of time (less than ten (10) days) may secure advance written approval from their immediate supervisor. Employes off account illness will notify their immediate supervisor as early as practicable, and if possible, the approximate length of time they expect to be off.

Rule 18 - Leave of Absence (cont'd)

Length (a) (cont'd):

Requests for leave of absence, except as provided for in Paragraph 2 of this Subsection (a), must be directed to the General Manager. All requests and authorizations for leave of absence must be in writing, with copy to the District Chairman.

Promoted (b): An employe accepting an official position with the Company or the Brotherhood shall retain and accumulate seniority rights and privileges, as provided for the employes under this Agreement, and his name shall appear on the appropriate seniority rosters.

In the event such official position is abolished or the employe is displaced or demoted, or he relinquishes the position, appointment or elected office, he shall be privileged to return to the seniority class from which promoted and displace any employe his junior in seniority as provided in Rule 9. If there is no employe his junior assigned in that class, he shall exercise seniority in any other class in which he holds seniority.

Sickness or Injury (c): Employes on sick leave or physically disabled shall not be required to obtain leaves of absence. They may, however, be required, upon their return to service, to furnish satisfactory evidence of their having been sick or disabled.

RULE 19 - SICK LEAVE

Length (a): Subject to the conditions enumerated below, employes who have been in the service of the Company continually for the period of time herein specified will be allowed sickness benefits on a daily basis when absent from work due to a bonafide case of sickness (not including pregnancy) of such employe:

- (1) Upon the completion of two years of continuous service under this Agreement, a total in the following year of five working days.
- (2) Upon completion of three years or more of continuous service under this Agreement, a total in each year of service thereafter of ten working days.
- (3) Upon completion of ten years or more of continuous service under this Agreement, a total each year of service thereafter of fifteen working days.

NOTE A: A year of "continuous service" as used herein means any calendar year during which an employe qualifies for a vacation under the provisions of the National Vacation Agreement of December 17, 1941, as amended.

NOTE B: The daily sickness benefit comprehended by this Rule is 80 per cent of the basic daily pro rata rate of the regular position of which the employe is an incumbent. Where the benefits under this Rule supplement an allowance from a governmental agency, the combined total of such supplemental benefits for any one day shall not exceed 80 per cent of the basic daily pro rata rate of the position to which the employe holds incumbency. In no case shall the benefits prescribed herein be payable for more than five days in any work week.

Rule 19 - Sick Leave (cont'd)

Filling Positions (b): It will be optional with the Company to fill, partially fill or blank the position (including regular relief positions) of an employe who is absent account his personal sickness under this Rule. The use of other employes on duty in the subdepartment, either while on duty or outside regularly assigned hours, to perform a portion of the duties of the employe absent under this Rule is permissible. If a change of shift is involved in furnishing relief to an absent employe who is receiving benefits under this Agreement, it is understood such relief will be performed at the straight time rate.

These procedures for filling sick leave vacancies which conflict with the rules of this Agreement will only be applicable when an employe is absent and is being paid an allowance under the provisions of this Rule.

Limitations (c): The benefit provisions of this Agreement apply to non-occupational injury or bonafide sickness of organic origin and of sufficient severity to disable the employe, provided that such non-occupational injury or sickness was not caused by the use of drugs or intoxicants, recklessness, gross negligence or any act contrary to law. The employing Officer must be satisfied that the sickness is bonafide. Satisfactory evidence, preferably in the form of a certificate from a reputable physician, may be required by the employing Officer, in case of doubt.

Qualifying (d): No allowance will be made under this Rule for the first three working days that an employe is absent account sickness, unless such absence continues for five continuous working days or longer, nor shall any allowance be made under this Rule for any day on which the employe is entitled to compensation under any other rule or agreement. If the employe forfeits any allowance from a governmental agency because of his failure to timely file for such benefits, he shall also forfeit any allowance he would otherwise be entitled to for such day or days under this Rule.

Leave Accumulation (e): To provide a reserve against a prolonged sickness, an employe will be permitted to accumulate sick leave allowance during any given year to the extent of his unused allowance which accrued under Section (a) hereof during the preceding years to the extent that the maximum usable sick leave benefits in any one calendar year will not exceed thirty (30) days.

False Leave (f): An employe falsely claiming sick or funeral time leave will be subject to discipline.

On Leave (g): Employes on formal leave of absence or absent because of disciplinary reasons are not entitled to the benefits of this Rule during such absence nor until they report for and perform service upon the expiration thereof, ~~not~~ for any day on which they do not have the right to work.

Termination of Employment (h): Upon termination of employment relationship or retirement, the provisions of this Rule will not be applicable.

RULE 20 - BEREAVEMENT LEAVE

In the event of a death of an immediate member of the family, that is, spouse, child, parent, parent-in-law, brother or sister of an employe who has been in service one (1) year or more, said employe shall be granted three (3) consecutive work days with pay to attend the funeral and handle matters related thereto. Time off under this Rule shall be subject to advance approval of the General Manager. Time granted under this Rule will not be charged against sick leave allowance.

RULE 21 - ALLOWANCE FOR JURY DUTY ATTENDING COURT AND INVESTIGATIONS

Jury Duty (a): An employe who is called for jury duty shall be excused from work on each day on which he is required to report for jury duty, and he shall receive an allowance for each such day on which he otherwise would have worked, equal to the difference between eight (8) times his average straight-time hourly earnings (as computed for the last closed and calculated pay period) and the payment he receives for jury duty. The employe will present proof of jury duty or of reporting for jury duty and of the amount of pay received therefor.

Witness (b): Employe attending court, inquest, investigations or hearings as witnesses, under instruction from the Railroad Company, will be paid the equivalent of the regular assigned hours at the pro rata rate for each calendar day so held, and in addition thereto, pay for traveling, also necessary expenses while away from home. Any fees or mileage accruing will be assigned to the Railroad Company.

RULE 22 - INJURIES - REPORTS

Employes injured while on duty shall be given necessary medical attention as promptly as possible, and they shall make written reports required by the Company of the circumstances of the accident as soon as they are physically able to do so. Copy of such reports shall be furnished the employe upon request in which event receipt thereof will be acknowledged in writing.

Employes shall not be withheld from work on account of declining to sign a release pending final settlement of personal injury claims.

RULE 23 - DISCIPLINE

Hearings (a): An employe in the service of the Company for sixty (60) calendar days or more shall not be disciplined or dismissed without first being given a fair and impartial hearing and a decision rendered in accordance with this Rule.

Within twenty (20) calendar days of the occurrence of the alleged violation, action shall be taken by the Company to notify the employe in writing of the precise charges made against him, by personal delivery, evidenced by receipt, or by Registered or Certified Mail, Return Receipt Requested. The employe shall be allowed not less than five (5) calendar days, from receipt of notice of the hearing, for the purpose of securing a representative.

It shall be the responsibility of the Company to arrange for the presence of any employe or such other witnesses as might be available who have knowledge of the incident under investigation.

Rule 23 - Discipline (cont'd)

Hearings (a) (cont'd)

The hearing shall be held within ten (10) calendar days from the date notice is received by the employe, and a decision based on evidence adduced at the hearing shall be rendered within ten (10) calendar days thereafter.

Representative (b): The right of an employe to be represented at the hearing by other employes covered by this Agreement, or by accredited representatives of the Brotherhood, but not otherwise, is recognized. The right of appeal is limited to the claimant employe or an accredited representative of the Brotherhood.

Requested Hearing (c): An employe who feels he has been unjustly treated shall be privileged to request a hearing which will be granted and conducted in accordance with the provisions of this Rule. Such request shall be directed to the General Manager in writing, and all information pertinent to the reasons for the request shall be furnished at that time. Request for hearing must be made within ten (10) calendar days from the date of the occurrence of the alleged offense for which the hearing is requested.

Furnished Transcript (d): A copy of the transcript of the hearing will be furnished the employe against whom discipline was assessed, his representative or representatives, and such other employes involved, who request same at the time of the hearing.

Unsustained Charges (e): If the charges against the employe are not sustained, they shall be stricken from the record and the employe shall be reimbursed for wage loss suffered or expenses incurred by him as a result of the charges for which the hearing was held.

Sustained Charges (f): If the charges against an employe are sustained, resulting in his demotion or dismissal, and he is later reinstated, his reinstatement and exercise of rights will be subject to agreement between the Company's Official with whom the appeal is pending and the General Chairman.

Extending Time Limits (g): The time limits specified herein may be extended by mutual agreement between the Company's representative and the General Chairman.

Claims or Grievances (h): Claims or grievances arising out of the application of this Rule shall be handled in accordance with the provisions of Article V of the National Agreement of August 21, 1954.

