

# **AGREEMENT**

Between

**MONTANA RAIL LINK, INC.**

And Its Employees Represented By The

**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (BMWE)**  
**BROTHERHOOD OF RAILWAY CARMEN (BRC)**  
**BROTHERHOOD OF RAILROAD SIGNALMEN (BRS)**  
**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (IAMAW)**  
**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW)**  
**NATIONAL CONFERENCE OF FIREMEN AND OILERS, SEIU (NCF&O)**  
**TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION (TCU)**

Effective: October 20, 1987

As amended: December 31, 1990

As amended: August 1, 1991

As amended: April 1, 1997

As amended: January 3, 2002

As amended: January 1, 2006

**As amended: November 1, 2012**

And, other agreements and understandings

## **CONSENT RECOGNITION**

Upon the effective date of the Agreement between Montana Rail Link, Inc. (the "Company") and the Brotherhood of Maintenance of Way Employes, Brotherhood of Railway Carmen, Brotherhood of Railroad Signalmen, International Association of Machinists and Aerospace Workers, International Brotherhood of Electrical Workers, International Brotherhood of Firemen and Oilers and Transportation Communications International Union (collectively, "the Unions") executed October 20, 1987, the Company hereby recognizes the Unions signatory to that Agreement as the duly authorized representatives of their respective crafts and classes of employees under the Railway Labor Act.

Signed at Washington, DC

This 20th day of October 1987

**MASTER AGREEMENT**

**AS AMENDED AND EFFECTIVE**

**NOVEMBER 1, 2012**

## ARTICLE 1

### **GENERAL PRINCIPLES**

- A. The parties to this Agreement agree that the fundamental objective of the railroad, its management and employees is to provide service to its customers in the most efficient manner. Accordingly, the parties agree that in interpreting and implementing this Agreement, paramount emphasis shall be placed on providing efficient service to customers.
- B. This Agreement is intended to be based on cooperation and as such is a fundamental restructuring of the long-standing pattern of labor agreements in the railroad industry. Therefore, this Agreement supersedes all prior rail industry agreements and supersedes any awards, decisions, interpretations, understandings, or practices based thereon.
- C. In the event any federal or state legislation, governmental regulations or court decision causes invalidation of any portion thereof this Agreement, such term or provision shall be void and of no effect. All other terms and conditions of this agreement shall remain in full force and effect.
- D. These rules will govern the persons employed in the positions described in Exhibit A.
- E. The right to make and interpret contracts covering rules, rate of pay and working conditions on behalf of employees covered by this Agreement shall be vested in the regularly constituted Union representatives.

- F. Where the term Unions appears herein, it shall be understood to mean, collectively, the duly elected Officers or General Committees of the Brotherhood of Maintenance of Way Employees, Brotherhood of Railway Carmen, Brotherhood of Railroad Signalmen, International Association of Machinists and Aerospace Workers, International Brotherhood of Electrical Workers, National Conference of Firemen and Oilers, Service Employees International Union, and the Transportation Communications International Union. Where the term Applicable Union appears herein, it shall be understood to mean the Union signatory hereto that represents employees in the applicable craft. Where the term Company appears herein, it shall be understood to mean Montana Rail Link, Inc.
- G. The use of such words as "he," "his," and "him," as they appear in this Agreement are not intended to restrict the application of the Agreement or a particular rule to a particular sex, but are used solely for the purpose of grammatical convenience and clarity.
- H. The provision herein shall be applied without discrimination based on union membership, race, color, creed, religion, national origin, age or sex.
- I. This Agreement shall constitute a Labor Agreement between the Company and the Unions and shall be uniformly applied to all employees collectively, except where otherwise specifically provided for herein.
- J. The management of the business; the operation of the railroad; the right to place into effect any and all changes necessary to effect an efficient operation of the business are vested in the Company, subject to the limitations of the Agreement.

## **ARTICLE 2**

### **RATES OF PAY**

Rates of pay for all positions covered by this Agreement shall be set out in Exhibit B.

## **ARTICLE 3**

### **PROFIT SHARING**

The profit sharing plan of the Company is set out in Exhibit C.

## **ARTICLE 4**

### **SENIORITY RIGHTS**

- A. Except as provided in the Implementing Agreement and/or Craft Specific Agreements, the seniority of employees subject to the Agreement shall date from the time they begin their first tour of duty.
- B. The right to work positions and assignments shall be governed by seniority.
- C. Seniority rosters of employees covered by this Agreement showing date of employment, promotion and date of birth shall be posted on bulletin boards at all terminals in January of each year. Union representative shall be furnished a copy.

**NOTE:** (A statute of limitation of sixty days from date of posting is hereby fixed to take up or appeal a case of seniority. If sixty days have elapsed without any protest having been filed in such case, it cannot be taken up by the Unions or Company.)

- D. Employees leaving the service of the Company shall, upon request, be given a service letter signed by the designated Company Officer showing the time of service and the capacity in which employed.

- E. Employees shall not be permitted to waive their seniority standing and promotional responsibilities, except as provided herein.
- F. For each applicable seniority roster hereunder, the Company's entire railroad system shall constitute a single seniority district over which employees may exercise their seniority to positions, subject to the provisions provided for herein.

## **ARTICLE 5**

### **FLEXIBLE TIME SYSTEM**

- A. The terms of this Article are intended to be in lieu of vacation, holiday, sick leave, supplemental sickness and personal leave arrangements.
- B. (1) In order to fully qualify for flexible time system purposes, employees who were hired before January 1, 2006 must have total gross earnings of \$9,216 or 160 working days during the preceding qualifying year (November 1 to October 31). Such employees with total earnings of \$6,912 or 100 working days shall receive one-half of the applicable time system days. Effective October 31, 2006, and each year thereafter, these dollar threshold amounts shall be increased by the annual percentage general wage increase(s) granted during the previous 12-month period.

**For 2011-2016 full flex time qualification, the dollar thresholds shall be as follows:**

<b>October 31, 2011</b>	<b>\$11,004</b>
<b>October 31, 2012</b>	<b>\$11,279</b>
<b>October 31, 2013</b>	<b>\$11,764</b>
<b>October 31, 2014</b>	<b>\$12,117</b>
<b>October 31, 2015</b>	<b>\$12,577</b>
<b>October 31, 2016</b>	<b>\$12,954</b>

**For half flex time qualification, the dollar thresholds shall be as follows:**

<b>October 31, 2011</b>	<b>\$ 8,253</b>
<b>October 31, 2012</b>	<b>\$ 8,459</b>
<b>October 31, 2013</b>	<b>\$ 8,823</b>
<b>October 31, 2014</b>	<b>\$ 9,088</b>
<b>October 31, 2015</b>	<b>\$ 9,433</b>
<b>October 31, 2016</b>	<b>\$ 9,716</b>

Any compensation received from the Company will count toward the total earnings. This qualification requirement applies both to the credits that can be taken in the next succeeding year and to the count of years necessary for incremental credits.

- (2) In order to fully qualify for flexible time system purposes, employees who were hired on or after January 1, 2006 must have 130 working days during the preceding qualifying year (November 1 to October 31). Such employees with 55 or more working days shall receive a pro-rated share of the applicable time system days. (Days worked divided by 130 times the applicable number of flex time days rounded to the closest full day.)

- C. Credits to the time bank will be made on each November 1, under the following formula:

After one (1) qualifying year = seventeen (17) days  
After two (2) qualifying years = twenty-two (22) days  
After eight (8) qualifying years = twenty-eight (28) days  
After twenty (20) qualifying years = twenty-nine (29) days  
After twenty-one (21) qualifying years = thirty (30) days  
After twenty-two (22) qualifying years = thirty-one (31) days  
After twenty-three (23) qualifying years = thirty-~~three~~ **(33)** days  
After twenty-four (24) qualifying years = thirty-~~four~~ **(34)** days

**Note: BN service credited under the Implementing Agreement dated October 20, 1987 shall count toward the qualifying years of service.**

- D. Additional credits will be made on each November 1, under the following formula, to those who meet the specified criteria:

Completion of a one year period (from November 1 to October 31) without an injury resulting in a reportable injury under Federal Railroad Administration (or its equivalent) guidelines equals three (3) days.

Completion of a one-year period shall mean that the employee maintained an employment relationship with the Company under the Agreement for the full twelve-month period and qualified for flex time under Section B.

**NOTE:** It is understood that employees who are dismissed, but subsequently return to service, shall not thereby be disqualified from qualifying for the additional credits in the year in which they are returned to service. Such employees shall be eligible for the additional credits, provided they qualify for flex time under Section B.

- E. 1) Generally, requests for flexible time system withdrawals will be granted, contingent upon service requirements on a seniority basis.
- 2) Time system withdrawals for less than a single day will not be permitted. Requests for single-day withdrawals on any national holiday, the day after Thanksgiving, and Christmas Eve must be requested at least two (2) weeks in advance. The Company pledges to make special efforts to honor the maximum feasible number of requests for time off and for flexible time system payments on those dates.
- 3) Single day requests, at other times, may be made upon twenty-four (24) hour notice to an appropriate Company Officer. **However, employees may use up to five (5) days as single day flex for illness or personal business upon less than 24-hour notice, provided they notify the appropriate Company Officer in advance of their scheduled starting time. Granting requests for single day flex time for personal business shall be contingent on service requirements.**

- 4) Requests for extended time system withdrawals (with a one week minimum) made at the beginning of the time credit year will be granted in seniority order consistent with service requirements. Employees shall be notified of the acceptability of such request within thirty days, subject, however, to subsequent modification if service requirements so dictate. Requests made at the beginning of the time credit year will have priority over later requests.
- 5) Payments made under this article will be made at the straight time rate of the employee's regular assignment; if not regularly assigned, at the straight time rate of the position last worked. Payment assumes five work days in each seven day period.

F. Employees will have an option to either:

- 1) Take all of the days in the flexible time system before November 1 of a given year.
- 2) Receive pay for any time not taken at a pay period before Christmas.

## **ARTICLE 6**

### **JURY DUTY**

Employees summoned for jury duty and required to lose time from their assignment as a result thereof, shall be paid for actual time lost with a maximum of one (1) basic day's pay at the pro rata rate of their position for each day lost less the amount allowed them for jury duty service, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

- 1) Employees shall furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed.

- 2) The number of days for which jury duty shall be paid is limited to a maximum of sixty (60) days of compensation in any calendar year.
- 3) No jury duty payment shall be allowed for any day or days for which the employee is scheduled and receives pay from his flexible time system.
- 4) Employees shall not be required to work on their assignments on days in which jury duty:
  - a) Ends within four (4) hours of the start of their assignments; or
  - b) Is scheduled to begin during the hours of their assignments or within four (4) hours of the beginning or ending of their assignments.

## **ARTICLE 7**

### **ATTENDING COURT**

- A. Employees attending court, giving depositions, and/or appearing before proper authorities in behalf of or on instructions of the Company, shall be made whole for time lost from their assignments. If required to leave their home terminal employees shall be allowed actual expenses incurred, with the understanding the employees shall furnish a written receipt for such expense before being reimbursed.
- B. If expenses or fees are allowed by the court, the Company shall credit such amount from other payments.

## **ARTICLE 8**

### **LEAVE OF ABSENCE**

- A. An employee desiring to remain away from service shall obtain permission from the designated Company Officer. Employees granted a leave of absence shall keep the designated Company Officer and the Applicable Union advised of their current mailing address.

- B. When the requirements of the service permit, employees, on request, shall be granted leave of absence not to exceed thirty (30) days. Request for leaves of absence for a period in excess of thirty (30) days must be in writing. Initial request for leaves of absence for physical disability in excess of thirty (30) days, as well as extensions of such leaves, must be supported by a statement from the employee's personal physician, which may be verified by an examination by the Company's physician and, if necessary, handled under Article 15.
- C. Except in cases of illness, union work, or as may be required by laws regarding military services, leaves of absence in excess of ninety (90) days in a calendar year will not be granted except by agreement between the parties hereto. Employees will, upon request, be given the necessary leaves of absence for union work, elective or appointive public office or exempt management positions with the Company without impairment of seniority.
- D. Employees who fail to report for duty at the expiration of their leaves of absence shall be terminated and removed from the seniority roster, except where it is determined that failure to report is the result of an unavoidable delay, in which case the leave of absence will be extended to include such delay.

## **ARTICLE 9**

### **UNION SHOP**

- A. In accordance with and subject to the terms and conditions hereinafter set forth, all employees of the Company now or hereafter subject to the rules and working conditions of 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 Applicable Union party to the Agreement representing their craft or class within sixty (60) calendar days of the date they first perform compensated service as such employees after the effective date of this Article, and thereafter shall maintain membership in such Applicable Union: 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 Article shall alter, enlarge, or otherwise change the coverage of the present or future rules and working conditions agreements.

- B. This Article shall not apply to employees while occupying positions, which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this Article. However, such excepted employees are free to be members of the Applicable Union at their option.
- C.
  - 1) Employees who retain seniority hereunder 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 Paragraph A of this Article so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by this Agreement 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 Agreement, be required to become and remain members of the Applicable Union representing their class or craft within thirty-five (35) calendar days from date of their return to such service.
  - 2) The seniority status and rights of employees furloughed to serve 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-servicemen shall not be terminated by reason of any of the provisions of this Article but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this Article.

- 3) Employees who retain seniority under this Agreement and who, for reasons other than those specified in subsections A and B of this section, are not in service covered by this Agreement, or leave such service, will not be required to maintain membership as provided in Section A of the Article so long as they are not in service covered by such Agreement, but they may do so at their option. Should such employees return to any service covered by this Agreement 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 Applicable Union representing their class or crafts.
  - 4) Employees who retain seniority under this Agreement who temporarily perform work in another class of service shall not be required to be members of another Applicable Union party hereto until the date the employees hold regularly assigned positions within the scope of the Agreement covering such other class of services.
- D. Nothing in this Article shall require an employee to become or to remain a member of the Applicable Union if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this Agreement, dues, fees and assessments, shall be deemed to be “uniformly required” if they are required of all employees in the same status at the same time in the same organizational unit.
- E. 1) Each employee covered by the provisions of this Article shall be considered by the Company to have met the requirements of the Article unless and until the Company is advised to the contrary in writing by the Applicable Union. The Applicable Union will notify the Company in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the

terms of this Article and who the Applicable Union therefore claims is not entitled to continue in employment subject to this Agreement. The form of notice to be used shall make provision for specifying the reasons for the allegation of noncompliance. Upon receipt of such notice, the Company will, within ten (10) calendar days of such receipt, so notify the employee concerned in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the Applicable Union. An employee so notified who disputes the fact that he has failed to comply with the terms of this Article, shall within a period of ten (10) calendar days from the date of receipt of such notice, request the carrier in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the Company shall set a date for hearing, which shall be held within ten (10) calendar days of the date of receipt of request therefore. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the Applicable Union, by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the Applicable Union shall attend and participate in the hearing. The receipt by the carrier of request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the Company shall proceed to terminate his seniority and employment under this Agreement not later than thirty (30) calendar days from receipt of the above described notice from the Applicable Union, unless the Company and the Applicable Union agree otherwise in writing.

- 2) The Company shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this Article and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employee and the Applicable Union shall

be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this Agreement, his seniority and employment under the Agreement shall be terminated within twenty (20) calendar days of the date of said decision except as hereinafter provided or unless the Company and the Applicable Union agree otherwise in writing.

If the decision is not satisfactory to the employee or to the Applicable Union, it may be appealed in writing, by Registered or Certified Mail, Return Receipt Requested, directly to the highest officer of the Company designated to handle appeals under this Agreement. Such appeals must be received by such officer within ten (10) calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employments, until the decision on appeal is rendered. The Company shall promptly notify the other party in writing of any such appeal, by Registered or Certified Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty (20) calendar days of the date the notice of appeal is received, and the employee and the Applicable Union shall be properly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the Decision of such appeal is that the employee has not complied with the terms of this Agreement, his seniority and employment under the Agreement shall be terminated within twenty (20) calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the Company and the Applicable Union agree otherwise in writing. The decision on appeal shall be final and binding unless within ten (10) calendar days from the date of the decision the Applicable Union or the employee involved request the selection of a neutral person to decide the dispute as provided in Section E.3 below shall operate to stay action on the termination of seniority and employment until not more than ten (10) calendar days from the date decision is rendered by the neutral person.

- 3) If within ten (10) calendar days after the date of a decision on appeal by the highest officer of the Company designated to handle appeals under the Agreement the Applicable Union of the employee involved requests such highest officer in writing by Registered or Certified 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 Company designated to handle appeals under this Agreement or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person, any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the Applicable Union and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty (30) calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The Company, the employee and the Applicable Union shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the Applicable Union; if the employee's position is not sustained, such fees, salary and expense shall be borne in equal shares by the Company, the Applicable Union and the employee.
- 4) The time periods specified in this Article may be extended in individual cases by written agreement between the Company and the Applicable Union.
- 5) Provisions of discipline rules contained in the Agreement between a carrier and the Applicable Union will not apply to cases arising under this Agreement.
- 6) The General Chairman of the Applicable Union shall notify the Company in writing of the titles(s) and address(es) of its representatives who are

authorized to serve and receive the notices described in this Agreement. The Company shall notify the General Chairman of the Applicable Union 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.

- 7) In computing the time periods specified in this Agreement, the date on which a notice is received or decision rendered shall not be counted.
- F. Other provisions of this Agreement to the contrary notwithstanding, the Company shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The Company may not, however, retain such employee in service under the provisions of this Article for a period in excess of sixty (60) calendar days from the date of the last decision rendered under the provisions of Section E, or ninety (90) calendar days from date of receipt of notice from Applicable Union in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the Company and the Applicable Union.
- G. An employee whose seniority and employment under the Agreement is terminated pursuant to the provisions of this Agreement or whose employment is extended under this Article shall have no time or money claims by reason thereof.

If the final determination under Section E of this Agreement is that an employee's seniority and employment is a craft or class shall be terminated, no liability against the Company in favor of the Applicable Union or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Agreement shall arise or accrue during the period up to the expiration of the 60 or 90 day

periods specified in Section F, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other Agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the Company predicated upon any action taken by the Company 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 this Article of this Agreement is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the Company in favor of the Applicable Union, or other employees based upon an alleged violation, misapplication or noncompliance with any part of this Agreement.