RULE 24 - CLAIMS AND GRIEVANCES

Claims or grievances shall be handled in accordance with Article V of Agreement of August 21, 1954, as follows:

1. All claims or grievances arising shall be handled as follows:

(a) All claims or grievances must be presented in writing by or on behalf of the employe involved, to the officer of the Carrier authorized to receive same, within 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,

Rule 24 - Claims and Grievances (cont'd)

1. (a) (cont'd): within 60 days from the date same is filed, notify whoever filed the claim or grievance (the employe or his representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

(b) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within 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 employes 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 60-day period for either a decision or appeal, up to and including the highest officer of the Carrier designated for that purpose.

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

2. With respect to all claims or grievances which arose or arise out of occurrences prior to the effective date of this rule, and which have not been filed by that date, such claims or grievances must be filed in writing within 60 days after the effective date of this rule in the manner provided for in paragraph (a) of Section 1 hereof, and shall be handled in accordance with the requirements of said paragraphs (a), (b) and (c) of Section 1 hereof. With respect to claims or grievances filed prior to the effective date of this rule the claims or grievances must be ruled on or appealed, as the case may be within 60 days after the effective date of this rule and if not thereafter handled pursuant to paragraphs (b) and (c) of Section 1 of this rule the claims or grievances shall be barred or allowed as presented, as the case may be, except that in the case of all claims or grievances on which the highest designated officer of the Carrier has ruled prior to the effective date of this rule, a period of 12 months will be allowed after the effective date of this rule for an appeal to be taken to the appropriate board of adjustment as provided in paragraph (c) of Section 1 hereof before the claim or grievance is barred.

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

Rule 24 - Claims and Grievances (cont'd)

3. (cont'd): 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 employe held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

4. This rule recognizes the right of representatives of the Organizations, parties thereto, to file and prosecute claims and grievances for and on behalf of the employes they represent.

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

6. This rule shall not apply to request for leniency.

RULE 25 - COMPOSITE SERVICE

An employe working on more than one class of work two hours or more on any day will be paid the higher rate for the entire day.

If temporarily assigned to a lower-rated position, the employe's rate of pay will not be reduced.

RULE 26 - REPORTING AND NOT USED

Regular employes required to report at usual starting time and place for the day's work, and when conditions prevent work being performed, will be allowed a minimum of three (3) hours at pro rata rates. If held on duty over three (3) hours, actual time so held at pro rata rates will be paid for.

RULE 27 - SAFETY EQUIPMENT

The employes shall carefully observe the safety rules of the Company and the Company shall furnish necessary safety devices to properly protect the employes performing their duties.

RULE 28 - PAY DATE

Employes shall be paid on designated dates semi-monthly during daylight hours. Where the designated pay date falls on a holiday or Sunday, the employes shall be paid on the last work day preceding such holiday or Sunday. Pay checks will contain a detachable itemized record of all deductions made.

Where an employe is short paid an amount equal to one day's pay, a voucher covering such shortage will be issued promptly upon request. Shortages of less than one day's pay may be adjusted on the next pay period.

RULE 29 - SANITARY FACILITIES

Adequate shelter and sanitary facilities will be provided at the headquarters location for all employes. Such shelter shall be properly heated, ventilated, lighted and screened, with toilets and washing accommodations provided in proportion to the number of employes to be accommodated.

RULE 30 - WATER AND ICE

An adequate supply of drinking water in insulated sanitary receptacles, and disposable drinking cups, shall be made available to all employes during periods of warm weather. Such water shall be iced.

RULE 31 - RATES OF PAY

The rates of pay of employes as agreed to by the parties hereto shall be listed in a Wage Schedule (see Rule 2) and made a part of this Agreement. When rates of pay are revised, a new Wage Schedule shall be compiled and posted on the bulletin board at the headquarters and copy furnished to the General Chairman.

RULE 32 - UNION REPRESENTATIVES

Representatives of the Brotherhood of Maintenance of Way Employes, as designated by the General Chairman, shall be recognized in handling all matters covered by this Agreement.

RULE 33 - PRINTING AND FURNISHING AGREEMENT

This Agreement of working conditions and rates of pay shall be printed by the Company and any employe covered hereunder shall be provided with a copy upon request.

RULE 34 - CAPTIONS

The captions appearing on rules and sections in this Agreement are for identification purposes only and are not part of the Agreement itself.

RULE 35 - EFFECTIVE DATE--CHANGES

This Agreement shall become effective April 1, 1971, and will remain in full force and effect until changed in accordance with the provisions of the Railroad Labor Act as amended.

Appendices A through F are hereby made a part of this Agreement.

Signed at Stockton, California, this 13th day of May, 1971.

BROTHERHOOD OF MAINTENANCE OF
WAY EMPLOYES

STOCKTON TERMINAL AND EASTERN RAILROAD

A. C. Krueger
General Chairman

Leonard Hardaway Jr
Vice President and General Manager

APPROVED:

A. C. Krueger
Vice President

a.c.k.

APPENDIX 1

MEMORANDUM OF AGREEMENT entered into at Stockton, California this thirteenth day of May, 1971 by and between the Stockton Terminal & Eastern Railroad and its Employees represented by the Brotherhood of Maintenance of Way Employees.

WITNESSETH:

In connection with the Agreement reached this day, which becomes effective April 1, 1971, it is agreed:

1. That the rates of pay listed in Rule 2 are effective as of April 1, 1971. Thereafter, rates of pay of employes covered thereunder shall be increased thru April 1, 1973 as provided in Article I, Sections 4, 5, 6, and 7 of the National Agreement dated February 10, 1971 as follows:

5% effective October 1, 1971

5% effective April 1, 1972

5% effective October 1, 1972

25¢ per hour effective April 1, 1973

Further, except as provided in Item 3 hereof, all other provisions of the National Agreement dated February 10, 1971 shall apply in accordance with the provisions of said February 10, 1971 National Agreement.

2. That National Agreement pertaining to Stabilization of Employees dated February 7, 1965 and the National Health and Welfare Agreement dated August 21, 1954 as subsequently amended shall be applicable to employes covered by this Agreement although not reproduced herein.

3. It is agreed that under Appendix "C" Holidays that for the remainder of the year 1971, only those holidays occurring subsequent to April 1, 1971 (not including the employe's birthday) shall be granted; they being namely: Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas.

4. That provisions of Rule 19, Sick Leave shall not become effective until January 1, 1971 and that eligibility at that time shall be based on the number of prior years of service as well as the number of days worked during the calendar year 1971 in accordance with the provisions thereof.

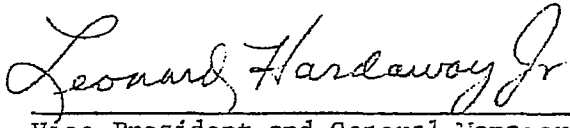
FOR:

THE EMPLOYES


General Chairman

FOR:

STOCKTON TERMINAL AND
EASTERN RAILROAD


Vice President and General Manager

MEDIATION AGREEMENT OF OCTOBER 7, 1959

This Agreement made this 7th day of October, 1959 by and between the participating carriers listed in Exhibits A, B and C, attached hereto and made a part hereof, and represented by the Eastern, Western and Southeastern Carriers' Conference Committees, and the employes of such carriers shown thereon and represented by the Brotherhood of Maintenance of Way Employes.

WITNESSETH:

IT IS AGREED:

ARTICLE I--PRIOR CONSULTATION

In the event a carrier decides to effect a material change in work methods involving employes covered by the rules of the collective agreement of the organization party hereto, said carrier will notify the General Chairman thereof as far in advance of the effectuation of such change as is practicable and in any event not less than fifteen (15) days prior to such effectuation. If the General Chairman or his representative is available prior to the date set for effectuation of the change, the representative of the carrier and the General Chairman or his representative shall meet for the purpose of discussing the manner in which and the extent to which employes represented by the organization may be affected by such change, the application of existing rules such as seniority rules, placement and displacement rules and other pertinent rules, with a view to avoiding grievances arising out of the terms of the existing collective agreement and minimizing adverse effects upon the employes involved.

As soon as is convenient after the effective date of this agreement, and upon request at reasonable intervals thereafter, the carrier and the General Chairman or his representative will meet informally in a conference to discuss such suggestions as the General Chairman may have to minimize seasonal fluctuations in employment.

This Article does not contain penalty provisions and it does not require that agreements must be reached as the right of the carrier to make changes in work methods or to continue existing practices subject to compliance with the collective agreement is not questioned.

ARTICLE II--RATES OF PAY

(a) The rates of pay of employes subject to the rates of pay rules of the collective agreement between the parties hereto shall be listed in a master wage schedule prepared by the carrier. A copy of this wage schedule shall be furnished to the General Chairman for his verification. The wage schedule shall constitute a part of the rates of pay, rules, and working conditions agreement between the parties, but may be physically bound with the general working conditions agreement or reproduced as a document under separate cover. This rule does not require that multiple positions of the same classification and carrying the same rate of pay need be individually listed, but the listing shall be in whatever detail is necessary to enable the ascertainment from the schedule of the rate of pay for each position of employes referred to herein. When rates of pay are generally revised

and when revisions are made in individual rates of pay, the General Chairman shall be furnished with a statement of the adjustments to be made in the rates as shown in the master wage schedule. When the rules and working conditions agreement is generally revised or reprinted the master wage schedule shall be revised to show the then current rates of pay and reproduced and distributed in the same manner as the rules and working conditions agreement.

(b) The listing of rates of pay in the agreement does not constitute a guarantee of the continuance of any position or any certain number of positions or anything else other than as stated in paragraph (a) hereof.

ARTICLE III--RATES OF PAY OF NEW POSITIONS AND ADJUSTMENT OF
RATES OF SUPERVISORY EMPLOYEES COVERED BY THE RULES OF THE
COLLECTIVE AGREEMENT BETWEEN THE PARTIES HERETO WHERE
DUTIES AND RESPONSIBILITIES HAVE ALLEGEDLY BEEN EXPANDED

(a) If a new position is established for which a rate of pay has not been agreed upon, the carrier will in the first instance establish a rate which is commensurate with the duties, responsibilities, characteristics and other requirements of said position. If the General Chairman does not agree that the rate of pay so established is commensurate with the duties, responsibilities, characteristics, and other requirements of the position, he shall so notify the carrier and thereupon the duly authorized representative of the carrier shall meet with the General Chairman or his representative for the purpose of mutually agreeing upon a rate which will be satisfactory to both parties. In the event of failure to reach a mutual agreement on the subject, it will be submitted to arbitration in accordance with paragraph (c) of this Article.

(b) If, as the result of change in work methods subsequent to the effective date of this agreement, the contention is made by the General Chairman that there has been an expansion of duties and responsibilities of supervisory employes covered by the rules of the collective agreement between the parties hereto resulting in a request for wage adjustment and a mutual agreement is not reached disposing of the issue thus raised, the matter will be submitted to arbitration in accordance with paragraph (c) of this Article.

(c) The submissions to arbitration provided for in paragraphs (a) and (b) of this Article shall be under and in accordance with the provisions of the Railway Labor Act; shall be between the individual carrier and the system committee of the organization representing employes of such carrier; and shall be governed by an arbitration agreement conforming to the requirements of the Railway Labor Act which shall contain the following provisions:

- (1) shall state that the Board of Arbitration is to consist of three members;
- (2) shall state specifically that the question to be submitted to the Board for decision shall be limited to the single question as to whether the rate established by the carrier should be continued or whether the rate suggested by the General Chairman should be adopted or whether an intermediate rate is justified; and that in its award the said Board shall confine itself strictly to decision as to the question so specifically submitted to it;

- (3) shall fix a period of ten (10) days from the date of the appointment of the arbitrator necessary to complete the Board within which the said Board shall commence its hearings;
- (4) shall fix a period of thirty (30) days from the beginning of the hearings within which the said Board shall make and file its award; provided, that the parties may agree at any time upon the extension of this period;
- (5) shall provide that the award shall become effective on the date that it is rendered and the rate awarded shall continue in force until changed or modified pursuant to the provisions of the Railway Labor Act.

ARTICLE IV--FORCE REDUCTIONS

Not less than ninety-six (96) hours' notice will be given to regularly assigned employes, not including casual employes or employes who are substituting for regularly assigned employes, who are subject to the rules of the existing collective agreement whose positions are to be abolished before such reductions in force are made, except as provided in Article VI of the Agreement of August 21, 1954.

ARTICLE V--PRESERVATION OF RULES

This Agreement shall not be construed to make any change in any existing rule on any individual railroad, or any portion of such a rule, that contains provisions identical with or more favorable to the employes than the provisions of this Agreement. The election thus made available to the General Chairman must be exercised in writing within thirty (30) days after the effective date of this Agreement.

ARTICLE VI--APPROVAL

This Agreement is subject to approval of the courts with respect to carriers in the hands of receivers or trustees.

ARTICLE VII--EFFECTIVE DATE AND TERMINATION

This Agreement shall become effective on December 1, 1959, and is in settlement of the dispute growing out of notices served on the carriers listed in Exhibits A, B and C on or about May 22, 1957, and shall be construed as a separate agreement by and on behalf of each of said carriers and its employes represented by the organization signatory hereto and shall remain in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

SIGNED AT CHICAGO, ILLINOIS, THIS 7th DAY OF OCTOBER, 1959.

Signatures applying to the Mediation Agreement are not here reproduced.

APPENDIX "B"

CURRENT PROVISIONS OF NON-OPERATING (M of W) EMPLOYEES
NATIONAL VACATION AGREEMENTS
(Revisions to and including Article IV of the
National Agreement dated February 10, 1971)

1. (a) Effective with the calendar year 1967, an annual vacation of five (5) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.
- (b) Effective with the calendar year 1968, an annual vacation of ten (10) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred ten (110) days during the preceding calendar year and who has two (2) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred ten (110) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of two (2) of such years, not necessarily consecutive.
- (c) Effective with the calendar year 1967, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has ten (10) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of ten (10) of such years, not necessarily consecutive.
- (d) Effective with the calendar year 1967, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty (20) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty (20) of such years, not necessarily consecutive.
- (e) Paragraphs (a), (b), (c) and (d) hereof shall be construed to grant weekly and monthly rated employees, whose rates contemplate more than five days of service each week, vacations of one, two, three or four work weeks.
- (f) Service rendered under agreements between a carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.
- (g) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for an employee with less than three (3) years of service; a maximum of twenty (20) such days for an employee with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) or more years of service with the employing carrier.

(h) In instances where employees have performed seven (7) months' service with the employing carrier, or have performed, in a calendar year, service sufficient to qualify them for a vacation in the following calendar year, and subsequently become members of the Armed Forces of the United States, the time spent by such employees in the Armed Forces 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.

(i) An employee who is laid off and has no seniority date and no rights to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an employee does not return to service in the following year for the same carrier he will be compensated in lieu of the vacation he has qualified for provided he files written request therefor to his employing officer, a copy of such request to be furnished to his local or general chairman.

(From Article II-Vacations-Section 1-(a), (c), (d), (e), (f), (g), (h) and (i) of 1-13-67 Agreement and Article II-Vacations-Section 1-(b) of 5-17-68 Agreement)

2. Insofar as applicable to the employees covered by this Agreement who are also parties to the Vacation Agreement of December 17, 1941, as amended, Article 2 of such agreement is hereby cancelled.

(From Article II-Vacations-Section 2 of 5-17-68 Agreement)

3. The terms of this agreement shall not be construed to deprive any employee of such additional vacation days as he may be entitled to receive under any existing rule, understanding or custom, which additional vacation days shall be accorded under and in accordance with the terms of such existing rule, understanding or custom.

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

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

(From Article II-Vacations-Section 4 of 5-17-68 Agreement)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.

(b) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this agreement.

(c) An employee paid a weekly or monthly rate shall have no deduction made from his compensation on account of vacation allowances made pursuant to this agreement.

(d) An employee working on a piece-work or tonnage basis will be paid on the basis of the average earnings per day for the last two semi-monthly periods preceding the vacation, during which two periods such employee worked on as many as sixteen (16) different days.

(e) An employee not covered by paragraphs (a), (b), (c) or (d) of this section will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service.

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

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

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

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

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

10. (a) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater; provided that if the assignment is filled by a regularly assigned vacation relief employee, such employee shall receive the rate of the relief position. If an employee receiving graded rates, based upon length of service and experience, is designated to fill an assignment of another employee in the same occupational classification receiving such graded rates who is on vacation, the rate of the relieving employee will be paid.

(b) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five per cent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the work load is agreed to by the proper local union committee or official.

(c) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees.

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

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

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

12. (a) Except as otherwise provided in this agreement a carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and was paid in lieu therefor under the provision hereof. However, if a relief worker necessarily is put to substantial extra expense over and above that which the regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.

(b) As employees exercising their vacation privileges will be compensated under this agreement during their absence on vacation, retaining their other rights as if they had remained at work, such absences from duty will not constitute "vacancies" in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.