- H. In the event that seniority and employment under the Agreement is terminated by the Company under the provisions of this Agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the Applicable Union shall indemnify and save harmless the Company 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 Company involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such Company acts in collusion with any employee, provided further, that the aforementioned liability shall not extend to the expense to the Company in defending suits by employees whose seniority and employment are terminated by the Company under the provisions of this Agreement.
- I. An employee whose employment is terminated as a result of non-compliance with the provisions of this Agreement shall be regarded as having terminated his employment relationship for vacation purposes.
- J. In the application of this Article, any employee in service on the effective date of this Agreement who was not a member of the union representing his craft or class and will make affidavit he was a member of a bona fide or recognized religious group on

the effective date of this Agreement having scruples against joining a union, and any individual thereafter employed who will make affidavit he was a member of a bona fide or recognized religious group on the date first employed having scruples against joining a union, will, if he would otherwise be required to join a union under the Union Shop Article be deemed to have met the requirements of this Article if he agrees to and does pay initiation fees, periodic dues and assessments to the organization representing his craft or class signatory hereto.

## **ARTICLE 10**

### **UNION DUES DEDUCTION**

- A. Deductions shall be limited to periodic union dues, insurance premiums, initiation fees, and assessments (not including fines and penalties) which are uniformly required as a condition of acquiring and retaining membership and employee contributions to Union Political Action Committees.
- B. No costs shall be charged against the Unions or any individual union or the affected employees in connection with the dues deduction provided for under this Article.
- C. Appropriate written assignment form executed by the employee involved shall be in the hands of the designated Company officer at least thirty (30) days in advance of the first payroll deduction scheduled for that employee.
- D. The Company shall determine the payroll period on which the deductions uniformly shall be made.
- E. The dues deduction includes appropriate priorities in cases where the employee's pay check is insufficient to permit deduction of the full amounts specified on the deduction lists: federal, state, and municipal taxes; premiums on any life insurance, hospital-surgical insurance, or group accident or health insurance; other deductions required by law, such as garnishment and attachments; and amounts due the

Company by the individual.

- F. In the event there are insufficient earnings to permit the full amount of union dues, no deduction shall be made.
- G. The Company shall furnish deductions lists each month. Such lists shall include the employee's name, Social Security number or payroll identification number, and the amount of union dues deducted from the pay of each employee.

## **ARTICLE 11**

### **NEW EMPLOYEES**

- A. Subject to the following provisions, newly hired or rehired employees establishing a seniority date after the date of this Agreement shall be paid as follows:
  - 1) Ninety (90%) percent of the applicable rate shall be paid to such employees until the earliest of the following events occurs:
    - i) The employee performs service on 122 days or completes 6 months of compensated service; or
    - ii) The employee has maintained an employment relationship for twelve (12) calendar months; thereafter, employees shall be paid the applicable rate of the position.

**NOTE:** A month of compensated service for these purposes shall be a calendar month in which an employee receives compensation on not less than ten (10) days.

- B. Movement of employees from one Company position to another, or from one seniority roster to another shall not disqualify employees from receiving the full amount described in Exhibit B. The entry rates described in paragraph A hereof shall not apply to fully qualified employees holding positions in pay class B or above. Moreover, new employees that have had prior railroad experience and are hired in the same position with the Company shall receive credit for the qualifying times

described in paragraph A hereof, provided such employees are hired within one year of such prior railroad employment.

- C. An employee's seniority date shall govern in application of paragraph A hereof.

## **ARTICLE 12**

### **CLAIMS OR GRIEVANCES**

- A. All claims or grievances must be presented in writing by or on behalf of the employee involved to the officer of the Company authorized to receive same, within sixty (60) days from the date of occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall within sixty (60) days from the date same is filed, notify the employee or his representative of the reasons for such disallowance. In the event the Company fails to disallow the claim or grievance within the prescribed period, the claim or grievance shall be allowed, but such allowance will not be considered as a precedent or waiver of the Company's position as to any other claims or grievances.
- B. If the claim or grievance is denied under paragraph A., the applicable General Chairman has sixty (60) days to appeal the claim to the Company Officer designated to handle claims or the claim shall be considered waived. The Company Officer must decline the claim within sixty (60) days or the claim will be allowed. Failure to comply with the time limits under this Section will not be considered as a precedent on either party on similar grievances.
- C. If a claim remains denied under paragraph B., the decision is binding unless within six (6) months of the date of this written decision, proceedings are instituted by the organization to a tribunal having jurisdiction to dispose of said claim, pursuant to the Railway Labor Act.
- D. A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this Article,

be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than thirty (30) days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

- E. This rule recognizes the right of representatives of the Unions, parties hereto, to file, amend and progress claims and grievances for and on behalf of the employees they represent.
- F. Only claims that are appealed can serve as precedents. No resolution of any kind at the initial level will have any binding effect on either party.
- G. Time limits as defined under this Agreement may be extended at any level by mutual consent of the parties.

## **ARTICLE 13**

### **DISCIPLINE**

- A. Except as provided herein, employees in service more than the applicable Probationary Period, per Article 19, shall not be disciplined or dismissed without just cause and without a fair and impartial fact-finding session, unless they accept discipline to be assessed (other than dismissal) in writing and waive formal fact finding or accept education per section G of this Article. Except for waivers involving drug and/or alcohol violations, the disciplinary action assessed as a result of a request by the employee for a waiver of formal fact-finding session will be removed from an employee's record upon the expiration of not more than thirty-six (36) months, provided that during such period the employee has not been disciplined for any other incident.

Employees may however, in cases management determines to be serious (such as theft, altercation, Rule "G" violations, insubordination, major accidents, serious

misconduct, etc.), be held out of service pending fact-finding. It is understood that any employee held out of service under this Article who, as a result of the fact-finding proceeding, is found not to have violated the rules will be reinstated immediately and paid for time lost.

An employee charged with an offense for which a fact-finding is required shall be furnished with a notice within seven (7) days of the date first information is received by the Company stating the precise charge or charges including any rules allegedly violated. Copy of such notice will be furnished to the appropriate local Applicable Union representative. The fact-finding shall be conducted within ten (10) calendar days of receipt of the notice. **The time limits for conducting the fact-finding may be extended by mutual consent, and such consent shall not be unreasonably withheld.**

Subject to the provisions below, employees may be assessed discipline for rule infractions without a fact-finding session. If after review of the incident the Company determines that discipline may be appropriate, the Company will, within seven (7) calendar days of the date first information is received by the Company, issue notification to the employee and the Applicable Union representative of its intention with respect to discipline. At that time, the designated Company Officer and the employee and the Applicable Union representative will communicate to discuss the matter. In the event the discipline proposed by the Company (or other agreed upon discipline) is accepted by the employee, **it must be accepted within ten (10) calendar days from the date the discipline is discussed pursuant to the above.**

**If the discipline is accepted, it will be confirmed in writing and will include a stipulation that the disciplinary action will be removed from the employee's record upon the expiration of twenty-four (24) months, provided that during such twenty-four (24) month period the employee has not been disciplined for a similar incident. If the discipline proposed by the Company is not accepted within the ten (10) calendar day period after the discussion, it shall be considered declined by the employee. When the discipline is declined, the employee will be afforded a fact-finding session within ten (10) calendar days of the employee's declination of the proposed discipline.**

Upon scheduling of a fact-finding, the discipline proposed shall be void and shall not be considered in the fact-finding session. Any discussion of the discipline prior to a fact-finding session will not be construed as an admission of guilt by the employee or prejudgment by the Company.

- B. Fact-finding sessions will be conducted by a Company supervisor with the employee and his/her duly accredited Union representative, if desired, in attendance. Each of the parties may have witnesses present at the fact-finding session if desired. **The Company will make reasonable efforts to provide the Union with relevant and material documentation it requests in advance of a fact-finding.** Employees attending the fact-finding session during regular assigned hours will be made whole for time lost. Time outside assigned hours will be paid for on a minute basis at straight time rate. If discipline is assessed as result of the fact-finding, a written, complete and accurate transcript of the proceedings shall be prepared and provided by the Company to the Applicable Union representative and the principal(s). The employee and the Applicable Union representative shall be informed of discipline assessed, if any, within thirty (30) days of the fact-finding session. Copy of such notice will be furnished to the appropriate local designated Union representative.
- C. If the applicable General Chairman desires to appeal the discipline assessed, a written appeal will be processed to the highest designated Company Officer within sixty (60) calendar days from the date from the notice of discipline pursuant to paragraph B hereof.
- D. Decision of the highest designated Company Officer shall be made within sixty (60) days from receipt of the General Chairman's appeal. In the event the Company fails to disallow the appeal within the prescribed period, the appeal shall be allowed, but such allowance will not be considered as a precedent or waiver of the Company's position as to any other matters.
- E. If the decision of the highest designated Company Officer is not to reverse the

discipline, the applicable General Chairman may request a conference to discuss the case. Such conference request must be made in writing within sixty (60) calendar days of the highest designated Company Officer's denial of the appeal. If the issue is not resolved in conference, the decision is binding unless within six (6) months of the date of the highest designated Company Officer's denial of the appeal proceedings are instituted by the Organization to a tribunal having jurisdiction to dispose of the matter pursuant to the Railway Labor Act.

- F. If it is found that an employee has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the record. He shall be reinstated with his seniority rights unimpaired, and shall be compensated for loss of wages and/or benefits, if any, suffered by him, resulting from such discipline or suspension, less any amount earned during such period the disciplinary action was in effect.
- G. In a joint effort by management and labor to promote safety and efficiency and to ensure that all employees are well schooled on matters pertaining to compliance with safety and operating rules, the Company has adopted a voluntary educational program which, when appropriate, will serve as an alternative to discipline.

The use of an educational program as an alternative to discipline (deferred days, suspension, dismissal, etc.) shall be at the discretion of the designated Company Officer.

The offer of education will be made in those instances involving an operating rule(s) infraction and the preliminary, fact-finding session indicates that the employee(s) will benefit from classroom instruction and/or on-the-job training.

An employee who is found responsible for violating a Company rule by evidence developed at a formal fact-finding session, or who admits his responsibility and waives fact-finding session may with the approval of the designated Company Officer, participate in the Education Program. Participation will be without compensation and in lieu of or in conjunction with discipline. Negative entry shall not be made to an employee's personal service record if he shall participate in this

program for the first violation of a given rule.

The program, which may consist of classroom instruction, on-the-job training, will concentrate on the rules involved in the violation.

Upon completion of the class, the employee will be required to take and pass a written examination with a minimum test score of 80%. Should an employee fail the examination, he may be required to repeat the class. A second failure will subject the employee to the usual disciplinary procedures.

Employees participating as instructors shall be paid for all time lost and for all expenses incurred while participating in the Discipline/Education Program. They will not be considered as Company Officers nor as non-agreement personnel while serving as instructors.

The Company shall train the instructors and shall assist in developing the program. The Company shall also provide the classroom and office space and equipment necessary to properly administer the program.

**NOTE:** Time limits contained in this Article may be extended by mutual agreement. Nothing in this Article precludes the applicable Union from bringing forth an employee's claim for reinstatement on a leniency basis without regard to any time limits or board decisions.

- H. If, in the course of supervisory duties, a representative of the Company determines that an interview with an employee is necessary to ascertain facts relating to an incident in question, the employee will have the right to request that a duly authorized representative be present during the interview, if available within fifteen (15) minutes. If that representative is not readily available, the employee will be given a reasonable amount of time (fifteen (15) minutes) to attempt to contact his representative prior to his interview. If the representative is not available, either in person or by telephone, the employee can have another on-site employee of his or her choosing present during the interview.

## ARTICLE 14

### **EXAMINATIONS**

- A. Employees may be required to take periodical medical and rules examinations. Medical examinations shall not be more frequent than one (1) each year, unless required for promotion, modification of conditions or return from furlough, Rule G compliance or leave of absence, or, if, in the opinion of the supervisory Company Officer the employee's health or condition is such that an examination should be made for the purpose of informing the employee of any disability.

**NOTE:** The Company will pay the costs associated with all required medical and Rules examinations. (Article E – Expenses of the Quality of Work Life Agreement shall apply to employees taking such examinations). In addition, when such medical or rules examinations take place outside of an employee's regularly scheduled hours, the employee will be compensated for the actual time required to take such examinations at the time and one-half rate of the last service performed. If the employee fails the first examination and any subsequent examination is required outside of an employee's regularly scheduled hours, the employee will be compensated for the actual time required to take such re-examination at the straight time rate of the last service performed. Such payments are not applicable when an employee elects to take an examination for modification of medical restrictions.

Employees who are required to travel to a facility for a return from furlough examination shall be allowed roundtrip mileage at the IRS rate from the point (i.e., railroad milepost) on the railroad closest to their residence to the facility. In addition, if the employee travels more than eighty (80) miles roundtrip, he will also receive one (1) hour's pay at the straight time rate of the position to which recalled. It is understood that to receive these mileage allowance and travel time payments the employee must pass the return from furlough exam and report for duty in accordance with applicable rules. Such payments shall be made on the employee's first regular payroll check. These payments are in lieu of Article E - Expenses, except that Article E will continue to apply in

instances where the employee is required to stay overnight.

- B. Where applicable, failure to pass a scheduled rules examination will require the employee to present himself a second time within thirty (30) days of such failure of re-examination. If second failure occurs, the employee will be required to take the examination within thirty (30) days of such second failure. At such third examination he may be accompanied by his Applicable Union representative, who will be permitted to review the examination results should the employee fail to pass on the third examination. If a third failure occurs, the employee will be considered out of service and his name shall be removed from the seniority roster. It is understood that these consequences of failure to pass the required examination do not require proceedings under the discipline rule unless such are requested by the employee. Failure to appear for re-examination as required the employee will be considered out of service and his name shall be removed from the seniority roster, unless evidence can be produced by the employee that such failure was due to illness, emergency, or conditions beyond his control.

## ARTICLE 15

### **NEUTRAL MEDICAL AUTHORITY**

- A. When an employee and the Company are in dispute over the employee's medical qualifications to perform service as a result of an examination by the Company's physician, the **employee or** applicable General Chairman may make a written request upon the Company for a neutral medical authority to review the case. The request must be accompanied by an opinion from a competent physician that differs from that of the Company's physician as to the employee's condition and fitness to resume service in his regular employment and must be submitted within thirty (30) days of the date the dispute arose.
- B. Within fifteen (15) days of the receipt of such request, the employee (or accredited representative) and the Company shall, by mutual agreement, appoint a neutral medical authority, who shall be expert on and specializing in the disability from which the employee is alleged to be suffering.

- C. The neutral medical authority so selected will review the employee's case from medical records and opinions furnished by the parties. If the expert considers it necessary, he will make an examination of the employee.
- D. Said medical authority shall then make a complete report of his findings in duplicate, one copy to the Company and one copy to the **employee**, setting forth the employee's condition and an opinion as to his fitness to continue service in his regular employment, which will be accepted as final. In the event the neutral medical authority concludes that the employee is fit to continue in service in his regular employment, such neutral medical authority shall also render a further opinion as to whether or not such fitness existed at the time the employee was withheld from service. If such further conclusion states that the employee possessed such fitness at the time withheld from service, the employee will be compensated for actual loss of earnings and/or benefits during the period so withheld. **In the event the neutral medical authority concludes that the employee is fit to return to duty, but makes no determination as to when the employee was fit to return to duty, the employee will be compensated for actual loss of earnings and/or benefits from the date of examination by the neutral medical authority.** In the event the neutral medical authority concludes that the employee is not fit to continue in service in his regular employment, the **employee or** Applicable Union may, upon presentation of an opinion from a competent physician that the employee's condition has improved, request re-examination by the Company's physician. Such request will not be made for the first ninety (90) days thereafter, nor more often than once in any ninety (90) day period.
- E. The Company and the employee shall each pay one-half of the fee and expenses of the neutral medical authority and any examination expenses which may be incurred, such as hospital, laboratory and x-ray services, **except in cases where the neutral medical authority concludes that the employee is fit for duty. In such cases, the Company shall pay the fees and expenses associated with the neutral medical evaluation.**

- F. Under this Article, a medical opinion rendered regarding a patient's ability to work requires complete knowledge of the employee's medical history, work history and physical findings. In sum, it is the information leading to diagnosis, treatment and prognosis. This knowledge must be combined with a familiarity with the nature of the job that an individual is to perform. All of the above, taken together, constitutes an informed, competent medical opinion as to the capabilities of an individual to perform his duties.

**NOTE:** Time limits in this Article may be extended by mutual agreement.

## **ARTICLE 16**

### **HEALTH AND WELFARE**

- A. Upon the effective date of this Agreement or as soon as practicable thereafter, the Company shall provide each employee and their eligible dependents a level of hospital, surgical, medical, prescription, life and dental benefits as provided under a Group Plan. The elements of the Plan are set out in Exhibit D, and provides for the establishment of Preferred Provider Networks.
- B. The Company shall furnish each employee a booklet outlining the benefits under the Plan at no cost to the employee.
- C. The Company shall remit necessary premiums to the Insurance Carrier as may be required to maintain the Plan with the exception that each employee shall be required to make a maximum contribution to the Plan as provided in Exhibit D. **The employee contribution for health care, on a pay period, pre-tax basis, shall be as follows:**

	<u>1/1/13</u>	<u>1/1/14</u>	<u>1/1/15</u>
Employee:	\$35.34	\$38.88	\$42.77
Employee + 1:	\$70.68	\$77.75	\$85.53
Employee + 2 or more:	\$106.02	\$116.63	\$128.30

**Effective on January 1, 2016, and on each January 1 thereafter, the employee contribution shall be adjusted upward or downward by the year over year percentage increase or decrease in the per participant cost of the Plan, except**

**that in no event shall the employee contribution rate be adjusted greater or lesser than ten (10) percent of the employee contribution rate in the preceding year.**

**Beginning January 1, 2016 and each year thereafter, when employee contribution rates are adjusted, the Company shall provide notice to the General Chairmen, with documentation supporting the adjustment.**

**Furthermore, if no new agreement is in place before January 1, 2017, any change in employee contribution rates to be effective on January 1, 2017 and thereafter, shall be suspended until such time as a new agreement is reached and becomes effective. At that time, any adjustment in the employee contribution rates shall be made retroactive to January 1, 2017, pursuant to the above formula.**

- D. The monthly contribution for active employees shall be made through payroll deduction. The monthly contribution for eligible inactive employees shall be paid directly to the Company by money order or certified check.
  