(c) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements.

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

13. The parties hereto having in mind conditions which exist or may arise on individual carriers in making provisions for vacations with pay agree that the duly authorized representatives of the employees, who are parties to one agreement, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this agreement, provided that such changes or understandings shall not be inconsistent with this agreement.

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

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

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

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

15. Except as otherwise provided herein this agreement shall be effective as of January 1, 1968 and shall be incorporated in existing agreements as a supplement thereto and shall be in full force and effect for a period of two (2) years from January 1, 1968, and continue in effect thereafter, subject to not less than seven (7) months' notice in writing (which notice may be served in 1969 or in any subsequent year) by any carrier or organization party hereto, of desire to change this agreement as of the end of the year in which the notice is served. Such notice shall specify the changes desired and the recipient of such notice shall then have a period of thirty (30) days from the date of the receipt of such notice within which to serve notice specifying changes which it or they desire to make. Thereupon such proposals of the respective parties shall thereafter be negotiated and progressed concurrently to a conclusion.

(From Article II-Vacations-Section 3 of 5-17-68 Agreement)

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

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

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

The following is an excerpt relating to vacations from the National Agreement dated February 10, 1971 between the National Railway Labor Conference representing Eastern, Western and Southeastern Carriers Conference Committees and the Employees of such railroads represented by the Brotherhood of Maintenance of Way Employees.

ARTICLE IV - VACATIONS

Section 1. Insofar as applicable to the employees covered by this Agreement who are also parties to the Vacation Agreement of December 17, 1941, as amended, Article 1 of that Agreement, as last amended by the Agreement of May 17, 1968, is hereby further amended effective January 1, 1973 to read as follows:

1. (a) Effective with the calendar year 1973, an annual vacation of five (5) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.

(b) Effective with the calendar year 1973, an annual vacation of ten (10) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred ten (110) days during the preceding calendar year and who has two (2) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred ten (110) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of two (2) of such years, not necessarily consecutive.

(c) Effective with the calendar year 1973, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has ten (10) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of ten (10) of such years, not necessarily consecutive.

(d) Effective with the calendar year 1973, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty (20) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty (20) of such years, not necessarily consecutive.

(e) Effective with the calendar year 1973, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty-five (25) of such years, not necessarily consecutive.

(f) Paragraphs (a), (b), (c), (d) and (e) hereof shall be construed to grant to weekly and monthly rated employees, whose rates contemplate more than five days of service each week, vacations of one, two, three, four or five work weeks.

(g) Service rendered under agreements between a carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.

(h) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for an employee with less than three (3) years of service; a maximum of twenty (20) such days for an employee with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) or more years of service with the employing carrier.

(i) In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such employees in the Armed Forces subsequent to their employment by the employing carrier will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the employing carrier.

(j) An employee who is laid off and has no seniority date and no rights to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an employee does not return to service in the following year for the same carrier he will be compensated in lieu of the vacation he has qualified for provided he files written request therefor to his employing officer, a copy of such request to be furnished to his local or general chairman.

Section 2. Insofar as applicable to the employees covered by this agreement who are also parties to the Vacation Agreement of December 17, 1941, as amended, Article 15 of such agreement is hereby further amended to read as follows:

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

Section 3. Insofar as applicable to the employees covered by this agreement who are also parties to the Vacation Agreement of December 17, 1941, as amended, Section 3 of Article I of the Agreement of August 21, 1954 is hereby amended, effective January 1, 1972, to read as follows:

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

Such Section 3 is further amended, effective January 1, 1973, to change the references to "eight recognized holidays" to "nine recognized holidays" and add Veterans Day to the holidays named.

Section 4.

(a) Rules in effect on the individual carriers parties hereto which provide for annual vacations with pay to employees covered by this Agreement that are represented by the Hotel & Restaurant Employees and Bartenders International Union shall be amended by adding a provision that effective January 1, 1973 an annual vacation of five weeks (25 per cent more vacation time than is now provided in the respective agreements for four weeks vacation) with pay will be granted to each such employee who has twenty-five or more years of continuous service with the employing carrier and who qualified for a vacation under existing rules on the individual railroads. The number of days or hours required in each year to qualify for vacation of five weeks shall be the same as are now required to qualify for vacation of four weeks.

(b) Such rules shall be further amended by adding the following provision, effective January 1, 1973:

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.

HOLIDAYS

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

New Year's Day	Labor Day
Washington's Birthday	Thanksgiving Day
Decoration Day	Christmas
Fourth of July	

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

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

(c) Subject to the applicable qualifying requirements in Section 3 hereof, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in paragraph (b) above, provided (1) compensation for service paid him by the carrier is credited to 11 or more of the 30 calendar days immediately preceding the holiday and (2) he has had a seniority date for at least 60 calendar days or has 60 calendar days of continuous active service preceding the holiday beginning with the first day of compensated service, provided employment was not terminated prior to the holiday by resignation, for cause, retirement, death, non-compliance with a union shop agreement, or disapproval of application for employment.

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

NOTE: This rule does not disturb agreements or practices now in effect under which any other day is substituted or observed in place of any of the above enumerated holidays.

(ARTICLE III-HOLIDAYS--SECTION 1, 5/17/68 Agreement)

Section 2 (a) Monthly rates, the hourly rates of which are predicated upon 169 1/3 hours, shall be adjusted by adding the equivalent of 64 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The hourly factor will thereafter be 174 2/3 and overtime rates will be computed accordingly.

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

(b) All other monthly rates of pay shall be adjusted by adding the equivalent of 36 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The sum of presently existing hours per annum plus 36 divided by 12 will establish a new hourly factor and overtime rates will be computed accordingly.

Weekly rates not included in Section 2(a) shall receive a corresponding adjustment.

(ARTICLE II-HOLIDAYS-SECTION 2(a) and 2(b), 8/21/54 Agreement and
ARTICLE II-HOLIDAYS-SECTION 6(e), 11/20/64 Agreement)

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

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

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

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

For purposes of Section 1, 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.

Compensation paid under sick-leave rules or practices will not be considered as compensation for purposes of this rule.

(ARTICLE III-HOLIDAYS-Section 2, 5/17/68 Agreement)

Section 4. Provisions in existing agreements with respect to holidays in excess of the seven holidays referred to in Section 1 hereof, shall continue to be applied without change.

(ARTICLE II-HOLIDAYS-Section 4, 8/21/54 Agreement)

Section 5. Existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are not changed hereby, except that 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 also is 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.

(ARTICLE III-HOLIDAYS-Section 4, 5/17/68 Agreement)

Section 6. Subject to the qualifying requirements set forth below, effective with the calendar year 1965 each hourly, daily and weekly rated employee shall receive one additional day off with pay, or an additional day's pay, on each such employee's birthday, as hereinafter provided.

(a) For regularly assigned employees, if an employee's birthday falls on a work day of the workweek of the individual employee he shall be given the day off with pay; if an employee's birthday falls on other than a workday of the workweek of the individual employee, he shall receive eight hours' pay at the pro rata rate of the position to which assigned, in addition to any other pay to which he is otherwise entitled for that day, if any.

(b) For other than regularly assigned employees, if an employee's birthday falls on a day on which he would otherwise be assigned to work, he shall 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 an employee's birthday 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 his birthday, in addition to any other pay to which he is otherwise entitled for that day, if any.

(c) A regularly assigned employee shall qualify for the additional day off or pay in lieu thereof if compensation paid him by the carrier is credited to the work days immediately preceding and following his birthday, or if employee is not assigned to work but is available for service on such days. If the employee's birthday falls on the last day of a regularly assigned employee's workweek, the first work day following his rest days shall be considered the work day immediately following. If the employee's birthday falls on the first work day of his workweek, the last day of the preceding workweek shall be considered the work day immediately preceding his birthday.

(d) Other than regularly assigned employees shall qualify for the additional day off or pay in lieu thereof, provided (1) compensation for service paid him by the carrier is credited to 11 or more of the 30 calendar days immediately preceding his birthday, and (2) he has had a seniority date for at least 60 calendar days or has 60 calendar days of continuous active service preceding his birthday beginning with the first day of compensated service, provided employment was not terminated prior to his birthday by resignation, for cause, retirement, death, non-compliance with a union shop agreement, or disapproval of application for employment, and (3) if on the work day preceding and the work day following the employee's birthday he

satisfies one or the other of the following conditions:

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

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

The workweek for other than regularly assigned employees shall be Monday to Friday, both days inclusive, except that any such employee who is relieving a regularly assigned employee on the same assignment on both the workday preceding and the workday following his birthday will have the workweek of the incumbent of the assigned position and will be subject to the same qualifying requirements respecting service and availability on the workdays preceding and following his birthday as apply to the employee whom he is relieving.

For other than regularly assigned employees, whose hypothetical workweek is Monday to Friday, both days inclusive, if his birthday falls on Friday, Monday of the succeeding week shall be considered the workday immediately following. If his birthday falls on Monday, Friday of the preceding week shall be considered the workday immediately preceding his birthday.

Compensation paid under sick-leave rules or practices will not be considered as compensation for purposes of this rule.

(e) In addition to the wage adjustments provided for in Article I of this Agreement, effective January 1, 1965, the monthly rates of monthly rated employees shall be adjusted by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate.

(Provisions of this Section (e) are reflected in Section 2(b))

(f) An employee working at a location away from his residence may, by giving reasonable notice to his supervisor, have the day immediately preceding the first day during which he is not scheduled to work following his birthday considered as his birthday for the purposes of this Section. An employee whose birthday falls on February 29, may, on other than leap years, by giving reasonable notice to his supervisor, have February 28 or the day immediately preceding the first day during which he is not scheduled to work following February 28 considered as his birthday for the purposes of this Section. If an employee's birthday falls on one of the seven holidays named in Article III of the Agreement of August 19, 1960, he may, by giving reasonable notice to his supervisor, have the following day or the day immediately preceding the first day during which he is not scheduled to work following such holiday considered as his birthday for the purposes of this Section.

(g) 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, except that 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 also is 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.

(h) No party to this Agreement shall serve any notice or proposal or progress any notice or proposal for the purpose of changing the provisions of this Section 6 to become effective prior to January 1, 1967; except that managements and committees on individual railroads may, by mutual agreement, change the days (but not the number of days) that shall be observed as holidays, for the purposes of existing rules and agreements.

(ARTICLE II-HOLIDAYS-Section 6-paragraphs (a), (b), (c), (d), (e), (f) and (h), 11/20/64 Agreement. Also ARTICLE III-HOLIDAYS-Section 4, paragraph (g), 5/17/68 Agreement.)

Section 7 (a) When any of the seven recognized holidays enumerated in Section 1 of this Article II, or any day which by agreement, or by law or proclamation of the State or Nation, has been substituted or is observed in place of any of such holidays, falls during an hourly or daily rated employee's vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The "workdays" and "days" immediately preceding and following the vacation period shall be considered the "workdays" and "days" preceding and following the holiday for such qualification purposes.

(b) When the birthday holiday provided for in Section 6 of this Article II (Article II, Section 6, of the Agreement of November 20, 1964) or any holiday which by agreement or by law or proclamation of the State or Nation, has been substituted therefor, falls during an hourly, daily, or weekly rated employee's vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The "workdays" and "days" immediately preceding and following the vacation period shall be considered the "workdays" and "days" preceding and following the holiday for such qualification purposes.

(ARTICLE III-HOLIDAYS-Section 3, 5/17/68 Agreement)

The following is an excerpt relating to Holidays from the National Agreement dated February 10, 1971.

ARTICLE II - HOLIDAYS

Section 1. Effective January 1, 1972, Article II of the Agreement of August 21, 1954, as amended, insofar as applicable to the employees covered by this Agreement other than employees represented by the Hotel & Restaurant Employees and Bartenders International Union, is hereby further amended in the following respects:

(a) The preamble paragraph of Article II, Section 1 of the Agreement of August 21, 1954, as amended by the Agreement of August 19, 1960 and the Agreement of May 17, 1968, is amended to read as follows:

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

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

(b) Article II, Section 4 of the Agreement of August 21, 1954 is amended to read as follows:

Section 4. Provisions in existing agreements with respect to holidays in excess of the eight holidays referred to in Section 1 hereof shall continue to be applied without change.

(c) Article II, Section 5 of the Agreement of August 21, 1954 as amended by the Agreement of May 17, 1968, is amended to read as follows:

Section 5. (a) Existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are extended to apply to Good Friday in the same manner as to other holidays listed or referred to therein.

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

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

(d) Except as provided in this Section 5, existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are not changed hereby.

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

(e) Article II, Section 7, of the Agreement of August 21, 1954 which was added by the Agreement of May 17, 1968, is amended to read as follows:

Section 7. When any of the eight recognized holidays enumerated in Section 1 of this Article II, or any day which by agreement, or by law or proclamation of the State or Nation, has been substituted or is observed in place of any such holidays, falls during an hourly or daily rated employee's vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The "workdays" and "days" immediately preceding and following the vacation period shall be considered the "workdays" and "days" preceding and following the holiday for such qualification purposes.

Section 2. Effective January 1, 1973, Article II of the Agreement of August 21, 1954, as last amended by Section 1 of this Article II, insofar as applicable to the employees covered by this Agreement other than employees represented by the Hotel & Restaurant Employees and Bartenders International Union, is hereby further amended in the following respects:

(a) Veterans Day is added to the holidays enumerated in the preamble paragraph of Section 1.

(b) Section 5(a) is amended to read as follows:

(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 Veterans Day in the same manner as to other holidays listed or referred to therein.

(c) The references in Section 4 and Section 7 to "eight holidays" are changed to "nine holidays."

(d) Effective January 1, 1973, the monthly rates of monthly rated employees shall be adjusted by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate.

CONTRACTING OUT

The following is an excerpt from the Agreement dated May 17, 1968 between Railroads represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committee and the employes of such railroads represented by the Brotherhood of Maintenance of Way Employes, Hotel & Restaurant Employes and Bartenders International Union relating to Contracting Out.

"ARTICLE IV - CONTRACTING OUT

"In the event a carrier plans to contract out work within the scope of the applicable schedule agreement, the carrier shall notify the General Chairman of the organization involved in writing as far in advance of the date of the contracting transaction as is practicable and in any event not less than 15 days prior thereto.

"If the General Chairman, or his representative, requests a meeting to discuss matters relating to the said contracting transaction, the designated representative of the carrier shall promptly meet with him for that purpose. Said carrier and organization representatives shall make a good faith attempt to reach an understanding concerning said contracting, but if no understanding is reached the carrier may nevertheless proceed with said contracting, and the organization may file and progress claims in connection therewith.

"Nothing in this Article IV shall affect the existing rights of either party in connection with contracting out. Its purpose is to require the Carrier to give advance notice and, if requested, to meet with the General Chairman or his representative to discuss and if possible reach an understanding in connection therewith.

"Existing rules with respect to contracting out on individual properties may be retained in their entirety in lieu of this rule by an organization giving written notice to the carrier involved at any time within 90 days after the date of this agreement."

UNION SHOP AGREEMENT

This Agreement made this 13th day of May, 1971 by and between the Stockton Terminal and Eastern Railroad Company, and the employes thereof represented by the Brotherhood of Maintenance of Way Employes, witnesseth:

IT IS AGREED:

Section 1. In accordance with and subject to the terms and conditions hereinafter set forth, all employes 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 employes 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 employes while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employes who are subordinate to and report to other employes who are covered by this agreement. However, such excepted employes are free to be members of the organization at their option.

Section 3. (a) Employes 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 employes 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 employes 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 employes shall, upon resumption of employment, be considered as new employes for the purposes of applying this agreement.

UNION SHOP AGREEMENT (cont'd):

Section 3 (cont'd) (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 sub-sections (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 employe to become or to remain a member of the organization if such membership is not available to such employe upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employe is denied or terminated for any reason other than the failure of the employe 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 employes in the same status at the same time in the same organizational unit.

Section 5. (a) Each employe covered by the provisions of this agreement shall be considered by the carrier to have met the requirements of the agreement unless and until it is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by Certified Mail or Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employe 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 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 employe concerned in writing by Certified Mail or Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employe shall be given the organization. An employe 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 Certified Mail or Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a

UNION SHOP AGREEMENT (cont'd):

Section 5 (a) (cont'd) hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefor.

Notice of the date set for hearing shall be promptly given the employe in writing with copy to the organization, by Certified Mail or 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 employe 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 employe 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 employe and the organization shall be promptly advised thereof in writing by Certified Mail or Registered Mail, Return Receipt Requested.

If the decision is that the employe 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 employe or to the organization it may be appealed in writing, by Certified Mail or 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 Certified Mail or Registered Mail, Return Receipt Requested. The decision in such appeal shall be rendered within twenty calendar days of the date the notice of appeal is received, and the employe and the organization shall be promptly advised thereof in writing by Certified Mail or Registered Mail, Return Receipt Requested.