- E. In case of off-duty injury, sickness, death or disability for which an employee who is eligible for employee benefits under this Plan and may have the right of recovery against the Company, benefits will be provided under the Plan subject to the provisions set forth herein. The parties hereto do not intend that the benefits provided under the plan will duplicate in whole or in part, any amount recovered from the Company for hospital, surgical, medical, dental, disability, death or related expenses or payments of any kind specified in the Plan. The parties intend that benefits provided under the Plan will satisfy any right of recovery against the Company for such benefits to the extent of the benefits so provided. Accordingly, benefits provided under the Plan will be offset against any recovery the employee may have against the Company for hospital, surgical, medical, dental, disability, death or related expenses or payments of any kind specified in the Plan.

- F. The Company shall provide the employee benefits equivalent to those described in paragraph A of this Article and Exhibit D of the Labor Agreement in the case of on-duty injuries. (See Note 1 below for a noted exception to receiving Short-Term Disability). Such benefits will be subject to the terms, conditions and guidelines described in the Group Plan applicable to off-duty injuries. The parties to this Agreement intend that the benefits referenced in this paragraph will not duplicate any amount awarded in any suit brought by an employee or his or her personal representative against the Company under the terms of the Federal Employers' Liability Act. The amount of benefits paid shall be offset against the amounts awarded for such benefits to the extent the benefits have been paid. In addition, the parties agree that evidence of payment of benefits and evidence of benefits to be paid in the future may be introduced at trial by the Company subject to the applicable rules of evidence, and further that the Company may assert during the trial the right to an offset of the benefits to be paid in the future against any damages that may be asserted by the plaintiff for any loss which is intended to be compensated by such benefits. Subject to the rules of evidence, nothing herein shall preclude the employee or his or her personal representative from asserting any claim or defense as to the offset of future benefits during trial. When injured on duty, the employee must comply with Article T of the Quality of Work Life Agreement. The parties further agree that employees injured on-duty will be given an opportunity to voluntarily participate in a "wellness" program subject to any medical limitations as defined by the attending physician. The Company will have the right to have a physician of its choice examine the employee as needed to determine the extent of the injury and the limitations restricting work.

**NOTE 1:**

- 1) In reference to application of the "wellness" program referred to in paragraph F of amended Article 16, employees injured on duty may voluntarily participate in a "wellness" program, which may include the performance of light duty. The Company will have the right to require a participating employee to be examined by a physician of its choice at reasonable intervals. Employees who elect to participate in the "wellness" program will be entitled to receive the benefits of the Short-Term Disability Plan. However,

employees who do not elect to participate shall not be entitled to Short-Term Disability benefits. (Side Letter No. 1, August 1, 1991 Agreement.)

- 2) It is understood and agreed that the intent of paragraph F is there is to be no duplication of benefits and that the court will decide if any such duplication exists and if any offset is due for future benefits to be paid. (Side Letter No. 2, August 1, 1991 Agreement.)

**NOTE 2:** Side letter number 2 of the January 3, 2002 Agreement provides that 85% of the payroll tax savings generated by the legislation which changed the railroad retirement age to age sixty (60) with thirty (30) years service, would be used to fund insurance coverage to bridge employees from age sixty (60) until age sixty-five (65) or when they become eligible for Medicare coverage.

## **ARTICLE 17**

### **EMPLOYEE ADMINISTRATION**

Assignments, and extra boards may be established, adjusted, changed or abolished by the Company as needed. However, the Company and the Unions, at negotiations under the Quality of Work Life Article, may set standards, criteria, guidelines, goals or timetables for the exercise of those rights.

## **ARTICLE 18**

### **QUALITY OF WORK LIFE**

Montana Rail Link, Inc. recognizes the value of improving the quality of its employees' work life by providing time off, and minimizing time away from home whenever possible, subject to effective manpower utilization. Therefore, the parties have reached agreement on these matters; refer to Quality of Work Life Agreement dated January 1, 2006, attached.

## **ARTICLE 19**

### **PROBATIONARY PERIOD**

Applications for employment may be rejected and employees terminated at any time for any reason, within sixty (60) working days or ninety (90) calendar days after a seniority date is established, whichever occurs first, without application of other provisions of this Agreement. Applications rejected by the Company will be declined in writing to the applicant. After sixty (60) working days or ninety (90) calendar days, whichever occurs first, an employee will not be terminated or disciplined by the Company for furnishing incorrect information in connection with an application for employment or for withholding information there from unless the information involved was of such a nature that the employee would not have been hired if the Company had had timely knowledge of it.

## **ARTICLE 20**

### **PERSONAL USE OF MOTOR VEHICLES**

The Company will provide liability coverage for employees when they are authorized by a Company Officer to use their personal motor vehicles for Company business. It is understood that this coverage shall not apply to employees on mobile gangs using their personal vehicles when changing headquarters points.

The coverage provided by Article XII shall not apply to any loss resulting from or sustained under any of the following conditions:

- 1) Intentionally self-inflicted injuries, suicide or any attempt thereat, while insane;
- 2) Declared or undeclared war or any act thereof;
- 3) Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound;
- 4) Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;
- 5) While an employee is a driver or an occupant of any conveyance engaged in any race or speed test; or

- 6) While an employee is commuting to and/or from his residence or place of business, except as authorized by a Company Officer.

## ARTICLE 21

### **AUTO INSURANCE ON COMPANY BUSINESS**

The Company shall provide employees with collision damage and liability insurance protecting against uninsured and underinsured motorist operation when employees are authorized to use their personal vehicles on Company business or when engaged in the operation of a Company vehicle on Company business. Such liability coverage shall be subject to policy limits, which is currently \$1 million.

## ARTICLE 22

### **BEREAVEMENT LEAVE**

In the event of the death of an employee's spouse, child, step-child, parent, **spouse's parent**, brother or sister, or **grandchild** such employee will be allowed paid leave for up to three (3) consecutive workdays to attend the funeral and/or handle personal matters in connection therewith. Employees so excused shall receive a basic day's pay at the rate of service last performed for each day of work missed.

## ARTICLE 23

### **EFFECTIVE DATE AND MORATORIUM**

- A. This Agreement is the full agreement of the parties for the full term of this Agreement and shall be effective **November 1, 2012** except as otherwise noted herein, and shall remain in effect until or unless changed under the provisions of the Railway Labor Act, as amended. Except as modified herein, all previous agreements remain in full force and effect.
- B. The parties signatory hereto shall not serve nor progress prior to **April 1, 2016** (not to become effective before **January 1, 2017**) any notice or proposal for the purpose of changing any provision contained herein, or which deals with matters presented

by the parties during negotiations, and any proposals in pending notices relating to such subject matters are hereby withdrawn. Any notice or proposal for changing any provision herein on behalf of the Unions shall be served and progressed on behalf of the undersigned Unions collectively. Except for any proposed changes in provisions relating to specific crafts as negotiated pursuant to the individual Craft Specific provisions attached hereto or Exhibit A hereof; any negotiations hereunder shall be conducted collectively and not severally by the undersigned Unions, and shall be applied uniformly to the undersigned Unions and their members. The labor parties to the agreement, as well as the Company, shall serve a single uniform Section 6 Notice except where the Section 6 Notice applies to the items set forth in Craft Specific provisions which will be served concurrently and may be amended. This provision will not bar the parties from making changes by mutual agreement.

- C. This article will not bar the Company and the Unions from agreeing upon any subject of mutual interest.

Signed this **1<sup>st</sup> day of November, 2012.**

## EXHIBIT A

### POSITIONS

- A. Effective **November 1, 2012**, the following positions are classified and shall receive the rate of pay applicable to the pay class specified:

<u>Position</u>	<u>Pay Class</u>
<u>Engineering Department</u>	
MOW Foreman*	A
Structures Foreman	A
Truck Driver*	C
Welder Foreman*	A
Welder-Grinder	B
Machine Operator I*	B
Machine Operator II*	C
Machine Mechanic	Special B
Carpenter	B
Electrician-Communications	Special B
Laborer*	D
Electronic Control Specialist	Special A
Signal Inspector	Special A
Signal Foreman	Special B Monthly
Signal Maintainer	Special B Monthly
<b>Production Crew Mobile Signalman</b>	<b>Special B</b>
Signalman	A
Assistant Signal Maintainer I	B
Assistant Signal Maintainer II	C

\* See BMWE Craft Specific

#### Mechanical Department

Mechanical Leadman	A
Electrician/PE**	Special B
Electrician	B
Machinist	B
Carman	B
Hostler/Laborer	C
Laborer	D

\*\* See IBEW Craft Specific Letter Agreement dated 11/19/01

Clerical

Clerical I	C
Clerical II	D
Clerical III (GREB)	E

- B. Employees in the foregoing positions may perform all work directly or indirectly related to the service performed. Employees may also be assigned to any other work they have the capacity to perform.
- C. It is understood and agreed that the Company may engage contractors to perform work, including work covered by this Agreement. However, the Company will use reasonable efforts to use its employees for work covered by this Agreement, except in cases that Company determines are emergencies, or where the Company determines that it lacks the equipment, manpower or expertise to perform such work in an efficient and timely manner. The parties hereto may agree from time to time to cover additional positions under this Agreement or to partially exempt certain employees from provisions of this Agreement. The parties hereto may also agree from time to time to cover other labor organizations pursuant to the terms hereto, subject the consent of such organizations.
- D. "Special A" classification shall be entitled to the time and one-half overtime rate of pay for hours worked in excess of ten hours beyond the regular straight-time hours assigned to such position in any given calendar month. To determine the overtime rate, the Special A annual rate is divided by twelve to produce the monthly base rate. The monthly base rate is then divided by monthly base hours (183 1/3) to produce the hourly base rate, which is multiplied by one and one-half to yield the overtime rate.

- E. Shop Craft Employees assuming Mechanical Foreman's responsibilities during temporary vacancies will be paid as follows:
- 1) If the Foreman's vacancy is on the selected employee's regular shift, the employee shall receive ten (10) hours pay at the straight-time Class B rate of pay; or
  - 2) If the Foreman's vacancy is not on the selected employee's regular shift, the employee shall receive twelve (12) hours pay at the straight-time Class B rate of pay.
- F. The two partially excepted (PE) clerical positions titled (i) Administrative Assistant to the Chief Engineer and Chief Mechanical Officer and (ii) Administrative Assistant to the Superintendent will receive the rate of pay applicable to pay class "C".
- 1) The Clerical Staff Assistant Receptionist position is a partially excepted position compensated at the "D" rate. This position shall be exempt from displacement provisions of the Labor Agreement unless a senior employee would otherwise be forced into furlough status. In which event, the senior employee may, if he/she desires, displace onto the Clerical Staff Assistant Receptionist position prior to assuming furlough (extra board) status.
  - 2) Administrative Assistant Safety & Rules is a partially excepted position compensated at the "C" rate. The Company will also have a Fully Covered (FC) Administrative Assistant Safety & Rules; compensated at the "D" rate.
    - a) Should there be a reduction of either of the "FC" or "PE" Administrative Assistant positions, the Administrative Assistant position will be converted to "FC".
    - b) In the event confidentiality is no longer required on the duties performed by the "PE" Administrative Assistant position, the position will be immediately converted to Fully Covered.

## **EXHIBIT B**

### **COMPENSATION**

- A. The basic classification of employee shall be covered by this Agreement as follows:

<u>Pay Class</u>	<u>Description</u>
A	Has skill possessed by a secondary school or college graduate and additional technical and leadership skills developed through work experience and training. Performs highly skilled work or leadership functions in engineering mechanical and other areas as assigned.
B	Has skills possessed by a secondary school or college graduate and additional technical skills developed through work experience and training. Performs highly skilled work mechanical, engineering and other areas as assigned.
C	Has skills possessed by a secondary school graduate and additional technical skills developed through work experience and/or training. Performs skilled transportation, mechanical, engineering and other work as assigned. Assists and/or acts as trainee of Journeyman.
D	Has skills possessed by a secondary school graduate. Performs clerical, mechanical, engineering and other work assigned. Assists Technicians and Journeymen.
E	Has skill possessed by a secondary school graduate. Performs non-specialized clerical and other work as assigned.

- 1) The following rates of pay were in effect **12/31/10**:

<u>PAY CLASSIFICATION</u>	<u>HOURLY RATE</u>	<u>DAILY RATE</u>
A	22.58	
B	20.90	
C	19.30	
D	17.52	
E	15.67	
Special A	30.10 (\$62,608 annual salary)	
Special B	24.40	
Special B Monthly	26.75	

- 2) Except for salaried or excepted personnel, all time worked in excess of eight (8) hours shall be paid for as overtime on the minute basis, at one and one half (1-1/2) times the hourly rate. Except for salaried or excepted personnel, the basic workweek of employees covered hereby shall be 40 hours.

**B. General Wage Increases**

Except as otherwise provided in this Agreement, the basic hourly, daily, monthly and annual rates of pay in effect for positions subject to the Labor Agreement, as amended, shall be increased as follows:

- 1. Effective January 1, 2011, such rates of pay in effect on December 31, 2010, shall be increased by two (2) percent.**
- 2. Effective January 1, 2012, such rates of pay in effect on December 31, 2011, shall be increased by two and one-half (2.5) percent.**
- 3. Effective January 1, 2013, such rates of pay in effect on December 31, 2012, shall be increased by four and three-tenths (4.3) percent.**
- 4. Effective January 1, 2014 such rates of pay in effect on December 31, 2013 shall be increased by three (3) percent.**
- 5. Effective January 1, 2015, such rates of pay in effect on December 31, 2014, shall be increased by three and eight-tenths (3.8) percent.**
- 6. Effective January 1, 2016, such rates of pay in effect on December 31, 2015, shall first be increased by twenty cents (\$.20) per hour and then by three (3) percent.**

7. In determining new daily, hourly or annual rates of pay, fractions of a cent shall be disposed of by rounding to the closest full cent (i.e., .5 cent or above will be rounded to the next higher cent).

	<b>Current Rates</b>	<b>Jan. 1, 2011</b>	<b>Jan. 1, 2012</b>	<b>Jan. 1, 2013</b>	<b>Jan. 1, 2014</b>	<b>Jan. 1, 2015</b>	<b>Jan. 1, 2016</b>
SPECIAL A	30.10	30.70	31.47	32.82	33.80	35.08	36.34
SPCL B MNTHLY	26.75	27.29	27.97	29.17	30.05	31.19	32.33
SPECIAL B	24.40	24.89	25.51	26.61	27.41	28.45	29.51
A	22.58	23.03	23.61	24.63	25.37	26.33	27.33
B	20.90	21.32	21.85	22.79	23.47	24.36	25.30
C	19.30	19.69	20.18	21.05	21.68	22.50	23.38
D	17.52	17.87	18.32	19.11	19.68	20.43	21.25
E	15.67	15.98	16.38	17.08	17.59	18.26	19.01
<b>APPRENTICE <u>RATES</u></b>							
1ST/122 DAYS	16.64	16.97	17.39	18.14	18.68	19.39	20.18
2ND/122 DAYS	17.37	17.72	18.16	18.94	19.51	20.25	21.06
3RD/122 DAYS	18.07	18.43	18.89	19.70	20.29	21.06	21.90
4TH/122 DAYS	18.75	19.13	19.61	20.45	21.06	21.86	22.72
5TH/122 DAYS	19.44	19.83	20.33	21.20	21.84	22.67	23.56
6TH/122 DAYS	20.18	20.58	21.09	22.00	22.66	23.52	24.43
7TH/122 DAYS	20.90	21.32	21.85	22.79	23.47	24.36	25.30

## EXHIBIT C

### I. PROFIT PARTICIPATION PLAN

Montana Rail Link, Inc. will establish a Profit Participation Plan whereby a portion of the company's profits will be paid to its employees. The purpose of the program is:

- 1) To motivate employees to become profit-oriented in their actions;
- 2) To share with the employees the risks and rewards of the business, and;
- 3) To provide additional compensation to be used to supplement the 401(k) savings and railroad retirement plans and/or to enhance current life style.

Key elements of the plan are:

Amount: 8% of net income, before tax and profit participation contribution.

Allocation: Pro-rate to all eligible employees based on compensation.

Eligible Employees: **An employee is eligible for profit sharing, without regard to hours worked, provided the individual has performed service (i.e., worked) during the applicable calendar year and has an employment relationship with the Company on December 31 of that year. If an employee retires or becomes disabled, and receives a railroad retirement or disability annuity under the Railroad Retirement Act or succumbs during the year, profit sharing they would have received if they had been employed on December 31 will be paid to them or their survivors as if they had been employed on that date.**

Compensation: **When calculating profit sharing, the term Compensation shall mean payments made by MRL to employees, which shall include base pay, overtime pay, flex pay, bereavement pay, guarantee pay, penalty claim pay, deadhead pay and Wellness Program light duty pay. Compensation for this purpose shall not include payments for Short and Long Term Disability, Wage Continuation pay, bonus pay, severance pay, profit sharing pay, cost reimbursement for tuition, mileage, meals or lodging, or per**

**diem.**

When Paid: 30 to 90 days after the calendar year end.

How Paid: Lump sum.

**MONTANA RAIL LINK  
PROFIT SHARING ILLUSTRATION**

<b>ANNUAL EARNINGS</b>	38,000,000	
Add: Profit sharing expense	4,300,000	
DRW foundation expense	420,000	
Earnings before profit sharing and foundation expense		42,300,000
Less: Profit sharing additives		(950,000)
<b>Profit Sharing Base</b>		41,350,000
Profit sharing base	41,350,000	
Profit sharing percent	8%	
<b>Profit Sharing Amount</b>		3,308,000
Add: Profit sharing additives		950,000
<b>Total Profit Sharing Expense</b>		4,258,000
<b>Profit Sharing Percentage</b>		
Profit sharing amount	3,308,000	
Qualifying eligible wages	40,000,000	
<b>Profit sharing percentage</b>		<b>8.27%</b>

**Examples:**

<u>Name</u>	<u>Annual Compensation</u>	<u>Profit Sharing Percentage</u>	<u>Profit Sharing Paid</u>
Able, Tom	45,000	8.27%	\$ 3,721.50
Brooks, John	28,000	8.27%	\$ 2,315.60
Cook, Dwayne	39,000	8.27%	\$ 3,225.30

## **II. 401(k) SAVINGS PLAN**

Type of Plan	Section (401(k) salary reduction Program
Participation	All employees
Compensation	All direct compensation
Employee Contributions	Voluntary, up to 25% of pay, pre-tax, up to the allowable IRS maximum.
Employer Contribution	50% match of first 8% of pay
Vesting	100% immediate vesting
Distribution	Paid out at retirement (early (55) or normal (65)), death, permanent disability or Company separation.
Forfeiture	None
Taxes	Employee deferral not included in W-2 pay. No federal or state income tax. Subject to Railroad Retirement tax.
Enrollment	Open, effective with next pay period. Six month waiting period following a hardship withdrawal.
Plan Year	Calendar year.
Account Valuation	Participants will receive yearly statement of contributions and investment earnings.
Additional Contributions Limitations	In addition, the highly compensated are limited to the amount deferred by the non-highly compensated as follows: Non-allowable amounts (excess) will be refunded within 2 1/2 months after the plan year-end.