If the decision on such appeal is that the employe 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 employe involved

UNION SHOP AGREEMENT (cont'd):

Section 5 (b) (cont'd) 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 employe involved requests such highest officer in writing by Certified Mail or 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 employe involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the organization and the employe 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 employe, and the organization shall be promptly advised thereof in writing by Certified Mail or Registered Mail, Return Receipt Requested. If the position of the employe 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 employe's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employe.

(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 the carrier and the organization will not apply to cases arising under this agreement.

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

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

Section 6. Other provisions of this agreement to the contrary notwithstanding, the carrier shall not be required to terminate the employment of an employe until such time as a qualified replacement is available. The carrier may not, however, retain such employe in service under the provisions of this

UNION SHOP AGREEMENT (cont'd):

Section 6 (cont'd) 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 the date of receipt of notice from the organization in cases where the employe does not request a hearing. The employe 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 employe 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 employe 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 employe's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employes 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 employe 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 employe against the carrier predicated upon any action taken by the carrier in applying or complying with this agreement or upon an alleged violation, misapplication or non-compliance with any provision of this agreement. If the final determination under Section 5 of this agreement is that an employe'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 employes 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 employe; Provided further, that the aforementioned liability shall not extend to the expense to the carrier in defending suits by employes whose seniority and employment are terminated by the carrier under the provisions of this agreement.

UNION SHOP AGREEMENT (cont'd):

Section 9. An employe whose employment is terminated as a result of non-compliance with the provisions of this agreement shall be regarded as having terminated his employe relationship for vacation purposes.

Section 10. (a) The carrier party to this agreement shall periodically deduct from the wages of employes 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 employe until he shall have furnished the carrier with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement whichever occurs sooner.

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

Section 11. This agreement shall become effective on June 1, 1971, and shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

Signed at Stockton, California, this 13th day of May, 1971.

FOR THE EMPLOYEES:

FOR:

Represented by

THE BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES

STOCKTON TERMINAL AND
EASTERN RAILROAD

A. C. Krueger
General Chairman

Leonard Hardaway Jr.
Vice President and General Manager

DUES CHECK-OFF AGREEMENT

This Agreement, made at Stockton, California, this 13th day of May, 1971, by and between the Stockton Terminal and Eastern Railroad Company, hereinafter referred to as the Company, and the Brotherhood of Maintenance of Way Employes, hereinafter referred to as the Organization.

IT IS AGREED:

1. (a) Subject to the terms and conditions of this Agreement, the Company shall deduct uniform monthly sums equivalent to one-third (1/3) of the required quarterly dues and any initiation fees (not including fines and penalties) payable to the Organization by members thereof from wages to employes represented by the Organization upon the written and unrevoked authorization of a member on the form agreed to by the parties hereto, copy of which is attached as Attachment "A" and made a part hereof.

(b) The signed authorization may, in accordance with its terms, be revoked in writing at any time after the expiration of one (1) year from the date of its execution, or upon the termination of this Agreement, or upon the termination of the Rules and Working Conditions Agreement between the parties, whichever occurs sooner. Revocation of the Authorization shall be in the form agreed upon by the parties, copy of which is attached as Attachment "B" and made a part hereof.

(c) Both the Authorization Forms and the Revocation of Authorization Forms shall be reproduced and furnished as necessary by the Organization without cost to the Company. The Organization shall assume full responsibility for the procurement and execution of the forms by the employes and for the delivery of such forms to the Company.

2. Deductions as provided for herein shall be made by the Company in accordance with certified deduction lists furnished, as applicable, to the Officer designated by this Company. Such lists, together with Assignment and Revocation of Assignment Forms, shall be furnished on or before the 5th day of each month in which the deduction or termination of deduction is to become effective as hereinafter provided. The original lists furnished shall show the employe's name, employe account number, and the amount to be deducted in the form approved by the Company. Thereafter, two lists shall be furnished each month by the General Chairman of the Organization as follows:

(a) A list showing any changes in the amounts to be deducted from the wages of employes with respect to whom deductions are already being made. Such list shall show both the amounts previously authorized to be deducted and the new amounts to be deducted; also the names of employes from whose wages no further deductions are to be made which shall be accompanied by Revocation of Assignment Forms signed by each employe so listed. Where no changes are to be made, the list shall so state.

(b) A list showing additional employes from whose wages the Company shall make deductions as herein provided, together with an Assignment Authorization Form signed by each employe so listed. Where there are no such additional employes, the list shall so state.

DUES CHECK-OFF AGREEMENT (cont'd):

3. Deductions as provided for herein will be made monthly by the Company from wages due employes for the second period in each calendar month, and the Company will, subject to the provisions of Paragraph 4 hereof, remit to the Organization the total amount of such deductions on or before the 25th day of the month following the month in which such deductions are made. With such remittance the Company will furnish to the General Chairman of the Organization a statement showing employes from whom deductions were made and amount of deductions.

4. (a) In the event earnings of an employe are insufficient to permit the full amount of deduction, no deduction will be made and responsibility for collection shall rest entirely with the Organization.

(b) The following pay roll deductions shall have priority over deductions covered by this Agreement:

Federal, State and Municipal taxes and other deductions required by law, including garnishments and attachments.

Amounts due the Company.

Prior valid assignments and deductions.

(c) In cases where no deduction is made from the wages of an employe due to insufficient earnings, or for other reasons, the amounts not deducted shall not be added to deduction lists for the employe for any subsequent pay roll period.

5. Responsibility of the Company under this Agreement shall be limited to remitting the amounts actually deducted from wages of employes pursuant to this Agreement, and the Company shall not be responsible financially or otherwise for failure to make deductions or for making improper deductions. Any question arising as to the correctness of the amount deducted shall be handled between the employe involved and the Organization.

6. The Organization shall indemnify, defend and save harmless the Company from any and all claims, demands, liability, losses or damage resulting from the entering into or complying with the provisions of this Agreement.

7. This Agreement shall become effective June 1, 1971.

Signed at Stockton, California, this 13th day of May, 1971.

FOR THE EMPLOYEES:

FOR:

Represented by

THE BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES

STOCKTON TERMINAL AND
EASTERN RAILROAD

G. C. Krueger
General Chairman

Leonard Hardaway Jr.
Vice President and General Manager

Stockton Terminal and Eastern Railroad
 1330 North Broadway Stockton, California 95205
 Phone (209) 466-7001

January 1, 2007

SENIORITY ROSTER

BROTHERHOOD OF MAINTENANCE OF WAY

Employee Name	Employee Birthday	Seniority Date	Foreman date	Machine Operator
Cano, L	01-04-54	02-01-90	01-01-01	09-16-02
Martinez, C.	07-09-52	09-18-90		09-16-02
Ochoa, R	03-13-68	05-03-99		09-16-02
Magdaleno, M	10-01-80	01-02-03		

Cano, Luz	Foreman	\$	147.68	\$	29.91	\$	51.70	\$	229.29
Martinez, Carlos	M. Operator	\$	145.84	\$	29.53	\$	51.70	\$	227.08
Magdaleno, Miguel	Helper	\$	143.28	\$	29.01	\$	51.70	\$	224.00
Ochoa, Rosario	Helper	\$	143.28	\$	29.01	\$	51.70	\$	224.00

**Section Crew
Rates Effective January 1, 2008**

	<u>Sick</u>		
Foreman	\$ 15.68	\$ 19.60	\$ 29.40
Daily Rate-100%	\$ 15.22	\$ 19.02	\$ 28.53
Daily Rate-95%	\$ 14.46	\$ 18.07	\$ 27.11
Daily Rate-90%	\$ 13.70	\$ 17.12	\$ 25.68
Machine Operator-100%	\$ 15.49	\$ 19.36	\$ 29.04

EFFECTIVE JAN 1, 2009

FOREMAN	20 ⁰⁰	} PER HOUR
MA. OPER.	19 ⁷⁵	
LABORER	19 ⁴⁰	

**STOCKTON TERMINAL AND EASTERN RAILROAD
1330 NORTH BROADWAY STOCKTON, CA 95205
Phone (209) 466-7001 Fax (209) 466-1862**

August 17, 2007

Mr. Louis R. Below, General Chairman
Brotherhood of Maintenance of Way Employes Division
International Brotherhood of Teamsters
510 8th Street
Sacramento, California 95814-1206

Dear Mr. Below

This is in reference to our discussions concerning the Brotherhood of Maintenance of Way Employes Division of the International Brotherhood of Teamsters (BMWED-IBT) proposal to revise and supplement all existing Agreements for its members working as employees within the Maintenance of Way Department on the Stockton Terminal and Eastern Railroad. As a result of such discussions, the parties agreed to the following:

ARTICLE I - GENERAL WAGE INCREASES

- A. Effective **January 1, 2006** all basic daily rates of pay in effect on December 31, 2005, shall be increased in the amount of two (2) percent.
- B. Effective **January 1, 2007** all basic daily rates of pay in effect on December 31, 2006, shall be increased in the amount of two (2) percent.
- C. Effective **January 1, 2008** all basic daily rates of pay in effect on December 31, 2007, shall be increased in the amount of two (2) percent.
- D. Effective **January 1, 2009** all basic daily rates of pay in effect on December 31, 2008, shall be increased in the amount of two (2) percent.