## EXHIBIT D

### MEDICAL, DENTAL, LIFE, AD & D AND DISABILITY INSURANCE PLAN

#### SUMMARY

##### Medical Benefits \*

Type of Plan	Comprehensive Medical		
Hospital Room and Board	Paid at 80% after deductible		
Convalescent Room and Board	Paid at 80% after deductible		
Supplemental Accident	\$300		
<b>Annual Deductible</b>		<b><u>Individual</u></b>	<b><u>Family</u></b>
	<b>1/1/13</b>	<b>\$250</b>	<b>\$500</b>
	<b>1/1/14</b>	<b>\$275</b>	<b>\$550</b>
	<b>1/1/15</b>	<b>\$300</b>	<b>\$600</b>
Co-insurance	80%; 100% after <b>\$5,500</b> of covered expenses (excluding deductible)		
Outpatient Psychiatric	Payable at 50% of the applicable charge (up to a maximum of \$50 per treatment) with a \$1,000 maximum benefit per year.		
Alcoholism Substance Abuse Treatment	50% up to \$5,000 per year and twice in lifetime		
<b>Vision</b>	<b>80% to a maximum of \$100 per year under medical coverage</b>		
Lifetime Maximum	\$1,000,000.		
Employee Contributions	Paid on a pre-tax basis: Employee: <b><i>\$35.34/ per pay period</i></b> Employee +1: <b><i>\$70.68 /per pay period</i></b> Employee +2 or more: <b><i>\$106.02/ per pay period</i></b>		
	<b>Subject to increase pursuant to Article 16 (C).</b>		

## Cost Containment Features

Pre-certification on Hospitalization, Managed care, Preferred provider network

## Preventive Benefits

Immunization serum or supplies, including vaccines for polio, measles, diphtheria, tuberculosis, mumps and flu and other serums prescribed by an M.D. that are not experimental.

Routine mammograms to be covered as follows:

Over age 40: once every two years

Over age 50: once every year

If a physician recommends a mammogram be performed due to a patient's family history, these will be covered regardless of age.

Routine PAP tests and related lab handling charges will be covered once a year.

Well-child care will be covered from birth up to age four (4). This coverage includes well-child examinations and lab test recommended for well-child care.

Prostate examinations will be covered for person over age 40. Covered services are digital examination, immunoassay for tumor antigen and prostate specific antigen (PSA).

## Bi-annual Physical Exam Benefit

Every two (2) years the Company will pay up to \$500 toward the costs of a physical exam for each employee forty (40) years of age or older. Such payment will be made upon the submission of proper documentation and shall be made without regard to the employee's annual deductible or co-insurance responsibilities.

## Prescription Drugs

The Company will provide a prescription drug card program for the benefit of employees and their eligible dependents. The card may be used at participating pharmacies and/or drug stores, and purchases made with the card shall be subject to an employee co-pay of twenty (20) percent of the cost of the prescription drug. Use of the card shall not be subject to any individual or family deductibles under the medical benefit plan; nor shall the co-pay amounts be applied toward such deductibles.

Employees utilizing providers in the Preferred Provider Networks shall receive benefits as set forth in the plan. Employees failing to utilize providers in the Preferred Provider Networks shall be responsible for the difference between the benefit levels established in the Network and the charges incurred, unless there are no Network Providers offering the required services within a thirty (30) mile radius of the employee's home terminal or

headquarters point. In such instances, benefits will be provided at the usual, reasonable and customary rates, subject to applicable deductibles and co-payments.

### **Dental Benefits\***

Type of Plan	Comprehensive
Annual Deductible	<b>\$50</b> , but waived for diagnostic and preventative services
Co-insurance	80% for diagnostic, preventative, restorative, and therapeutic expenses. 60% for prosthodontic expenses
Orthodontia	Not covered (In the event the Washington Companies' Benefits Committee adds orthodontia and/or TMJ coverage to its health and welfare benefit plan, such coverage (s) shall concurrently be made part of MRL's health and welfare benefit plan.)
Cost containment features	Required treatment plan for expenses over \$300
Annual Maximum	<b>\$1,500</b>

### **Group Life Insurance\***

Life Insurance	2 x base pay, rounded to the nearest thousand or \$150,000 whichever is greater
AD & D Benefit	Same as life benefits
Dependent Life Insurance	Spouse \$2,000 Child(ren) \$1,000 Children up to 6 mos. \$100.

- \* The Company will provide one-hundred twenty (120) days of extended medical, dental, vision and life insurance coverage to furloughed employees, provided the employee continues to pay his/her applicable premium contribution. The coverage shall extend one-hundred twenty (120) days beyond the last month in which the employee performed service prior to furlough. If an employee returns to service before the extended benefit period lapses, the employee will have continuous health and welfare coverage without interruption. If an employee is recalled to service after expiration of the extended benefit period, the employee will again be eligible for

health and welfare benefit coverage on the first of the month immediately following his/her return to service, provided that such employee has worked twelve-hundred (1200) hours in the twelve (12) months immediately preceding recall. If the employee does not have the qualifying twelve-hundred (1200) hours, the employee will then be eligible for health and welfare benefit coverage on the first of the month following the first full month of employment following recall.

### **Short Term Disability Plan**

Type of Plan	Salary Continuation
Waiting Period	<b>7 days</b>
Benefit	80% of pay less deductible benefits
Duration	22 weeks or eligible for LTD

The employee must submit medical certification of his disability in order to be eligible to receive Short-Term Disability benefits. It is understood that the Short-Term Disability Plan is a supplemental plan, meaning that Railroad Retirement sickness benefits that the employee is receiving or eligible to receive will be offset against the Short-Term Disability benefit.

### **Long Term Disability**

Benefit	60% of pay
Minimum	\$100 per month
Maximum	\$5,000 per month
Offsets	Primary railroad retirement benefits, and similar income
Duration	
Begin	6 months
End	Age 65 (later if disabled after age 60)

In case of injury, sickness, death or disability for which an employee who is eligible for employee benefits under this Plan and may have the right of recovery against the Company, benefits will be provided under the Plan subject to the provisions set forth herein. The parties hereto do not intend that the benefits provided under the Plan will duplicate, in whole or in part, any amount recovered from the Company for hospital, surgical, medical, dental, disability, death or related expenses or payments of any kind specified in the Plan. The parties intend that benefits provided under the Plan will satisfy any right of recovery against the Company for such benefits to the extent of the benefits so provided. Accordingly, benefits provided under the Plan will be offset against any recovery the employee may have against the Company for hospital, surgical, medical, dental, disability, death or related expenses or payments of any kind specified in the Plan.

## **MONTANA RAIL LINK, INC.**

### **IMPLEMENTING AGREEMENT**

This Agreement, by and between Montana Rail Link, Inc. ("the Company" or "MRL") and the Brotherhood of Maintenance of Way Employees, Brotherhood of Railway Carmen, Brotherhood of Railroad Signalmen, International Association of Machinists and Aerospace Workers, International Brotherhood of Electrical Workers, International Brotherhood of Firemen and Oilers and Transportation Communications International Union (the Unions), is dated as of October 20, 1987. This Agreement is intended to implement certain aspects of the Agreement between the Company and the Unions dated October 20, 1987 (the Labor Agreement). Provisions hereof shall be subject to the provisions of the Labor Agreement.

#### **ARTICLE 1**

##### **SENIORITY**

- A. Prior to commencement of operations and within sixty (60) days thereof, the Company shall offer preferential hiring in seniority order for positions covered by the Labor Agreement, as such seniority is stated on the current applicable Burlington Northern (BN) - seniority district rosters, as specifically provided herein. The Unions shall provide the Company with lists of BN employees reflecting such seniority (BN Seniority Lists).
- B. BN employees, holding seniority, on the BN Seniority Lists specified in paragraph (a) hereof, who are hired by MRL prior to commencement of operations or within sixty-days (60) thereof shall establish seniority on MRL according to their standing on the applicable BN Seniority Lists.
- C. The Montana Rail Link, Inc. seniority date of former Burlington Northern employees hired prior to commencement of operations or within sixty (60) days thereof shall be deemed to be the day the Company first commences operations. For such employees, on each applicable seniority roster subject to this Agreement and the Labor Agreement, the employee with the earliest Burlington Northern seniority date on the applicable BN Seniority List shall receive a seniority time and date of 12:01 a.m., date of commencement of operations. The employee with the next earliest BN

seniority date shall receive a seniority time and date of 12:02 a.m., commencement of operations. The employee with the next earliest BN seniority date shall receive a seniority time and date of 12:03 a.m., commencement of operations date, and so forth. Employees without qualifying Burlington Northern seniority hired prior to commencement of operations shall be awarded a seniority time and date with the Company following that of former Burlington Northern employees, based on the birth date of such employees. Notwithstanding the foregoing, employees without qualifying BN seniority hired pursuant to paragraph (d) hereof shall be awarded a seniority date and time consistent with the provisions thereof.

- D. Although it is the intention of the parties hereto to provide the right of preferential hiring to employees currently on BN seniority rosters, as specified herein, it is recognized that the Company has the right to hire sufficient numbers of employees to fill its minimum operating requirements. If these minimum requirements are not met in a timely fashion from BN rosters specified herein, the Company may hire from other sources. The seniority of such employees shall rank behind employees hired from BN seniority rosters prior to commencement of operations or within sixty (60) days thereof. However, it is understood that the hiring of such employees may eliminate or reduce job openings for otherwise qualified BN employees during such sixty (60) day period.
- E. All employees hired by the Company covered by the Labor Agreement, including former BN employees, shall be required to complete an employment application. The Company reserves the right to reject any applicants who, based on the Company's preemployment screening, fail to meet the Company's employment standards.

## **ARTICLE 2**

### **ENTRY RATE**

Former Burlington Northern employees hired pursuant to paragraph (a) of Article 1 hereof shall be paid the full pay rates for applicable service as described in Exhibit B to the Labor Agreement, without respect to the provisions of Article 11 of such Labor Agreement.

## **ARTICLE 3**

### **TIME SYSTEM CREDIT**

- A. For former Burlington Northern employees hired pursuant to paragraph (a) of Article 1 hereof, qualifying service at Burlington Northern shall be counted in calculating qualifying service pursuant to paragraph C of Article 5.
- B. Former Burlington Northern employees hired pursuant to paragraph (a) of Article 1 hereof and eligible under applicable Burlington Northern agreements for four or five weeks vacation shall be afforded five (5) additional days for time system purposes pursuant to Article 5.

SIGNED OCTOBER 20, 1987

**November 1, 2012**

Kelly Gilbertson  
National Representative, TCU

Bruce G. Glover  
General Chairman, BMWED/IBT

Jim Larreau  
General Chairman, NCFO-SEIU

Lee Carter  
General Chairman, IAM&AW

Mike D. Dake  
General Chairman, BRS

Danny L. Lancaster  
National Representative, BRC/TCU

Dale E. Doyle  
General Chairman, IBEW  
System Council #16

Ladies and Gentlemen:

This has reference to our Agreement of **November 1, 2012**, between Montana Rail Link, Inc. ("MRL") and each of your respective organizations (collectively, the "Unions").

It was understood and agreed that payment of any retroactive wages resulting from the application of Article I - General Wage Increases, paragraphs (A) and (B) shall be made within sixty (60) days of the effective date of our **November 1, 2012** Agreement.

Payment of retroactive wages will be made to all employees, including those who have retired or died, who had an employment relationship during the relevant time period under the existing Labor Agreement between MRL and the Unions who have not resigned or been discharged prior to the effective date of our **November 1, 2012** Agreement.

Please indicate your concurrence with this understanding by signing your name in the space provided below.

Sincerely,

Michael R. Lemm  
Vice President Operations  
Montana Rail Link, Inc.

I concur:

\_\_\_\_\_  
Kelly Gilbertson  
National Representative, TCU

I concur:

\_\_\_\_\_  
Bruce G. Glover  
General Chairman, BMWED

I concur:

\_\_\_\_\_  
Jim Larreau  
General Chairman, NCFO-SEIU

I concur:

\_\_\_\_\_  
Lee Carter  
General Chairman, IAM&AW

I concur:

\_\_\_\_\_  
Mike D. Dake  
General Chairman, BRS

I concur:

\_\_\_\_\_  
Danny L. Lancaster  
National Representative, BRC/TCU

I concur:

\_\_\_\_\_  
Dale E. Doyle  
General Chairman, IBEW  
System Council #16

**Side Letter No. 2**

**November 1, 2012**

Kelly Gilbertson  
National Representative, TCU

Bruce G. Glover  
General Chairman, BMWED/IBT

Jim Larreau  
General Chairman, NCFO-SEIU

Lee Carter  
General Chairman, IAM&AW

Mike D. Dake  
General Chairman, BRS

Danny L. Lancaster  
National Representative, BRC/TCU

Dale E. Doyle  
General Chairman, IBEW  
System Council #16

Ladies and Gentlemen:

This has reference to our Agreement of **November 1, 2012**, between Montana Rail Link, Inc. ("MRL") and each of your respective organizations (collectively, the "Unions").

It is understood and agreed that any compensation increases provided to the Brotherhood of Locomotive Engineers and Trainmen and/or the American Train Dispatchers Association (Dispatchers) in their current round of contract negotiations in 2012 that exceed those provided to employees represented by the Unions and that are not associated with productivity gains obtained from those Organizations will be granted to the undersigned Unions.

Please indicate your concurrence with this understanding by signing your name in the space provided below.

Sincerely,

Michael R. Lemm  
Vice President Operations  
Montana Rail Link, Inc.

I concur:

---

Kelly Gilbertson  
National Representative, TCU

I concur:

---

Bruce G. Glover  
General Chairman, BMWED

I concur:

---

Jim Larreau  
General Chairman, NCFO-SEIU

I concur:

---

Lee Carter  
General Chairman, IAM&AW

I concur:

---

Mike D. Dake  
General Chairman, BRS

I concur:

---

Danny L. Lancaster  
National Representative, BRC/TCU

I concur:

---

Dale E. Doyle  
General Chairman, IBEW  
System Council #16

**November 1, 2012**

Kelly Gilbertson  
National Representative, TCU

Bruce G. Glover  
General Chairman, BMWED/IBT

Jim Larreau  
General Chairman, NCFO-SEIU

Lee Carter  
General Chairman, IAM&AW

Mike D. Dake  
General Chairman, BRS

Danny L. Lancaster  
National Representative, BRC/TCU

Dale E. Doyle  
General Chairman, IBEW  
System Council #16

Ladies and Gentlemen:

This has reference to our Agreement of **November 1, 2012**, between Montana Rail Link, Inc. ("MRL") and each of your respective organizations (collectively, the "Unions").

During our negotiations, the parties discussed the Company's Wellness Program and the Company reaffirms the following with respect to employees who participate in the Program:

- Employees injured on duty shall receive medical benefits equivalent to those provided under Article 16, paragraph A and Exhibit D of the Labor Agreement in the case of off-duty injuries.
- Employees participating in the Program shall not be required to treat with a doctor designated by the Company. However, the Company will have the right to have a physician of its choice examine the employee as needed to determine the extent of the injury and the limitations affecting work.
- The Company will not request from the treating doctor the employee's medical history or documentation unrelated to his on-duty injury.

- Employees engaged in light duty will not perform duties reserved to craft employees under the Labor Agreement.

Furthermore, pursuant to Company policies, employees engaged in light duty shall be reimbursed for expenses incurred at the request of the Company, except for normal commuting expenses.

It is further understood and agreed that except as provided herein and except to the extent of any existing collective bargaining agreement limitations, the Company reserves the discretion and right to amend its Wellness Program.

Sincerely,

Michael R. Lemm  
Vice President Operations  
Montana Rail Link, Inc.

I concur:

---

Kelly Gilbertson  
National Representative, TCU

I concur:

---

Bruce G. Glover  
General Chairman, BMWED

I concur:

---

Jim Larreau  
General Chairman, NCFO-SEIU

I concur:

---

Lee Carter  
General Chairman, IAM&AW

I concur:

---

Mike D. Dake  
General Chairman, BRS

I concur:

---

Dale E. Doyle  
General Chairman, IBEW  
System Council #16

I concur:

---

Danny L. Lancaster  
National Representative, BRC/TCU

**Side Letter No. 4**

**November 1, 2012**

Kelly Gilbertson  
National Representative, TCU

Bruce G. Glover  
General Chairman, BMWED/IBT

Jim Larreau  
General Chairman, NCFO-SEIU

Lee Carter  
General Chairman, IAM&AW

Mike D. Dake  
General Chairman, BRS

Danny L. Lancaster  
National Representative, BRC/TCU

Dale E. Doyle  
General Chairman, IBEW  
System Council #16

Ladies and Gentlemen:

This has reference to our Agreement of **November 1, 2012**, between Montana Rail Link, Inc. ("MRL") and each of your respective organizations (collectively, the "Unions").

**It is understood and agreed that the Weekly Average Wage as defined in the Short Term Disability Program and the Wage Continuation and Light Duty provisions of the Wellness Program shall be based only on eligible earnings during the weeks in which the employee actually worked in the 26-week base period. In other words, if an employee only worked in 6 weeks out of the 26-week base period and had earnings of \$4800 during those six weeks, his Weekly Average Wage would be \$800 ( $\$4800 \div 6 = \$800$ ).**

Please indicate your concurrence with this understanding by signing your name in the space provided below.

Sincerely,

Michael R. Lemm  
Vice President Operations  
Montana Rail Link, Inc.

I concur:

---

Kelly Gilbertson  
National Representative, TCU

I concur:

---

Jim Larreau  
General Chairman, NCFO-SEIU

I concur:

---

Mike D. Dake  
General Chairman, BRS

I concur:

---

Dale E. Doyle  
General Chairman, IBEW  
System Council #16

I concur:

---

Bruce G. Glover  
General Chairman, BMWED

I concur:

---

Lee Carter  
General Chairman, IAM&AW

I concur:

---

Danny L. Lancaster  
National Representative, BRC/TCU

**Side Letter No. 3 to January 3, 2002 Agreement**

January 3, 2002

Richard A. Arndt  
General Chairman, TCU

Bruce G. Glover  
General Chairman, BMW

Roger A. Burrill  
President, NCFO

Carl D. Johnson  
General Chairman, IAM

Mike D. Dake  
General Chairman, BRS

Robert K. Schafer  
General Chairman, BRC

Dale E. Doyle  
General Chairman, IBEW

Gentlemen:

This has reference to our Agreement of January 3, 2002, between Montana Rail Link, Inc. ("MRL") and each of your respective organizations (collectively, the "Unions").

During negotiations of our agreement, the use of flex time system withdrawals at the employee's option and whether the Company can require an employee to use a flex day when absent from work was discussed. We agreed that flex time system withdrawals will be granted, at the employee's request, contingent upon service requirements on a seniority basis and our negotiations did not result in any change to that provision.

To be absent from work an employee must obtain a leave of absence, or be granted permission to use a flex time day. In such case, the granting of a "leave of absence" will not be unreasonably withheld by the Company so as to force an employee to use a flex time day, but will be granted consistent with the provisions of Article 8 of the labor agreement providing for leaves of absence.

MRL will set up a procedure where the employee tells us when he/she makes the request for time off which option they are using. If they request a flex time day off they will, then and only then, be required to utilize a flex day from their flex bank.

I trust this clarifies this matter for you.

Sincerely,

John L. Grewell  
Vice President Operations  
Montana Rail Link, Inc.

# **QUALITY OF WORK LIFE AGREEMENT**

## **INTRODUCTION**

This Agreement and its Appendices, by and between Montana Rail Link, Inc. (MRL or the Company) and the Brotherhood of Maintenance of Way Employees, Brotherhood of Railway Carmen, Brotherhood of Railroad Signalmen, International Association of Machinists and Aerospace Workers, International Brotherhood of Electrical Workers, International Brotherhood of Firemen and Oilers and the Transportation Communications International Union (individually, a Union; collectively, the Unions), is amended and effective as of January 1, 2006. It is understood and agreed that this Agreement comprehensively represents and encompasses the results of the negotiations of the parties pursuant to Article 18 of the Agreement by and between the Company and the Unions dated October 20, 1987 (the Labor Agreement). This Agreement and the interpretation and implementation hereof, shall be subject to provisions of the Labor Agreement, as amended.

## **ARTICLE A**

### **SENIORITY ROSTERS**

1. Seniority rosters of all employees in each seniority district will be revised and posted in agreed upon places accessible to the employees affected in January of each year. Seniority dates credited to employees upon the first roster upon which their name appears will be open for protest as to correctness of such date for a period of sixty (60) calendar days from the date of posting, and upon proof of error being shown by such employee or his representative, such error will be at once corrected. If no protest is presented within sixty (60) calendar days, the seniority date as so first shown will thereafter be deemed to have been accepted, and no changes will thereafter be made in such seniority date on future rosters, except that any evident errors in revision or reissue of such roster will be corrected on the basis of the last correctly issued roster. Erroneous omission of names from or addition of names to the seniority roster, erroneous changes in dates or typographical errors on such rosters may be corrected at any time.
2. Seniority roster for each seniority district will show:
  - A. Roster Name
  - B. Seniority Number
  - C. Name of Employee
  - D. Title
  - E. Location
  - F. Seniority Date

3. The General Chairman, Local Chairman and each employee of the district affected shall be furnished with a copy of the annual roster, which shall be compiled and maintained by the Company.

## **ARTICLE B**

### **HOURS OF SERVICE AND WORK WEEK**

1. Eight (8) consecutive hours, excluding meal period, will constitute a day's work. The typical work week shall be forty (40) hours, consisting of five (5) days of eight (8) hours each, with two (2) consecutive days off in each seven (7); so far as practicable the days off shall be Saturday and Sunday. A non-paid meal period shall not be construed to break the continuity of the eight (8) hour period. All employees coming under the provisions of this Agreement, except as otherwise provided in this schedule or the Labor Agreement, or as may hereafter be legally established between the Company and the employees, shall be paid on the hourly basis. The foregoing work week rule is subject to the following provisions:
2. Five-day positions: Where the nature of the work is such that employees will be needed five days each week, the rest days will either be Saturday and Sunday or Sunday and Monday.
3. Six-day positions: Where the nature of the work is such that employees will be needed six days each week, the rest days will be either Friday and Saturday, Saturday and Sunday, or Sunday and Monday.
4. Seven-day positions: On positions which are filled seven (7) days per week, any two (2) consecutive days may be the rest days with the presumption in favor of Saturday and Sunday. It is understood that two (2) assignments with similar duties and identical hours with staggered rest days may be considered as a seven (7) day position.
5. Regular Relief Assignments
  - a. Regular relief assignments with five (5) days of work and two (2) consecutive rest days will be established to do the work necessary on rest days of assignments in six (6) or seven (7) day service or combinations thereof, provided that for each regular relief assignment there are five (5) days of relief work. If rest days of six (6) or seven (7) day positions are not filled by regular relief assignments as provided herein, the Company shall fill such vacancies by (i) if applicable, calling an extra employee; (ii) calling available furloughed employees; or (iii) calling overtime.

b. Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees on the same seniority district and of the same craft provided they take the starting time, duties and work locations of the employee or employees they are relieving and are not assigned to work more than eight (8) hours in a calendar day.

**NOTE:** Each relief assignment will be assigned a headquarters point. However, relief assignments may be required to fill vacancies at points within forty (40) miles of the headquarters point and time for employees so assigned will not start until reaching such outlying point. Employees filling such vacancies away from the headquarters point shall receive mileage pursuant to Article E from the headquarters point to and from the outlying point or from their residence to and from the outlying point, whichever is closer. (This note is not applicable to Maintenance of Way Craft)

6. Deviation from Regular Work Week

If, in a position or work extending over a period of five (5) days per week, an operational or customer service problem arises which, in the view of the Company, cannot be met under Paragraph 2 or 3 above, and requires that some of such employees work on a rest day established in Paragraph 2 or 3, the Company shall inform the Union or Unions affected of the reasons thereof. If the employees affected contend that the operational or customer service requirements do not require such deviation from the regular work week, and if the parties fail to agree thereon, then if the Company nevertheless puts such assignments into effect, the dispute may be processed as a grievance or claim under the Labor Agreement.

7. Rest Days of Extra or Furloughed Employees.

To the extent extra or furloughed employees may be utilized under this Agreement, their days off need not be consecutive; however, if they take the assignment of a regular employee, they will have as their days off the regular days off of that assignment.

8. Beginning of Work Week.

The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and for unassigned employees shall mean a period of seven (7) consecutive days starting with Monday.

**NOTE:** A vacancy on any position resulting from incumbent's absence account of flexible time system withdrawals, sickness, jury duty, personal, bereavement leave or leave of absence for five (5) working days or less may, at the Company's option, be blanked.

## ARTICLE C

### **CHANGING SHIFTS**

1. Employees transferred from one shift to another at the direction of the Company will be paid overtime rate for the first shift worked on the shift to which transferred and if the employee works more than one shift to which transferred the employee will be paid at the overtime rate for the first shift worked after returning to his regular assignment. Such overtime payment shall not apply to transfers made as a result of the exercise of seniority or rebulletining of assignments.
2. If it becomes necessary to create a relief job in which the assigned relief employee is compelled to perform work on different shifts in order to have five (5) working days included in his assignment, such employee will not be paid overtime rates for changing shifts to perform the work on the shifts included in his assignment.

## ARTICLE D

### **CALLS**

1. Except as provided in Paragraphs 2 and 3 hereof, employees notified or called and reporting to perform work outside of and not continuous with the regular work period, will be allowed a minimum of two and one-half (2 1/2) hours at time and one-half rate for two and one-half (2 1/2) hours work or less, and if held on duty in excess of two and one-half (2 1/2) hours time and one-half will be allowed on the minute basis. When an employee is called to work under this paragraph, his time starts thirty (30) minutes before the actual time he reaches his headquarters point.
2. Employees notified or called to perform work under emergency conditions on Designated Holidays shall be allowed a minimum of four (4) hours at time and one-half for four (4) hours work or less, and if held on duty in excess of four (4) hours, time and one-half will be allowed on the minute basis.

**NOTE:** An emergency shall be defined as extraordinary circumstances, such as flood, snowstorm, hurricane, broken rail, earthquake, fire or strike, which results in the suspension, in whole or in part, of the Company's operations. Nothing herein shall be construed to require employees to cross a picket line during a strike.

3. Except as provided in Paragraph 2 above, employees called to perform work on such holidays shall be allowed a minimum of eight (8) hours at time one-half rate.
4. Except as otherwise provided for in Paragraphs 2 and 3, employees called for service who report for duty and are released prior to performing service will be paid as provided under Paragraph 1.

## ARTICLE E

### **EXPENSES**

#### Headquartered Employees:

1. An employee not returned by the Company to his headquarters point after close of shift will be provided single occupancy room lodging from a list of suitable, jointly approved lodging facilities. In addition, the employee shall receive a \$34 (thirty-four dollar) meal per diem for each day required to stay overnight and away from their headquarters point. Effective January 1, 2013 and each January 1 thereafter through January 1, 2016, the meal per diem shall be increased by the annual percentage general wage increase applied on January 1 of that calendar year. (See Craft Specific Agreements for noted exceptions.)
2. An employee required to be away from MRL property on company business will be reimbursed reasonable and necessary expenses.
3. If an employee has a vehicle which he is willing to use and the Company authorizes him to use said vehicle for company business, the employee shall be compensated for such transportation on a mileage basis, at the maximum allowable non-taxable IRS rate. No mileage will be paid for exercising of seniority.

## ARTICLE F

### **MEAL PERIOD, UNIFORM COMMENCING AND QUITTING**

1. The time established for commencing and quitting work for all employees on each shift shall be specified by bulletin.
2. Meal Period

When a meal period is assigned, the assigned time shall be specified on the bulletin, it shall be not less than thirty (30) minutes, nor more than sixty (60) minutes and shall be given between the beginning of the fourth (4<sup>th</sup>) hour and the end of the sixth (6<sup>th</sup>) hour after beginning of shift, except as may be otherwise arranged by mutual agreement. The meal period shall be as close to the middle of the shift as possible.

**NOTE BRS ONLY:** In the case of mobile gangs only, it is understood that when necessary due to the requirements of service, the assigned meal period of mobile gangs provided for above shall be flexible to the extent that no payment of overtime will be made for working through the assigned meal period. However, the employees will be provided the assigned meal period between the beginning of the fourth (4<sup>th</sup>) and the beginning of the (6<sup>th</sup>) hour after the start of the shift; otherwise, the provisions of paragraph (4) below

shall apply.

**NOTE BMW ONLY:** In the case of seasonal gangs only, it is understood that, when necessary due to the requirements of service, the assigned meal period of seasonal gangs shall be flexible to the extent that no payment of overtime will be made for working through the assigned meal period, except as provided below. Employees will be provided the assigned meal period between the beginning of the fourth (4<sup>th</sup>) and the beginning of the (6<sup>th</sup>) hour after the start of the shift. If the meal period is not afforded between the fourth (4<sup>th</sup>) and sixth (6<sup>th</sup>) hours, the assigned meal period will be paid for at the overtime rate and twenty (20) minutes with pay in which to eat will be allowed in no case later than the beginning of the seventh (7<sup>th</sup>) hour.

3. When no meal period is assigned, twenty (20) minutes to eat will be allowed between the beginning of the fourth (4<sup>th</sup>) hour and the end of the sixth (6<sup>th</sup>) hour without deduction in pay.
4. If a meal period is not afforded and all or any portion thereof is worked, the meal period shall be paid for at the overtime rate of time and one-half and twenty (20) minutes with pay will be afforded at the first opportunity thereafter but in no case later than the end of the seventh (7<sup>th</sup>) hour.
5. Employees will not be required to perform more than eleven (11) hours of continuous service without being permitted to take a second meal period, and succeeding meal periods will be granted at appropriate intervals of not more than six (6) hours. Time taken for any meal period will not terminate the continuous service period and will be paid, up to thirty (30) minutes for each such meal period. The 11-hour period provided herein may be extended by mutual agreement between the employee and the Company supervisor. The second and succeeding meals will be furnished without cost to the employee. However, if the employee agrees to work through the meal period without being released as provided herein, a meal shall not be furnished, but the meal period shall be paid for as provided herein.

**Note: BRC, F&O, IAM, IBEW and TCU Only – In lieu of the second meal being furnished by the Company to the employee without cost: (1) when employees perform more than eleven (11) hours of continuous service, but not exceeding twelve (12) hours of continuous service, the employees will be paid thirty (30) minutes at the overtime rate of pay and will be afforded twenty (20) minutes to eat a second meal; and (2) when employees perform more than twelve (12) hours of continuous service, the employees will be paid one (1) hour at the overtime rate of pay and will be afforded twenty (20) minutes to eat a second meal. It is understood that these payments in lieu of providing a meal cannot be piggybacked upon each other.**

## **ARTICLE G**

### **STARTING POINT**

1. Each employee covered by this Agreement will have a headquarters point designated by bulletin. An employee will begin and end his assigned work day at the headquarters point.
2. When employees are sent away from headquarters and remain away overnight, the beginning and ending of a day's work shall be at a designated point such as a railroad building equipped with toilet and washing facilities or motel/hotel accommodations at the nearest location where lodging and meal accommodations are available.

**NOTE:** Where mobile gangs or mobile headquarter point are permitted by this Agreement, this Article is not applicable.

## **ARTICLE H**

### **DISQUALIFICATION**

1. Employees will be given cooperation by the Company and reasonable opportunity in qualifying for positions secured in the exercise of seniority. Employees awarded bulletined positions or employees securing positions through the exercise of seniority to a position for which not yet qualified may be disqualified for lack of ability to do such work during the first thirty (30) working days thereon. Employees will not be disqualified for lack of ability to do such work after a period of thirty (30) working days thereon.
2. An employee failing to qualify for a position secured by bulletin or in exercise of seniority will be given notice in writing of reason for such disqualification within two (2) working days of the disqualification.
3. An employee who considers himself unfairly disqualified may request and shall thereupon be given a fact finding session as to such qualifications pursuant to the provisions in Article I of this Agreement.
4. An employee awarded a bulletined position or securing a position through an exercise of seniority to a position for which not yet qualified shall, if disqualified, be entitled to the same rights of an employee returning from a leave of absence pursuant to Article K of this Agreement.

## ARTICLE I

### **UNJUST TREATMENT**

An employee who considers himself unjustly treated in matters pertaining to his employment (other than discipline per Article 13 of the Labor Agreement) or in matters other than those arising out of the interpretation and application of the rules of this Agreement shall have the same right of hearing and appeal as provided in Article 13 of the Labor Agreement if written request is made to his immediate Company supervisor within twenty (20) calendar days after the date of the occurrence of the cause for complaint. This Article shall not apply to actions taken by the Company pursuant to Article 19 of the Labor agreement. It is understood an employee cannot request or pursue hearings under both Article 13 of the Labor Agreement and this Article pertaining to the same matter.

**NOTE:** A written, complete and accurate transcript of the proceedings shall be prepared and provided by the Company to the Applicable Union's representative and the employee.

## ARTICLE J

### **LAYOFF AND RECALL**

#### **Section 1**

1. When forces are reduced or jobs discontinued, seniority rights shall govern.
2. Employees whose jobs are discontinued or who are displaced, whose seniority entitles them to a job that is available to them, must exercise such seniority to displace a junior employee within ten (10) working days of the affected date. Failure to do so shall result in forfeiture of such displacement rights and the employee shall be placed in furlough status as defined in Section 2 hereof.

**NOTE CLERICAL EMPLOYEES:** Employees exercising seniority as provided in paragraph 2 above will do so in writing with the proper supervisor so that notification can be made to the employee being displaced before that employee goes off duty.

**NOTE BMW EMPLOYEES:** See Craft Specific for displacement time limits.

3. Employees furloughed under this Article shall retain their seniority rights, and file their name and address in writing with the designated Company officer, with copy to the Local chairman at the time laid off or within ten (10) calendar days thereafter.
4. Except as provided in Paragraph 5 hereof, before positions are abolished or discontinued, not less than five (5) working days advance written notice shall be given the employees affected, and a notice shall be posted on bulletin boards, and be made accessible to all employees affected. The Local Chairman will be furnished with a copy of such notices when issued.

In instances where the effective date of the abolishment is at other than the end of the regular work week, an affected employee will be entitled to receive up to eight (8) hours travel time at straight time rates for traveling to his new work location (at the rate of 40 MPH from his prior work location), provided he exercises his seniority and reports for duty at the new work location no later than the beginning of the second work day following the effective date of the job abolishment. No such payments shall be applicable when positions are abolished in emergency conditions as provided in paragraph 5 below. However, in instances where the employee has received an abolishment notice and because of the emergency his position is extended beyond the anticipated effective date of the abolishment, such employee shall be eligible for the travel time payment provided the above-stated conditions have been met.

5. The notice required in Paragraph 4 hereof is not required in emergency conditions, such as flood, snowstorm, hurricane, earthquake, fire, or strike, provided that the Company's operations are suspended in whole or in part and provided further that, because of such emergency, the work which would be performed by the incumbents of the position or the positions to be abolished or the work which would be performed by the employee involved in the force reductions no longer exists and cannot be performed. However, if notice is not provided prior to an employee leaving his residence for work, the employee shall be paid as if the employee had worked. When the emergency is over, forces shall be restored.

## **Section 2**

1. When forces are restored, furloughed employees shall be returned to service in seniority order. Recall letters shall be sent by the Company to the last known address by U.S. Postal Service, Certified Mail, Return Receipt requested. An employee recalled to service shall report for service within fifteen (15) days after receipt of certified letter (or a postal attempt to deliver the certified letter), unless an extension has been granted, failure to give satisfactory reason to the company for not reporting for service within such fifteen (15) days shall terminate seniority rights within that particular craft and the employee shall be so notified. An employee so terminated may request a fact-finding session under Article I of this Agreement (Unjust Treatment) provided the employee makes written request to designated Company officer within thirty (30) days from the date of such termination. If the company is unable to reach a furloughed employee because the employee has failed to provide a current address, the employee's name shall be removed from the seniority roster of the craft to which recalled.

**NOTE:** It is understood that an employee will not be required to return to service from furlough to other than a permanent position headquartered within the zone from which furloughed.

For the purpose of this Article only, the zones will be as follows:

**TCIU-TCIU/BRC-IAM-IBEW-IBFO**

- Zone 1 - Sandpoint, Idaho to and including Helena and East Helena, Montana.
- Zone 2 - Huntley, Montana to but not including Helena and East Helena, Montana.