ARTICLE II - EMPLOYEE BENEFITS

As we agree here and in line with existing agreements and understandings, the Carrier made and will make arrangements to amend and supplement all benefits provided for its employees on the respective stipulated effective dates, to reflect the same benefits provided all Maintenance of Way Department employees covered by the Agreement of July 1, 2007 between the railroads represented by the NATIONAL CARRIERS CONFERENCE COMMITTEE and the employees of such railroads represented by BMWED. The benefits to which we refer are those coming under the scope of the following categories:

- 1. DENTAL BENEFITS
- 2. VISION CARE
- 3. NATIONAL HEALTH AND WELFARE
- 4. SUPPLEMENTAL SICKNESS
- 5. OFF-TRACK VEHICLE ACCIDENT BENEFITS

Premiums per qualifying employee necessary to continue the nationally negotiated coverage identified herein shall be remitted in their entirety by Stockton Terminal and Eastern Railroad.

Additionally, it is agreed that Stockton Terminal and Eastern Railroad may negotiate with other insurance carriers for Health and Welfare coverage. However, no change will be made with respect to insurance carriers or employee coverage, except by agreement between the parties signatory hereto.

ARTICLE III - GENERAL PROVISIONS AND EFFECT OF THIS AGREEMENT

- A. The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement. BMWED members will not receive any benefits or salary increases that are less than other employees of the Stockton Terminal and Eastern Railroad. Should any Stockton Terminal and Eastern Railroad employee(s) receive greater benefits or salary adjustments than those agreed to herein, the Carrier will arrange to immediately grant BMWED employees equal treatment in benefits and/or salary to said other employee(s).
- B. This Agreement shall be construed as a separate Agreement by and on behalf of Stockton Terminal and Eastern Railroad and their employees represented by the Organization signatory hereto, and shall remain in effect through December 31, 2009 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- C. The parties to this Agreement shall not serve nor progress prior to July 1, 2009 (not to be effective before January 1, 2010), any notice of proposal for changing any matter contained in this Agreement.
- D. This section will not bar Management and the Organization from agreeing upon any subject of mutual interest.

Signed this 17th day of September, 2007

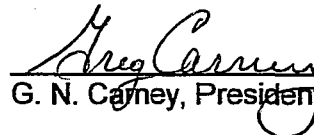
AGREED AND ACCEPTED:

FOR THE ORGANIZATION


L. R. Below, General Chairman BMWED


D. D. Tanner, Vice President BMWED

FOR THE CARRIER


G. N. Carney, President & C. O. O.

STOCKTON TERMINAL AND EASTERN RAILROAD
1330 NORTH BROADWAY STOCKTON, CA 95205
Phone (209) 466-7001 Fax (209) 466-1862

RECEIVED
SEP 25 2002
PACIFIC FEDERATION OFFICE

September 9, 2002

Mr. R. L. Ash, General Chairman
Brotherhood of Maintenance of way Employes
510 S. 8th Street
Sacramento, California 95814-1206

Dear Mr. Ash:

This is in reference to our discussions concerning the Brotherhood of Maintenance of Way Employes' (BMWE) proposal to revise and supplement all existing Agreements for its members working as employes within the Maintenance of Way Department on the Stockton Terminal and Eastern Railroad. As a result of such discussions, The parties agreed to the following:

ARTICLE I - GENERAL WAGE INCREASES

(A) Effective July 1, 2001, all basic rates in effect on June 30, 2001, shall be increased by two (2) percent.

(B) Effective January 1, 2002, all basic rates in effect on December 31, 2001, shall be increased by two (2) percent.

(C) Effective January 1, 2003, all basic rates in effect on December 31, 2002, shall be increased by two (2) percent.

(D) Effective January 1, 2004, all basic rates in effect on December 31, 2003, shall be increased by two (2) percent.

(E) Effective January 1, 2005, all basic rates in effect on December 31, 2004, shall be increased by two (2) percent.

ARTICLE II - EMPLOYEE BENEFITS

As we agree here and in line with existing agreements and understandings, the Carrier made and will make arrangements to amend and supplement all benefits provided for its employes on the respective stipulated effective dates, to reflect the same benefits provided all Maintenance of Way Department employes covered by the Agreement of May 31, 2001 between the railroads represented by the NATIONAL CARRIERS CONFERENCE COMMITTEE and the employes of such railroads represented by BMWE. The benefits to which we refer, that are provided at no cost to the employes, are those coming under the scope of the following categories:

1. DENTAL BENEFITS
2. VISION CARE
3. NATIONAL HEALTH AND WELFARE
4. SUPPLEMENTAL SICKNESS
5. OFF-TRACK VEHICLE ACCIDENT BENEFITS

ARTICLE III - STABILIZATION OF EMPLOYEES DATED FEBRUARY 7, 1965

The National Agreement pertaining to the Stabilization of Employees dated February 7, 1965, the parties made applicable to the Maintenance of Way Department employees of the Stockton Terminal and Eastern Railroad on January 1, 1971, will be updated to reflect all subsequent amendments made thereto by the railroads represented by the NATIONAL CARRIERS CONFERENCE COMMITTEE and the employees of such railroads represented by BMW.

ARTICLE IV - COLLECTIVE BARGAINING AGREEMENT RULE CHANGES

(A) **RULE 2 - CLASSIFICATION OF RATES OF PAY** and **RULE 6 - PROMOTION** of the parties' Agreement shall be amended to read as follows:

(new language in **bold**/old eliminated language shown ~~stricken~~)

RULE 2 - CLASSIFICATION OF RATES OF PAY

Classification and rates of pay of employees covered by this Agreement are as follows:

1. Foreman \$16.70 PER STRAIGHT TIME HOUR (effective 6-30-01)
2. **Machine Operator** **\$16.50 PER STRAIGHT TIME HOUR (effective 6-30-01)**
3. Sectionmen \$16.20 PER STRAIGHT TIME HOUR (effective 6-30-01)

RULE 6 PROMOTION

Seniority to Prevail (a): A promotion is an advancement from a lower to a higher class. Promotion shall be based on ability and seniority. Ability being sufficient, seniority in the lower classes shall prevail.

Supervisors to Cooperate (b): It will be the responsibility of the supervising officer in charge of the work within the seniority district to determine the ability of an applicant to perform the work to which promotion is sought. ~~Such determination shall be made by providing the applicant a thirty (30) working day trial period in which to demonstrate his ability to handle the position.~~ **If no qualifications for the position have been previously established, the employee assigned will be given full cooperation and assistance of supervisors and others in their efforts to qualify.**

Disqualification Within First Thirty (30) Working Days (c): Employees, who are disqualified within the first thirty (30) working days, will not retain the seniority date established for the assignment. Further, they will vacate the position on which disqualified and return to their former position provided it has not been acquired by a senior employee or abolished, in which event the disqualified employee may exercise seniority pursuant to Rule 9 of this agreement. Prompt written notice of the disqualification will be issued to the employee involved. No disqualification and loss of seniority will occur under this provision solely as a result of an employee having insufficient time to qualify during a period of time less than thirty (30) working days because of an abolishment or exercise of seniority by a senior employee. In such cases, the employee will be given another thirty (30) working day qualification period for his next assignment in the class involved.

Disqualification After First Thirty (30) Working Days (d): Employees who have been disqualified by written notice after the first thirty (30) working days provided in (c) of this rule, will exercise seniority rights in the same class on positions where qualifications are held. Absent any other qualifications in that class, the employees will exercise seniority rights pursuant to Rule 9 of this agreement.

Employees thus affected will retain their name and seniority date on the applicable roster with the appropriate comment "DISQUALIFIED" until such time as they re-qualify. Disqualified employees will be granted opportunities to re-qualify by applying for new positions or vacancies utilizing their retained seniority date, however, no employee will receive more than three (3) such opportunities unless agreed to by the designated Carrier officer and the General Chairman.