**BMWE-BRS**

- Zone 1 - Sandpoint, Idaho to but not including Helena and East Helena, Montana.
- Zone 2 - Huntley, Montana to and including Helena and East Helena, Montana.

**NOTE BMWE Employees:** It is understood that an employee will not be required to return to service from furlough to other than a permanent position headquartered within the zone from which furloughed, except as provided below:

- A. In the case of seasonal positions, which have been advertised for bulletin and remain unfilled account 'no bidders,' furloughed employees holding seniority on the applicable seniority roster may be recalled pursuant to the following provisions:
- 1) Recall will be made in inverse order of seniority; i.e., the junior-most employee with the appropriate seniority on furlough will be recalled first. In the event the Company and the employee agree that such employee is not qualified for the position, such employee will be considered disqualified for purpose of recall to that particular vacancy and will return to furlough status, and the next junior-most furloughed employee will be recalled, and so on. When employees are disqualified in this manner, it will be confirmed in writing by the Company.
  - 2) Employees recalled to service under this provision will be sent a notice of recall letter by the Company to the employee's last known address by U.S. Postal Service, Certified Mail, Return Receipt Requested. Such employee shall report for service within ten (10) days after receipt of a certified letter (or a postal attempt to deliver a certified letter).
  - 3) Failure to report within the specified ten (10) day period, unless an extension has been granted, shall terminate seniority rights within the craft and the employee affected shall be so notified. An employee so

terminated may request a fact finding session under Article I of the QWL Agreement (Unjust Treatment), provided he makes written request to the designated Company Officer within thirty (30) days of the date of such termination.

- 4) In the event there are no furloughed employees holding seniority on the applicable seniority roster of the unfilled seasonal position vacancy, the junior-most employee holding seniority on the applicable seniority roster of the vacancy who is assigned in service as a laborer may be assigned to fill the position.

If the employee so assigned is required to report to a position on a mobile crew, he will be allowed per diem expenses per Rule A-11 and he will be considered as having his assembling point moved and be covered by the travel time and mileage provision of Rule A-12, paragraph (D). If the employee so assigned is required to report to a headquarters position, he will be allowed payment of travel time at the rate of forty (40) miles per hour and mileage. Payment of travel time and mileage will be limited to the extent that such round-trip travel between the employee's residence and the location of the position to which assigned exceeds the distance the employee would have normally traveled round-trip between his residence and his normal work location. Such travel time and mileage will be allowed daily, however, it is understood that the daily travel time and mileage payment for employees assigned to headquarter positions shall not exceed the per diem amount provided for in Article E - Expenses, paragraph (1) of the Quality of Work Life Agreement. In addition, employees assigned to a headquarters position who are required to stay overnight will be paid travel time and mileage for one round-trip per week during the period he is required to protect the assignment.

The seasonal position vacancy shall continue to be advertised for bulletin until it is filled and the employee who has been assigned to protect the assignment shall return to his regular assignment at such time as the vacancy is assigned by bulletin.

2. In the application of this Article a furloughed employee may decline to accept employment on temporary positions and/or temporary vacancies at any location upon the Company property.

## **ARTICLE K**

### **RETURN FROM LEAVE OF ABSENCE**

1. Employees may return to work prior to expiration of leave of absence provided sufficient notice is given to permit notifying relief employee not less than forty-eight

(48) hours prior to completion of last service he is to perform.

2. Employees accepting other compensated employment while on leave of absence without first obtaining written permission from the company officer in charge and written approval of the General Chairman shall be removed from seniority roster.
3. Employees returning from leave of absence, flexible time, suspension, service on temporary position, or reinstatement, will be permitted to return to their former positions unless filled by a senior employee as a result of exercising seniority pursuant to Article 4 of the Labor Agreement, or may within five (5) calendar days thereafter exercise their seniority on new positions or vacancies created during their absence. If the returning employee is displaced, as provided herein, he shall have the right to exercise seniority pursuant to Article 4 of the Labor Agreement. All employees affected thereby will be governed by the provisions of this Article.
4. A. Except as may be otherwise agreed by the Company and Union, an employee who obtains permission to transfer to another craft, whether or not covered by this agreement, after the completion of the Probationary Period in the craft from which the employee is transferring, shall be considered on leave of absence not to exceed six (6) months from the date of transfer. An employee who transfers to another craft shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to retain and accumulate seniority in the craft from which transferred.

**The six-month transfer period shall begin as follows:**

- (i) **if the employee is furloughed from his current craft and accepts a transfer to a new craft, the six-month transfer period will begin when there is a work opportunity for the employee in the craft from which transferred that the employee is entitled to by seniority;**
- (ii) **if the employee is in active service and accepts a craft transfer, the six-month transfer period will commence on the date the employee first performs service in the new craft.**

**It is understood that the six-month transfer period will be suspended during any period that the employee has no work opportunity in the craft from which transferred, and the transfer period shall resume when there is a work opportunity in that craft. If, during the transfer period, the employee is furloughed from the craft to which transferred, the transfer period shall likewise be suspended, unless there is a work opportunity in the employee's former craft. In this latter case, the employee's transfer period shall resume when the employee is recalled and returns to service in the new craft. If the employee does not return when recalled, his transfer period shall be terminated and he shall forfeit seniority in the new craft.**

**In all instances of starting, suspending or resuming the transfer period, or advising of available work opportunities in one's former craft, the Company will send written notification to the employee and General Chairman detailing the dates of such events and/or the specifics of such work opportunities.**

**The Company shall also send 15-day advance written notice to the employee and General Chairman when the employee's six-month transfer period will expire. An employee's failure to return to his former craft prior to the expiration of his six-month transfer period will result in automatic forfeiture of seniority in the former craft.**

- B. During the six (6) month leave of absence period, the employee may return to and exercise seniority in his/her former craft in accordance with paragraph (3) hereof.
  - C. Each employee covered by this agreement shall be limited to one (1) leave of absence for the purposes of transferring crafts under this provision.
- 5. An employee involuntarily relieved from an official or supervisory position with the Company or an employee who is involuntarily returning from an official position with a Union party to this Agreement shall within thirty (30) calendar days thereafter exercise his seniority rights over any junior employee assigned to a position bulletined during his absence. If there is no junior employee, the employee returning to service will be placed on furlough status.
  - 6. An employee voluntarily returning from an official or supervisory position with the Company or a position with a Union party to this Agreement will be allowed to do so by bidding upon a bulletined permanent position, or being placed on furlough status.

## **ARTICLE L**

### **SHIFTS**

- 1. Where three (3) consecutive shifts are worked covering the twenty-four (24) hour period, the starting time of each shift shall be between the hours of 6:00 A.M. and 8:00 A.M., 2:00 P.M. and 4:00 P.M., and 10:00 P.M. and 12:00 Midnight. Where other than three (3) consecutive shifts are worked, no shift shall have a starting time between 12:00 Midnight and 6:00 A.M.
- 2. Where one or two shifts are to be worked, the first shift shall have a starting time between 6:00 A.M. and 9:00 A.M. Where two (2) shifts are worked, the second shift shall have a starting time that is no earlier than the end of the first shift and no later

than four (4) hours after the end of the first shift.

3. Consecutive shifts mean where employees doing the same class of work relieve each other with no intervening time.
4. If an operational or customer service problem arises which, in the view of the Company, requires that exceptions be made to the starting times established herein, the Company shall inform the Union or Unions affected of the reasons therefore. If the employees affected contend that the operational or customer service requirements do not require such deviation from the established starting times, and if the parties fail to agree thereon, then, if the Company nevertheless puts such starting times into effect, the dispute may be processed as a grievance or claim under the Labor Agreement.

**NOTE:** The starting time shall not be temporarily changed for the purpose of avoiding overtime.

## **ARTICLE M**

### **OVERTIME**

1. Except in the cases of flexible time arrangements agreed to by the Company and the appropriate General Chairman, time worked preceding or following, continuous with a regularly assigned eight (8) hour work period, shall be computed on the actual minute basis and will be paid for at time and one-half rate, with a minimum of three-tenths (3/10) of one hour at the time and one-half rate.
2. Employees **who** work continuously from one regular work period into another work period shall be paid for the second or succeeding period at rate of time and one-half for the first eight (8) hours of work commencing with the ending time of the regular work period and thereafter at double-time rate until the beginning of the next regular work period, at which time they will be paid at time and one-half rate commencing with start of regular work period until released. Upon such release, the employee may elect at that time, to (i) finish his regular work period at the straight time rate of pay or (ii) go home and be paid two (2) hours at the overtime rate or overtime for the remainder of his shift, whichever is less. This paragraph will not apply when an employee cannot complete his regular work period due to Hours of Service restrictions. In such case, the employee will be paid for time not worked at the straight time rate of pay.

**NOTE BMW EMPLOYEES:** Employees required to work eight (8) or more hours preceding and continuous with a regularly assigned eight (8) hour work period will be paid at time and one-half rate on the actual minute basis for work performed during the regularly assigned work period, unless released for rest. Upon such release, the employee may elect at that time, to (i) finish his regular work period at the straight time rate of pay or (ii) go home and be paid two (2) hours at the overtime rate or overtime for the remainder of his

shift, whichever is less. This paragraph will not apply when an employee cannot complete his regular work period due to Hours of Service restrictions. In such case, the employee will be paid for time not worked at the straight time rate of pay.

**NOTE IAM, IBEW, F&O BRC EMPLOYEES:** It is understood and agreed that with respect to QWL Article M, paragraph (2) when an employee is used to cover overtime and, due to Hours of Service restrictions, this prevents him from being available to cover his regularly assigned shift, the employee will be paid for his regular shift at the straight time rate of pay and he will be considered unavailable for service until his next regularly scheduled start time, unless the Company determines his services are needed to cover necessary overtime. In such cases, the employee will again be treated and paid in accordance with this understanding.

3. An employee notified or called to perform work after the expiration of his regular work week and prior to the commencement of his next work week, or after his assigned quitting time on one day and prior to his assigned starting time on his next work day with a flexible time system day intervening, and required to work continuously into the next regularly assigned work period, will be paid therefore on the actual minute basis at time and one-half rate with double time after sixteen (16) continuous hours of work in each twenty-four (24) hour period, or portion thereof, computed from the time the employee is required to report for work to the commencement of the regularly assigned work period.
4. Except as otherwise provided for in this Article, such an employee will be paid at straight time rate for work performed during regular assigned work period.
5. There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight (8) paid for at overtime rate on holidays or for changing shifts, be utilized in computing the five (5) days per week, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, travel time, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours.
6. When the Company requires an employee to participate in training classes, schools, company meetings or the like, outside of the employee's regularly scheduled hours of assignment, the employee will be compensated for the actual time required to participate at the time and one-half rate of pay of the last service performed.

**NOTE:** This provision is not intended to modify or supersede any training provisions contained in craft specific agreements.

**NOTE 2:** The parties reaffirm their commitment to enforce the language of Article M, paragraphs 2 and 5 as written.

## **ARTICLE N**

### **DESIGNATED HOLIDAYS**

1. Notwithstanding any provision to the contrary in the Labor Agreement, the Company shall recognize ten (10) designated holidays each year: New Year's Day, Good Friday, Memorial Day, July Fourth, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, Christmas Day and New Year's Eve (Designated Holidays). On such Designated Holidays, assignments calling for work on such days shall, in most cases, be annulled and the regular 40-hour work week for employees filling such assignments shall be reduced by eight (8) hours for each Designated Holiday in such work week.
2. Employees may elect to (i) make a time system withdrawal on such Designated Holiday pursuant to Article 5 of the Labor Agreement (in which case an employee so electing will receive payment pursuant to Article 5 and a time bank reduction of one day) or (ii) make no time bank withdrawal on such Designated Holiday (in which case the employee shall receive no payment on the Designated Holiday.)
3. If the Company requires an employee to work on a Designated Holiday then the employee shall be compensated at the rate of time and one half, subject to the provisions established pursuant to Article D. If an employee required to work on a Designated Holiday had previously scheduled a flex time day on such Designated Holiday, he shall have the option of (i) making the time bank withdrawal as planned (in which case he shall receive flex time pay as well as time and one-half pay for work on the Designated Holiday) or (ii) electing not to make the previously scheduled time bank withdrawal (in which case he shall receive only the time and one-half pay for work on the Designated Holiday).

## **ARTICLE O**

### **AUTHORIZED OVERTIME**

Overtime hours will not be worked without authorization by proper authority, except in cases of emergency where advance authority is not obtainable. Employee will not be required to suspend work during any assigned work period for the purpose of absorbing overtime.

## **ARTICLE P**

### **FILLING TEMPORARY VACANCIES AWAY FROM HEADQUARTERS POINT**

1. Employees temporarily filling vacancies at other than their headquarters point will be paid for travel time between headquarters point to the point to which sent as provided herein. Travel time is not paid if the employee travels during regular working hours. Travel time will be paid at straight time rates (except when required

to travel on assigned rest days, holidays or flexible time, when time and one-half will be paid). Employees eligible for payment under this Article will be compensated for time based on travel over the shortest highway route from the headquarters point to the vacancy at the speed of forty (40) miles per hour. If the employee is required to take public transportation to fill the vacancy hereunder, the employee will be paid up to one (1) hour for waiting for such transportation. This provision of this Article shall not be applicable to employees returning from leave of absence or furlough or when exercising seniority.

**NOTE CLERICAL EMPLOYEES:** Paragraph 1 shall not apply to employees filling vacancies which are less than forty (40) miles from their headquarters point.

2. While at such outside point, employees will be paid straight time and overtime in accordance with assigned hours at that point, with not less than eight (8) hours for each working day.
3. Where meals and lodging are not provided by the Company and the Company requires the employee to stay overnight at the point to which sent, reimbursement will be provided pursuant to Article E.
4. Upon completion of temporary service all travel time returning to the headquarters point will be paid at the straight time rate except as otherwise provided in Paragraph 1 of this Article.
5. An employee filling vacancies away from the headquarters point shall receive mileage pursuant to Article E from his residence or headquarters point to and from the outlying point, whichever is closer. If the Employee is required to leave his headquarters point to fill a vacancy hereunder, he shall be paid mileage pursuant to Article E.

## **ARTICLE Q**

### **PAY**

1. Employees on day shifts shall be paid during regular working hours at terminal shops and headquarter points. Pay checks will be made available to other employees during the day at these locations.
2. Regular pay days shall be every other Friday. If the regular pay day falls on a holiday, checks will be delivered on the preceding day. Company may change from bi-weekly to semi-monthly paydays, in such case, paydays shall be the 15<sup>th</sup> day and last day of the calendar month unless such day fall on a holiday or weekend day, the payday shall be the business day immediately preceding the holiday or weekend day.
  - A. In the event paydays are changed to semi-monthly, the pre-tax employee

contribution for medical benefits shall be recalculated as follows:

- 1) the applicable pre-tax weekly contribution rate for the employee shall be multiplied by fifty-two (52) to produce a gross annual employee contribution for medical insurance;
  - 2) the gross annual employee contribution shall then be divided by twenty-four (24) to produce the pre-tax semi-monthly contribution rate for the employee.
3. When there is a shortage of one (1) day's pay or more in the pay of an employee, a payment will be issued to cover the shortage upon request by the employee. If not issued within seventy-two (72) hours of the request, a four (4) hour penalty at the straight time rate will be paid to the employee for each subsequent twenty-four (24) hour period in which payment is not issued, unless the shortage is due to the employee's failure to comply with the Company's posted time-keeping procedures.
  4. On those days when converting to and from Standard Time, those days will be treated as eight (8) hour work days.
  5. Employees discharged or leaving the service of the Company will receive absolute payment for all monies due pursuant to applicable law.
  6. Declination of time or expenses and the reasons therefore will be timely furnished in writing to the involved employee.
  7. Upon reasonable request by employees to the appropriate Company officer, employees may have their check delivered by U.S. mail to an address supplied by the employee.

## **ARTICLE R**

### **FINES**

The Company shall not impose fines as a means of assessing discipline.

## **ARTICLE S**

### **APPLICATION OF RATES**

An employee temporarily assigned to a position paying a higher rate than the position to which he is regularly assigned for four (4) hours or more in one day will be allowed the higher rate for the entire day. An employee temporarily assigned to a position by a proper Company authority paying a higher rate of pay for less than four (4) hours in one day will be paid the higher rate on a minute basis with a minimum of

one (1) hour. The rate of any employee will not be reduced when temporarily assigned to a lower rated position.

## ARTICLE T

### **PERSONAL INJURIES**

1. Employees injured while at work will be required to make and submit to the Company a written report of the circumstances of the accident just as soon as they are able to do so prior to going off duty, unless immediate medical attention is needed. If immediate medical attention is needed, the employee will make and submit such a written report just as soon as he is able to do so after obtaining medical attention. A copy of such report will be furnished the employee. Immediate medical attention shall be given the injured employee and the employee shall be permitted to return to work just as soon as able to do so. Employees may be required to produce a physician's report indicating their fitness for work, the cost of which will be borne by the Company in accordance with Article 14 of the Labor Agreement. Employees shall not be required to sign a release pending any final settlement of the case. All claims for personal injuries must be handled with the designated Company official.
2. **An employee who suffers a muscular skeletal injury while at work must report such injury in the manner described in paragraph 1 within forty-eight (48) hours of the occurrence of such injury.**

## ARTICLE U

### **HEALTH AND SAFETY**

1. The health and safety of employees is recognized to be an important concern of the Company. The Company shall make every reasonable effort to ensure that buildings which the company requires the employees to utilize shall be properly cleaned, ventilated, heated, lighted and kept in a sanitary condition to the extent appropriate for the purpose of the building.
2. An adequate supply of good, cool drinking water shall be furnished and sanitary drinking fountains shall be provided when practicable. Lockers, toilets and washrooms shall be kept in good repair and in a clean, dry and sanitary condition. Locker rooms and washrooms shall be adequately lighted and heated. Proper and suitable first-aid equipment shall be maintained at convenient and accessible locations and employees taken ill while at work shall be given medical attention as soon as possible.