(B) In connection with the changes to the collective bargaining agreement identified in (A), it was agreed that a Machine Operator seniority roster will be established on the effective date of this Agreement. The following four (4) employees will be listed and ranked on this new seniority roster with an identical seniority date as follows:

1. L. Cano
2. C. Martinez
3. R. Ochoa
4. L. Ochoa

The senior Machine operator, Mr. Cano, will remain in his present capacity as a Foreman. Mr. Martinez will be assigned as the Machine Operator and pursuant to Rule 6 (b), as amended herein, he will be given full cooperation and assistance of supervisors and others in his efforts to qualify. A possible failure to qualify by Mr. Martinez during the initial thirty (30) working day period will be handled in accordance with the provisions of Rule 6 (c) as amended herein and the vacancy created thereby will be bulletined pursuant to the normal terms of the collective bargaining agreement. Other individuals who may be

assigned to a Machine Operator position and have, yet, to demonstrate their qualifications, will be given the same opportunity, cooperation and assistance in line with the provisions of Rule 6, as amended herein.

ARTICLE V - GENERAL PROVISIONS AND EFFECT OF THIS AGREEMENT

(A) The purpose of this Agreement is to fix the general level of compensation and amend certain conditions of employment during the period of the Agreement.

(B) This Agreement shall be construed as a separate Agreement by and on behalf of Stockton Terminal and Eastern Railroad and their employees represented by the Organization signatory hereto, and shall remain in effect through December 31, 2005 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

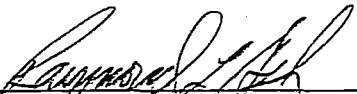
(C) The parties to this Agreement shall not serve nor progress prior to July 1, 2005, (not to be effective before January 1, 2006), any notice of proposal for changing any matter contained in this Agreement.

(D) This Section will not bar Management and the Organization from agreeing upon any subject of mutual interest.

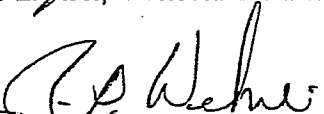
Signed this 6th day of September, 2002 to be effective September 16, 2002.

AGREED AND ACCEPTED:

FOR THE ORGANIZATION




R. L. Ash, General Chairman BMWWE




R. B. Wehrli, Vice President BMWWE

FOR THE CARRIER



G. N. Carney, Vice President C. O. O.



R. R. Jenkins, Vice President

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

Affiliated with A.F.L.-C.I.O. and C.L.C.

PACIFIC FEDERATION

DAVID E. McMAHON, General Chairman
LOUIS R. BELOW, Vice Chairman
JOHN VILLALOBOS, Assistant Chairman
Secretary-Treasurer

930 Alhambra Boulevard, Suite 260
Sacramento, California 95816-4426
Telephone 916-444-0943
FAX 916-444-2659

September 24, 1998

Mr. M. A. Fleming, President
Brotherhood of Maintenance of Way Employees
26555 Evergreen Road, Suite 200
Southfield, Michigan 48076-4225

Mr. R. B. Wehrli, Vice President
Brotherhood of Maintenance of Way Employees
1591 Fulton Street, Room 205
Aurora, Colorado 80010-2235

Mr. S. C. Martinez, Temporary Director
Brotherhood of Maintenance of Way Employees
150 S. Wacker Drive, Suite 300
Chicago, Illinois 60606-4103

Dear ~~Sirs and~~ Brothers:

Enclosed herewith for your information and the continuation of your respective files is copy of the negotiated contract between the Stockton Terminal and Eastern Railroad and its employees represented by the Brotherhood of Maintenance of Way Employees.

The above referred to contract was explained to our members who are employed with the involved Carrier at a ~~meeting~~ held on September 17, 1998 and, subsequent to same, the contract was unanimously ratified and accepted by the affected members.

With best wishes and kindest ~~personal~~ regards, we remain

Sincerely and fraternally,


General Chairman

DEM:jk

cc: Mr. R. C. Robinson
Mr. John R. Grant
Mr. David M. McMahon
Mr. Patricio Jimenez
Mr. Carlos Martinez
Mr. Luz Cano
Pacific Federation Officers

Enclosure
92498.dem

STOCKTON TERMINAL AND EASTERN RAILROAD

1330 North Broadway Stockton, CA 95205

Phone (209) 466-7001 Fax (209) 466-1862

September 16, 1998

Mr. David E. McMahon, General Chairman
Brotherhood of Maintenance of Way Employees
930 Alhambra Blvd., Suite 260
Sacramento, California 95816-4467

Dear Mr. McMahon:

This is in reference to our discussions concerning the Brotherhood of Maintenance of Way Employees (BMWEE) proposal to revise and supplement all existing Agreements for its members working as employees within the Maintenance of Way Department on the Stockton Terminal and Eastern Railroad.

As a result of such discussions, the parties agreed to the following:

ARTICLE I - EQUITY WAGE ADJUSTMENT

(A) Effective June 30, 1998, rates of pay of employees covered by this Agreement shall be increased in the amount of \$.35 per hour. Each employee subject to this Agreement who has an employment relationship with the Carrier on the date of this Agreement or who has retired, died or was discharged for cause subsequent to June 29, 1998, (eligible employee) shall receive a payment as provided hereinafter.

1. The amount payable to an eligible employee shall be equal to the additional amount that would have been paid to such individual for the period June 30, 1998 through the day preceding the date of this Agreement if his or her rate of pay had been increased in the amount of \$.35 per hour on June 30, 1998.
2. The payment due hereunder to an eligible employee shall be payable within sixty (60) calendar days of the date of this Agreement.

ARTICLE II - GENERAL WAGE INCREASES

(A) Effective July 1, 1998, all basic rates in effect on June 30, 1998, shall be increased by two (2) percent.

(B) Effective July 1, 1999, all basic rates in effect on June 30, 1999, shall be increased by two (2) percent.

(C) Effective July 1, 2000, all basic rates in effect on June 30, 2000, shall be increased by two (2) percent.

ARTICLE III - RATE PROGRESSION

(A) Effective July 1, 1998, the agreement, including all applicable Side Letters, governing entry rates are amended to provide that covered employees shall be paid at 90 percent of the applicable rates of pay for the first twelve (12) calendar months of employment and shall be paid at 95 percent of the applicable rates of pay for the second twelve (12) calendar months of employment for all service performed on positions covered by an agreement with the BMW. Thereafter, all such employees shall be paid 100% of the applicable rates of pay for employment with this Carrier.

(B) Employees covered by the previous agreement prior to July 1, 1998, shall be credited, for purposes of the application of (A), for all calendar months of employment as of the effective date of this Article.

ARTICLE IV - VACATIONS

(A) Effective with the signing date of this Agreement, employees shall be permitted to take vacation time in less than 40-hour increments, provided that such vacation days will be scheduled in accordance with existing rules on the Carrier applicable to the scheduling of personal leave days.

ARTICLE V - EMPLOYEE BENEFITS

(A) As we agree here and in line with existing agreements and understandings, the Carrier made and will make arrangements to amend and supplement all benefits provided for its employees on the respective stipulated effective dates, to reflect the same benefits provided all Maintenance of Way Department employees covered by the Mediation Agreement of September 26, 1996 between the railroads represented by the NATIONAL CARRIERS CONFERENCE COMMITTEE and the employees of such railroads represented by BMW. The benefits to which we refer are those coming under the scope of the following categories:

- DENTAL BENEFITS
- VISION CARE
- NATIONAL HEALTH AND WELFARE
- SUPPLEMENTAL SICKNESS
- OFF-TRACK VEHICLE ACCIDENT BENEFITS

ARTICLE VI - GENERAL PROVISIONS AND EFFECT OF THIS AGREEMENT

(A) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement.

(B) This Agreement shall be construed as a separate Agreement by and on behalf of Stockton Terminal and Eastern Railroad and their employees represented by the Organization signatory hereto, and shall remain in effect through June 30, 2001 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

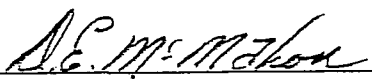
(C) The parties to this Agreement shall not serve nor progress prior to January 1, 2001 (not to become effective before July 1, 2001), any notice of proposal for changing any matter contained in this Agreement.

(D) This Section will not bar Management and the Organization from agreeing upon any subject of mutual interest.


Signed this 24 day of Sept., 1998.

AGREED AND ACCEPTED:

FOR THE ORGANIZATION




D. E. McMahon
General Chairman - BMW

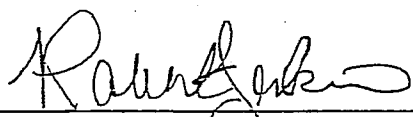


R. B. Wehrli
Vice President - BMW

FOR THE CARRIER



G. N. Carney
Vice President, C.O.S.



R. R. Jenkins
Vice President