## ARTICLE V

### **TOOLS, EQUIPMENT AND PROTECTIVE CLOTHING**

1. The company shall furnish employees all tools, equipment, furniture, goggles, rubber boots, aprons, hard hats, masks, respirators, ear protective devices and specialized protective clothing items when necessary for the safe performance of their duties. When such items are furnished, employees will be required to use them in accordance with the Company's instructions.
2. Employees must exercise reasonable care in the use of such items and upon leaving service or when requested, must return such items entrusted to them.
3. **Employees required to wear gloves during the course of their duties shall be furnished with up to two (2) pair of gloves per year by the Company. Additional pairs of gloves will be furnished to employees when needed upon the trade-in of worn out gloves.**
4. **For the duration of this Agreement, the Company will provide one (1) raincoat to employees who work in the rain, with replacements provided when the raincoats are damaged at work.**

## ARTICLE W

### **WEEKEND TRIPS**

Employees working away from their assigned headquarters point will be permitted to make trips to their home or their headquarters point on their rest days when requirements of service permit. Mileage payments will be paid for such trips pursuant to Article E to and from the employee's home or headquarters point, whichever is closer. Employees not permitted to return to their home or headquarters point will be paid a minimum of four (4) hours at the time and one-half rate for each rest day and expenses shall be paid pursuant to Article E.

## ARTICLE X

### **EMPLOYEE REPRESENTATIVES**

1. The Company recognizes that duly accredited employee representatives after notifying local management and making suitable arrangements may come onto Company property for a reasonable period of time to investigate complaints or grievances or to confer with Local Chairmen provided that in doing so they will not interfere with the performance of other employees' work or disrupt the Company's operations.

2. Committeemen and employees serving on Committees shall be granted leave of absence for the performance of Union business.

## **ARTICLE Y**

### **ORGANIZATION INFORMATION**

The first of each month the Company will provide the General Chairman of each Union a list of employees covered by the Agreement who are hired, their headquarters point, their home addresses, and Social Security Numbers (if available, otherwise the employees' identification number), a list of the employees recalled from furlough and a list of employees terminated (retired, resigned, discharged or deceased).

**NOTE:** The Company shall not provide to the Union the home address of an employee if such employee so requests.

## **ARTICLE Z**

### **DISTRIBUTION OF AGREEMENT**

Company employees covered by the Labor Agreement and this Quality of Work Life Agreement shall be furnished a copy of these agreements by the Company within sixty (60) days of date of first paid service with Company.

## **ARTICLE AA**

### **INTERPRETATIONS**

No interpretation shall be placed upon these rules unless agreed to by the Company and Unions or Applicable Union, unless such interpretation results from a valid arbitration decision.

## **ARTICLE BB**

### **CRAFT-SPECIFIC PROVISIONS**

Additional provisions of this Agreement applicable only to the employees of certain specified craft or crafts are set out in individual Craft Specific Provisions. Subject to the provisions of the Railway Labor Act, as amended, the Union specified in the Craft Specific Provisions shall be the recognized representative of the employees subject to such craft-specific provisions and shall have responsibility for negotiating any changes to such provisions.

## **ARTICLE CC**

In accordance with Article **23** of the Labor Agreement, the parties signatory hereto agree to bargain jointly on the common provisions of this Agreement.

## **ARTICLE DD**

### **SAFETY EQUIPMENT**

1. Employees covered by this Agreement shall be reimbursed for the cost of prescription safety eyeglasses a maximum of once each calendar year. It is understood that the Company may enter into contracts with prescription safety glass providers to obtain high quality prescription safety glasses at the lowest price.
2. If the Company makes steel-toed safety shoes mandatory footwear, for employees not previously required to wear them, such employees required to wear such safety shoes who are in active service at the time such shoes are made mandatory will be allowed an initial payment of **\$150.00**. On each following April 1, active employees who are required to wear steel-toed safety shoes shall be entitled to receive an annual payment in accordance with the following schedule:
  - **\$150.00 effective April 1, 2012 (net of any prior 2012 payment)**
  - **\$155.00 effective April 1, 2013**
  - **\$160.00 effective April 1, 2014**
  - **\$165.00 effective April 1, 2015**
  - **\$170.00 effective April 1, 2016**
3. It is understood that employees on furlough or approved leave of absence when such payments are made who would otherwise be eligible to receive such payments will receive such payments immediately upon their return to service. It is further understood that employees may not receive more than one initial **\$150.00** payment, nor more than one annual payment in subsequent years.

## **ARTICLE EE**

### **TECHNOLOGY AND TRAINING**

The Company agrees that as new technology is introduced into the workplace, the Company will provide affected employees with sufficient training necessary to learn the new technology at no cost or loss to the employee.

## ARTICLE FF

### **EFFECTIVE DATE**

This Agreement shall become effective upon execution by the Company and, in regard to the employees represented by each Union, execution by such Union

**Signed this 1<sup>st</sup> day of November 2012, to be effective November 1, 2012.**

**CRAFT- SPECIFIC PROVISIONS**  
**INTERNATIONAL BROTHERHOOD OF**  
**ELECTRICAL WORKERS**  
**COMMUNICATIONS DEPARTMENT**  
**EXHIBIT A**

**CLASSIFICATION OF WORK**

Except as otherwise provided herein or in the Labor Agreement, this Article will apply to and govern the employment and working conditions of all employees in the Communication Department who will perform work that consists of inspecting, assembling, installing, removing, dismantling, connecting, disconnecting, repairing, building, rebuilding, maintaining, overhauling, adjusting, applying, wiring, winding, balancing, calibrating, stripping, aligning, cleaning, lubricating and testing of such as, but not limited to, the following items and related appurtenances of each:

Closed circuit television transmitters, receivers and recorders; radios used for two-way communication and control; telephone and telephone systems and switching devices, and recorders; multiplexing and data switching equipment; train communication systems; train dispatcher communication systems; electronic and/or electrical testing instruments and devices; interoffice communications systems; electronic scales; automatic car and equipment identification systems; and any other systems or methods used for communication purposes.

**ARTICLE I**

**EMPLOYMENT CLASSIFICATION**

**Communication Technician**

Communication Technician is an employee assigned to work out of specific headquarters. The duties of the Communication Technician shall be to install, assemble, dismantle, inspect, test, adjust, repair and maintain various kinds of communication and electronic equipment such as: telephone carrier and switching equipment, data switching equipment, train dispatchers telephone and other communications systems, closed circuit television equipment, all radios used for two way communication and control, centralized radio control equipment, magnetic tape recording or playback equipment and any other systems used for communication purposes.

Communication employees will operate Company vehicles and be required to have a valid driver's license when performing work covered within this classification.

Communication employees shall be required to maintain a Federal Communications Commission General Class or higher license, or the equivalent thereof.

Communication Technicians shall be paid at the Special B Monthly rate of pay.

Communication Technicians shall be subject to call for overtime and emergency work pursuant to protection schedules established by the General Chairman and the Chief Engineering Officer. When subject to call, such employees must notify the appropriate Company Officer where they can be reached at all times.

Communication Technicians shall be paid the Special B Monthly rate and shall receive payment pursuant to Articles D and M of the Quality of Work Life Agreement for all overtime and emergency work performed. To determine the overtime rate, the Special B Monthly rate is divided by monthly base hours (173 1/3) to produce the hourly base rate, which is multiplied by one and one-half to yield the overtime rate.

General Chairman of the IBEW and the Chief Engineering Officer of MRL are to establish protection schedules for Communications Technicians covering overtime and emergency work. MRL and IBEW agree that they will attempt to develop protection schedules whereby individual employees will be subject to call for such work on alternating weekends. However, if such a schedule does not work in some or all cases, the General Chairman and Chief Engineering Officer will meet to resolve the schedule problems.

## **ARTICLE II**

### **SENIORITY**

- A. Acquiring seniority in a roster or rank in which seniority is not yet held can only be obtained by the assignment of a position by bulletin after it is bulletined as outlined in Article III.
- B. Two or more employees entering into the service on the same date will be shown on the roster on the basis of age with oldest employee listed first.
- C. Seniority rights and employees covered by this Agreement will extend over the entire railroad.

## ARTICLE III

### **BULLETIN AND ASSIGNMENT**

- A. Permanent positions which are vacant thirty (30) calendar days or more duration shall be bulletined.
- B. Temporary positions of thirty (30) calendar days or more but of 11 months or less duration, shall be bulletined as temporary.
- C. A vacancy created by a leave of absence in an established position or a new position of more than thirty (30) calendar days duration, will be promptly bulletined. Each bulletin shall show consecutive number, date of issue and date of expiration.  
For each position thereon, each bulletin will specify whether temporary or permanent, headquarters and current rate of pay, assigned hours, meal period and work rest days. New positions or vacancies which are known of in advance may be placed on bulletin up to a maximum of thirty (30) days in advance of the effective date.
- D. Bulletins issued pursuant to Paragraph C will be in effect for a period of ten (10) calendar days. So far as practicable, vacancy and award bulletins will be posted on Fridays as stated on bulletin. Bid applications must be post-marked by closing time and date stated on the bulletin. Employees desiring such vacancies or positions will file their written applications with the designated Company Officer during the bulletin period, with a copy to the General Chairman.
- E. Each new position or vacancy bulletined will be assigned to the senior applicant who holds seniority in the seniority group from which the position in question is filled.
- F. Positions or vacancies so bulletined pursuant to Paragraph C will be awarded to the senior applicant within ten (10) calendar days after the bulletin period expires. A standard sequentially numbered award bulletin will then be issued announcing the name of the successful applicant for a bulletined position or vacancy.
- G. Successful applicant will be placed on the new assignment within ten (10) calendar days from the date of the award. If a move to another geographic location is involved, release should be at close of shift on last day of work week to enable reporting at start of shift on first day of work week following. An employee must report to and perform service to receive a seniority date in the position awarded unless seniority date has already been established in that position. If the successful applicant is not placed on the new assignment within ten (10) calendar days from the date of the award because he is held off by the Company, the successful applicant shall be entitled to the rate of the position worked or the rate of

the new assignment, whichever is greater, plus \$10.00 over and above all other payments for each work day held off of new assignment.

- H. Bids will not be accepted from an employee while using flex time or other authorized leave of absence for jobs that are bulletined and closed during such absence. Such an employee will be permitted to displace a junior employee who received an award while the returning employee was on flex time or leave of absence in accordance with return from leave of absence provisions of Article K of the Quality of Work Life Agreement provided he does so within five (5) calendar days upon reporting back for service.
- I. When more than one (1) vacancy or new position exists at the same time, employee shall have the right to bid on any or all, stating preference.
- J. Positions or vacancies which are expected to be of thirty (30) calendar days or less duration will not be bulletined. Such positions and vacancies, when filled, may be filled by using any qualified employee available within the craft, with preference to the senior employee requesting the assignment.
- K. A position or vacancy under a bulletin may be filled temporarily pending assignment of successful applicant by using any qualified employee available within the craft, with preference to the senior employee requesting the assignment.
- L. Withdrawal of bids for positions advertised shall not be considered if postmark of withdrawal is after the closing date and expiration hour stated on bulletin. Withdrawal must be made in writing.

## **ARTICLE IV**

### **DISPLACEMENT**

- A. Company will establish a single central displacement office which will maintain current information as to names, locations and classifications of all employees in service and on furlough. Employees seeking to displace junior employees remaining in service shall obtain accurate information as to names and locations of such junior employees in the Company by use of a toll free telephone number which will be provided by the Company. Displacement notice may be made verbally (by telephone), by letter or by wire. However, it must be promptly confirmed in writing by letter or wire if made by telephone. All such notices shall be made to the central displacement office. Displacement notices may be accepted no later than 3:00 P.M. on the business day prior to the effective date of the displacement. An employee exercising displacement rights will notify the central Company office of the position to which he wishes to displace and the effective date of displacement. The central office will then advise the junior employee of this

displacement and of names, locations and classifications of junior employees retained in service so that he may properly exercise seniority. Employee displaced will be notified of his displacement as promptly as possible. If not notified prior to close of the central office on any regularly assigned work day, the employee will be permitted to work the next regularly assigned shift of the position from which he is being displaced.

- B. An employee whose position is abolished or who is displaced under this rule must exercise displacement rights within ten (10) working days of the date actually displaced. If an employee does not exercise displacement rights within this ten (10) working day period, he shall automatically forfeit his seniority in that class.
- C. An employee losing a permanent position through no fault of his own will exercise seniority on a position held by any junior employee in the same class.
- D. An employee losing a temporary position through no fault of his own may return to his regular assignment or he may displace any junior employee holding a temporary position.
- E. When headquarters of a position are changed, the regularly assigned employee on such position will retain his rights to such position if desired, or may, at his option, elect to give up such assignment and exercise his seniority in the same manner as if the position were abolished.
- F. If an employee working a temporary position owns a permanent position that is abolished or displaced by senior employee, he must either (i) exercise his displacement rights to another permanent position within ten (10) working days or (ii) complete his temporary assignment and then exercise his displacement rights to another permanent position within ten (10) working days of the expiration of the temporary assignment. Employees not making proper displacements known will lose their permanent status.

## **ARTICLE V**

### **DISTRIBUTION OF OVERTIME**

- A. When it becomes necessary for employees to work overtime, such overtime will be worked and employees shall not be laid off during regular working hours to equalize the time.
- B. To extent feasible, overtime will be equally distributed to employees at each location based on their preference.

## ARTICLE VI

### **SENIORITY RETENTION**

- A. Any employee who was promoted to an official, supervisory, or excepted position prior to August 1, 1991 may elect to retain and accumulate seniority within the craft or class represented by the organization party to this Agreement so long as he pays a monthly maintenance fee equal to the amount paid by the members of the organization. If such an employee elects not to pay said maintenance fee to retain his seniority and thirty (30) days written notice thereof is given to the Vice President of Labor Relations by the duly authorized representative of the organization party to this Agreement with a copy to the employee involved, that employee shall cease to accumulate seniority in the craft or class represented by the organization party to this Agreement and on each subsequent annual issuance of the seniority roster, the employee's seniority date will move forward one (1) full year.
- B. Any employee who is promoted to an official supervisory or excepted position subsequent to may elect to retain and accumulate seniority within the craft or class represented by the organization party to this Agreement so long as he pays a monthly maintenance fee equal to the amount paid by the members of the organization. If such an employee elects not to pay said maintenance fee to retain his seniority and thirty (30) days written notice thereof is given to the Vice President of Labor Relations by the duly authorized representative of the organization party to the Agreement with a copy to the employee involved, that employee's seniority in the craft or class represented by the organization party to this Agreement shall be terminated and his name will be removed from the seniority roster.
- C. If a person described in Paragraph (A) above has first elected to pay the maintenance fee but later rescinds that choice he will forfeit all seniority gained by payment of the fee and his remaining seniority will remain frozen as described therein.
- D. In the event an employee who has exercised the option to pay a maintenance fee and is not delinquent in his maintenance fee payments is subsequently relieved from such position by the Carrier (other than through dismissal for cause), he shall be entitled to displace an employee as per Article IV. In the event such an employee voluntarily demotes himself from his promoted position, he shall be entitled to displace the junior employee on the seniority roster or bid on a bulletined vacancy.
- E. An employee who, after the completion of the Probationary Period in positions covered under the Classification of Work rule herein, obtains permission from the

Company to transfer to another craft, whether or not covered by this agreement, shall be considered on leave of absence not to exceed six (6) months from the date of transfer. However, in instances where such transfer is to another shop craft where the employee enters an apprenticeship program, the employee's leave of absence shall extend to the date the employee establishes seniority in the craft to which transferred. An employee who transfers to another craft shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to retain and accumulate seniority in the craft from which transferred.

**NOTE:** Employee transfers between the Communication and Mechanical Departments shall be considered "craft" transfers for purposes of this rule and such transferred employees may be required to pay appropriate local committee monthly fees in order to retain and accumulate seniority in the department from which transferred.

An employee involuntarily relieved of a position to which transferred and no longer able to hold a position in that class or craft may, within five (5) calendar days, displace any junior employee under the scope of this Agreement whose position the employee is qualified to fill. An employee who voluntarily relieves him/herself from a position to which transferred will not be allowed any displacement rights, but will be placed on the first open vacancy. Thereafter, the employee may exercise seniority rights to obtain other positions as bulletined.

If, upon the expiration of the leave of absence, the employee has not returned to his/her former craft, the leave of absence and seniority in his/her former craft under this agreement shall automatically terminate.

Each employee covered by this agreement shall be limited to one (1) leave of absence for the purposes of transferring crafts under this provision.

## ARTICLE VII

### MEAL EXPENSE

An employee called out three (3) hours or more prior to his assigned hours during the work week on an overtime call will receive a per diem payment of \$8.00 for breakfast, provided there is no break in service between the work on his early call and his regularly assigned work shift.

- effective **November 1, 2012** the allowance shall be increased to **\$10.00**;
- effective **January 1, 2013**, the allowance shall be increased to **\$10.43**;
- effective **January 1, 2014**, the allowance shall be increased to **\$10.74**;
- effective **January 1, 2015**, the allowance shall be increased to **\$11.15**;
- effective **January 1, 2016**, the allowance shall be increased to **\$11.48**.

## ARTICLE VIII

Nothing in this Agreement in any way modifies, amends or restricts the provisions of Exhibits A and B of the Labor Agreement.

## ARTICLE IX

This Agreement shall be effective **November 1, 2012**, except as otherwise noted herein, and shall remain in effect until or unless changed under the provisions of the Railway Labor Act, as amended. Except as modified herein, all previous Agreements remain in full force and effect.

The parties signatory hereto shall not serve nor progress prior to **April 1, 2016** (not to become effective before **January 1, 2017**) any notice or proposal for the purpose of changing any provision contained herein, or which deals with matters presented by the parties during negotiations, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

This Article will not bar the Company and the Union from agreeing upon any subject of mutual interest.

SIGNED AT MISSOULA, MONTANA, THIS **1st** DAY OF **NOVEMBER 21012**.

For the International  
Brotherhood of  
Electrical Workers:

For Montana Rail Link, Inc.

-s- Dale Doyle  
Dale Doyle  
General Chairman

-s- Michael R. Lemm  
Michael R. Lemm  
Vice President Operations

## **MECHANICAL DEPARTMENT**

### **CLASSIFICATION OF WORK**

#### **ELECTRICIANS**

Electricians' work shall consist of removing, applying, maintaining, repairing, rebuilding and inspecting all electrical components, along with all wiring and conduit associated with the electrical components on any locomotive, rolling stock, shop machinery or shop equipment, when it is in a repair facility.

It shall be electricians' work to maintain, repair, rebuild and inspect the electrical wiring and fixtures on Montana Rail Link's facilities (excluding the General Office Building). Nothing herein shall in any way modify, amend or restrict provisions of Exhibits A and B of the Labor Agreement.

**NOTE:** Electricians' positions responsible for preparing and filing FRA Inspection Reports shall be entitled to an additional **\$.50** per hour.

**NOTE:** Electricians assigned to weld more than four (4) hours in a shift shall be entitled to an additional twenty-five cents (\$.25) per hour for their entire shift. In the event the Company establishes and advertises particular machinist's positions as "welder" positions, such positions shall receive this additional twenty-five cents (\$.25) per hour for their entire shift.

## **ARTICLE I**

### **PROTECTION FOR ELECTRICIANS**

Switches of repair tracks will be kept locked with special locks, and men working on such tracks shall be notified before any switching is done. A competent person will be regularly assigned to perform this duty, among other assigned duties, and held responsible for seeing it is performed properly.

## ARTICLE II

### **BULLETINING VACANCIES AND NEW POSITIONS**

A. A vacancy of thirty (30) calendar days or less duration in an established position (as a result of sickness, injuries, transfers and leaves of absence) or a new position of thirty (30) calendar days or less duration or the position of a vacationing employee may be filled without bulletining, by transferring the senior qualified employee assigned to the facility where such vacancy or position develops requesting such vacancy or position. In the absence of any such request, or furloughed employees being assigned thereto, the junior employee in the facility may be assigned. A temporary vacancy of more than thirty (30) calendar days, other than vacation, shall be bulletined as a temporary vacancy including vacancies of employees filling temporary vacancies. Such bulletins will indicate the reason for the vacancy and identify the permanent incumbent.

1) If it is necessary to call furloughed employees other than those making request for such temporary vacancies, it is understood that inability to accept the proffered employment shall not constitute a forfeiture of seniority rights. However, the restoration of forces, or increase in forces, shall not be construed as a "temporary vacancy" irrespective of the length of time additional forces may be required.

2) When the regular incumbent returns, he will have the option of exercising seniority on any position bulletined during his absence or returning to the position he occupied prior to his absence. However, if he was displaced by a senior employee under the provisions of Article J during his absence, he will not be permitted to return to his former position but may displace a junior employee upon his return.

3) The employee filling a temporary vacancy when displaced by the regular incumbent of the position which was vacant must return to the position he was holding when he bid on the temporary vacancy. He cannot displace any other employee unless a vacancy has occurred on which he could have exercised seniority if he had remained on the position to which assigned and had not taken the temporary vacancy.

4) If the employee who caused a temporary vacancy does not return to work for the Company, this position will then be bulletined as a permanent vacancy in accordance with the provisions of paragraph (b) of this rule.

- B. A vacancy of more than thirty (30) calendar days duration in an established position or a new position of more than thirty (30) calendar days duration will be promptly bulletined. Such bulletin will be of the form showing title of position, headquarters, rate of pay, hours of service and rest days. New positions or vacancies which are known of in advance may be placed on bulletin up to a maximum of thirty (30) days in advance of the effective date.
- C. Bulletins issued pursuant to paragraph (b) will be posted for a period of ten (10) calendar days and employees desiring such vacancies or position will file their written applications with the Officer whose name appears on the bulletin during the bulletin period, with copy to the local chairman.
- D. Positions or vacancies so bulletined pursuant to paragraph (b) will be awarded to the senior applicant within ten (10) calendar days after the bulletin period expires. A standard bulletin will be posted immediately announcing the name of the successful applicant for a bulletined position or vacancy, with copy to local chairman.
- E. In the event there are no applicants for a position or vacancy bulletined pursuant to paragraph (b), such position or vacancy will then be filled by using the senior furloughed employee.
- F. Successful applicant will be placed on the new assignment within ten (10) days from the date of the award, if possible to do so. If not placed on the new assignment within ten (10) calendar days from the date of the award, the successful applicant will be entitled to the rate of the position worked or the rate of the new assignment, whichever is the greater, plus **\$10.00** for each day worked.
- G. When an employee is awarded a bulletined position they will not be permitted to return to the position which they vacated except upon a subsequent vacancy, or unless there are no other applicants for the position.
- H. Employees will be given cooperation by the Company in qualifying for positions secured in the exercise of seniority. When new jobs are created or permanent vacancies occur in the respective crafts, the senior employee applying shall be given preference in filling such new jobs and permanent vacancies. In the event such employee is not disqualified within thirty (30) working days because of incompetency, he shall be considered qualified for such position.

- I. It is understood that rearrangement of forces within a location, which does not involve an increase or decrease in force will be confined to that location and will be subject to bulletin at that location only, nor will it give any employee at that location the right to exercise displacement outside his own work location facility. Copy of all bulletins and awards will be given to local chairman.

**NOTE:** When a vacancy exists on a Mechanical Foreman's position the company may select a qualified employee from the ranks of the shop craft employees to assume the Foreman's responsibilities. In lieu of the application of Article S of the Quality of Work Life Agreement, the individual selected shall be paid as follows:

- 1) If the Foreman's vacancy is on the selected employee's regular shift, the employee shall receive ten (10) hours pay at the straight-time Class B rate of pay; or
- 2) If the Foreman's vacancy is not on the selected employee's regular shift, the employee shall receive twelve (12) hours pay at the straight-time Class B rate of pay.

### **ARTICLE III**

#### **DISTRIBUTION OF OVERTIME**

- A. When it becomes necessary for employees to work overtime, such overtime will be worked and employees shall not be laid off during regular working hours to equalize the time.
- B. Overtime will be distributed to employees on each shift by establishment of an overtime call list on each shift, and employees thereon will be used for overtime work in such rotation as to equally distribute it among them. A record of overtime will be kept and made available to the Shop Committee.
- C. When the same number of employees are worked on holidays as are assigned to work that same day of each week, the regularly assigned employees will be given preference in working the holiday. In all cases of reduced holiday forces, employees will be called on the basis of being first out on the overtime list of the shift involved.

- D. Employees for overtime service will be obtained first by calling the employees on the overtime call list who are on rest days of the shift involved. Additional employees, if needed, will be called first from the overtime list of the preceding shift; and if still more employees are needed, they will be called from the overtime list of the following shift.
- E. If an employee is held over beyond the close of his regular shift to complete the unfinished job at hand and he has worked three (3) hours or more, the first man out for overtime on the shift on which the overtime occurs will be paid a like amount of time at the penalty rate beginning at the time the overtime first starts. The provisions of this paragraph shall not be consistently used to defeat the intent of equitable distribution of overtime.

## **ARTICLE IV**

### **SENIORITY RETENTION**

- A. Any employee who was promoted to an official, supervisory, or excepted position prior to August 1, 1991 may elect to retain and accumulate seniority within the craft or class represented by the organization party to this Agreement so long as he pays a monthly maintenance fee equal to the amount paid by the members of the organization. If such an employee elects not to pay said maintenance fee to retain his seniority and thirty (30) days written notice thereof is given to the designated Company Officer by the duly authorized representative of the organization party to this Agreement with a copy to the employee involved, that employee shall cease to accumulate seniority in the craft or class represented by the organization party to this Agreement and on each subsequent annual issuance of the seniority roster, the employee's seniority date will move forward one (1) full year.
- B. Any employee who is promoted to an official, supervisory, or excepted position subsequent to August 1, 1991 may elect to retain and accumulate seniority within the craft or class represented by the organization party to this Agreement so long as he pays a monthly maintenance fee equal to the amount paid by the members of the organization. If such an employee elects not to pay said maintenance fee to retain his seniority and thirty (30) days written notice thereof is given to the designated Company Officer by the duly authorized representative of the organization party to this Agreement with a copy to the employee involved, that employee's seniority in the craft or class represented by the organization party to this Agreement shall be terminated and his name will be removed from the seniority roster.

- C. If a person described in Paragraph (a) above has first elected to pay the maintenance fee but later rescinds that choice he will forfeit all seniority gained by payment of the fee and his remaining seniority will remain frozen as described therein.
- D. In the event an employee who has exercised the option to pay a maintenance fee and is not delinquent in his maintenance fee payments is subsequently relieved from such position by the Carrier (other than through dismissal for cause), he shall be entitled to displace an employee as per Article II. In the event such an employee voluntarily demotes himself from his promoted position, he shall be entitled to displace the junior employee on the seniority roster or bid on a bulletined vacancy.
- E. In lieu of the application of Article K, paragraph (4) - Return from Leave of Absence of the Quality of Work Life Agreement, as amended by the April 1, 1997 Agreement, the following paragraph shall be added as paragraph (e) to Article IV of the Craft Specific Provisions:

An employee who, after the completion of the Probationary Period in positions covered under the Classification of Work rule herein, obtains permission from the Company to transfer to another craft, whether or not covered by this agreement, shall be considered on leave of absence not to exceed six (6) months from the date of transfer. However, in instances where such transfer is to another shop craft where the employee enters an apprenticeship program, the employee's leave of absence shall extend to the date the employee establishes seniority in the craft to which transferred. An employee who transfers to another craft shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to retain and accumulate seniority in the craft from which transferred.

**NOTE:** Employee transfers between the Communication and Mechanical Departments shall be considered "craft" transfers for purposes of this rule and such transferred employees may be required to pay appropriate local committee monthly fees in order to retain and accumulate seniority in the department from which transferred.

An employee involuntarily relieved of a position to which transferred and no longer able to hold a position in that class or craft may, within five (5) calendar days, displace any junior employee under the scope of this Agreement whose position the employee is qualified to fill. An employee who voluntarily relieves him/herself from a position to which transferred will not be allowed any displacement rights, but will be placed on the first open vacancy. Thereafter, the employee may exercise seniority rights to obtain other positions as bulletined.

If, upon the expiration of the leave of absence, the employee has not returned to his/her former craft, the leave of absence and seniority in his/her former craft under this agreement shall automatically terminate.

Each employee covered by this agreement shall be limited to one (1) leave of absence for the purposes of transferring crafts under this provision.

## **ARTICLE V**

### **APPRENTICES**

- A. Selection - Management shall select candidates for apprenticeship solely on the basis of the applicants' qualifications.
- B. Training Period - Apprentices shall serve eight (8) training periods totaling 976 days. These training periods contemplate days of actual work on regular working days. However, flex days with pay shall be credited toward the required days of training period in the same manner as days of work. Overtime worked by apprentices shall not be counted.
- C. Probationary Period - All apprentices shall be subject to a probationary period of 122 workdays, during which they may be dropped at any time they are determined by the Company to show insufficient aptitude or interest to learn the trade. However, when an apprentice is dropped after the 122nd day of the probationary period, 5 calendar days notice will be given to the local chairman. Nothing in this paragraph shall be construed as prohibiting an apprentice from being dismissed or dropped from the apprenticeship program through the procedures of Article 13 of the Labor Agreement for cause, subsequent to the probationary period.

- D. Hours of Work - Apprentices may be assigned to the same hours, starting time, and work weeks to which mechanics are assigned at the facility in question, except apprentices during the first four periods of their apprenticeship shall only be assigned to the first shift and the ratio of not more than one apprentice to three mechanics shall be applied on each shift unless otherwise agreed to by the local committee in individual cases. However, apprentices shall not be placed on the overtime call list; and they will be used for overtime work only when all available mechanics on the overtime call list have been called.
- E. On-The-Job Instruction - Apprentices shall work under the direction of a journeyman of the craft. Two apprentices shall not be directed to work together as partners.
- F. Technical Instruction - Each apprentice, including those upgraded, will receive and complete a course of instruction on the technical subjects related to his trade, the cost of which shall be paid by the Company. This related instruction will include classroom instruction provided on the Company property, classroom work at outside vocational or trade schools, or correspondence courses or a combination thereof. The total amount of related instruction will be at least 144 hours per year or equal in substance to the Railway Educational Bureau program currently in effect. The Company will pay for the cost of any drawing instruments and supplies which will become the property of the apprentice upon satisfactory completion of technical training. If the training is terminated for any reason prior to completion, the drawing instruments and unused supplies shall be returned to the Company in good condition or the cost may be deducted from the employee's wages due. When the Company determines that an apprentice has not maintained satisfactory progress on related technical training, he may be dropped from the apprenticeship program, which shall be handled in accordance with Article 13 of the Labor Agreement after the probationary period specified in Paragraph (c) above. Progress in connection with correspondence lessons and/or classroom attendance will not be considered satisfactory if the apprentice becomes delinquent in completing his lessons or fails to attend more than one classroom assignment, or if the apprentice becomes more than two months behind in reworking lessons graded at less than 75 percent; but illness or other causes beyond the control of the apprentice will be taken into consideration. An apprentice dismissed from service solely because of unsatisfactory correspondence course progress will be reinstated if he submits all lessons in arrears in satisfactory condition to the apprentice supervisor within ten (10) calendar days after his dismissal.

- G. Transfers - Apprentices who are not working in an upgraded mechanic status may be required to transfer to any other facilities and locations away from their home point for the purpose of improving their training. When such transfer is to a facility more than 30 miles from the apprentice's present facility, fifteen (15) calendar days advance notice will be given, and the following special rules will apply (this does not include permanent transfers allowed at the request of the apprentice and not required by management):
- 1) Transportation for the initial trip to the away-from-home point and for the final return trip for the transfer back to home point will be furnished by the Carrier or, at the Carrier's option, the Carrier's authorized rate per mile will be paid for the round trip. In addition, for that round trip, the apprentice shall be allowed the straight time hourly rate of pay while traveling during the regular working hours of his work week, but time traveling outside his regular working hours and on rest days shall not be paid for.
  - 2) At the time notice of transfer is given, the apprentice will also be advised as to whether he will be paid meal and lodging expense allowance under Article E or whether he will be reimbursed for the actual necessary traveling expenses of himself and the members of his family in making the transfer. If the transfer of the apprentice is for the purpose of attending a technical or manufacturer's school, he shall be paid the hourly rate of his position, for eight hours per work day, five work days per week, during such periods of assignment, and the Article E expenses.
- H. Apprentice Seniority - Apprentices who hold seniority in other classes under agreements with any of the parties hereto, will retain and accumulate that seniority during their training period; but all such seniority shall automatically terminate upon acquisition of an electrician journeyman's seniority date. Apprentices will hold seniority as such, separated by crafts, as of the first day worked as apprentice. This seniority will be utilized only for the purpose of flex day selection, reduction in force and for choice of working hours and rest days, when more than one apprentice is in training at the same point and a seniority preference can be honored without interfering with training in the various aspects of work.

- I. Administration - The Company shall designate some particular person to supervise the apprenticeship program and the training program as outlined. Adequate records will be maintained as to the work experience, related instruction and progress of each apprentice and will be made available for inspection to the general chairman of the craft involved. These records for any apprentice may be destroyed 60 days after his certificate of completion has been issued. In the event an apprentice is not making satisfactory progress, the Carrier's representative referred to herein and the general chairman of the craft involved, shall attempt to ascertain the cause and correct any deficiencies.
- J. Training Schedule - Apprentices will receive training and on-the-job experience in the below-listed aspects of their trade, sufficient to enable them to perform their duties in an efficient and workmanlike manner, in accordance with a detailed program to be prepared and furnished to the general chairman from time to time by the apprentice supervisor, and the response of the general chairman will be given consideration with the view of upgrading the training programs. It is further understood that such training will be provided as it is or becomes available. Insofar as practicable, on-the-job training and technical training will be on the same subject at the same time. It is recognized that because the facilities and work vary from point to point the training schedules will vary accordingly in order to properly train the apprentice for the work he is most likely to be required to perform as a journeyman. These training schedules are not intended to change classification of work rules or jurisdictional practices.

1) Electrical Shops

Instruction in electrical inspecting, testing, adjustments, and repairs to motors, generators, commutators, switches, contactors, relays, thermostats, disconnects, meters, distributor panels, motor generator sets, converters, electric welding machines, starting compensators, and other electrical equipment repaired in the shop; repairs to electric controls, relays, reversers, control panels used on diesel locomotives; repairs to electric controls and components thereof related to passenger car air conditioning, and car lighting equipment; winding armatures and coils; use, operation and repair of electrical and electronic test equipment such as volt ohm meters (A.C. and D.C.) vacuum tube volt meter, signal generators, meggers, digital frequency counters, local control test sets, oscilloscopes, power supply units and other sophisticated electrical test equipment as it is made available for use; oxyacetylene and electric welding; study of wiring diagrams, prints and schematics relative to the above listed items.

2) Locomotive Engine (electrical portion) maintenance, inspection and repair.

Electrical inspection, trouble shooting, adjusting and repair (running repairs); inspection, repair and maintenance of traction motors, main generators, blower motors, auxiliary generators, dynamic grids, fuel pump motors, eddy current clutches, electrical repairs to the same while in motion; removal, testing and repair also application of electrical controls, electric panels, electric fixtures, heaters, lights, train alerters and other similar electrical equipment; rewiring of cab bodies and locomotives - all conduit work; operation and use of electronic test equipment relative to the above; study of wiring diagrams, prints and schematics relative to the above.

3) Car Shops and running repair points.

Car lighting, air conditioning and wiring, conduit work, electrical repairs to motors, generators (A.C. and D.C.), electric water coolers, electric dining car equipment, transformers, power supply equipment pertaining to electricians' work; removal and application of solid state controls, control panels, alternators, rotary converters, generating control panels, and other similar electrical equipment; mechanical refrigeration (electrician's work), removal and application of electrical and electronic controls, components thereof, conduit wiring, trouble shooting and repairs; cabooses and heater cars - wiring, conduit work, testing, installation of batteries, cables and other electrical equipment, instruction in the use of watt hour meter and hydrometer; battery shop - inspect, test, rebuild, repair and charge batteries; instruction in the use of all electrical and electronic test equipment used on the above items.

- K. Apprentices in Service - Any apprentice who has started his apprenticeship training before the date of this agreement shall have the remainder of his training changed to conform as nearly as practicable to this agreement, and the overall length of his training shall not exceed the time specified in paragraph (b) if it has not already done so. Any apprentices whose training is so altered and who end their training on the same date, will be placed on the seniority roster in the same order as their standing in the training program, determined by the number of days completed on the date of this agreement.

Under ordinary circumstances journeymen electricians will not be laid off in force reduction ahead of electrician apprentices at a point where one or more apprentices are employed.

- L. Completion of Apprenticeship - Upon completion of the apprentice training program under this agreement, the apprentice will be placed on the journeyman mechanic's roster of his craft. His seniority date shall be arrived at by counting back from the date following the date he completed the apprenticeship program 976 working days. In counting back the 976 working days, all the normal working days (5 days per week) at the shop in question, which were available to be worked (whether he worked or not), plus flex days with pay, shall be counted. However, employees who entered military service or lost time due to National Guard or military reserve training or duty after having started an apprenticeship, shall omit time lost due to such military service in accordance with legal requirements in applicable veterans' reinstatement legislation. Time lost to on-the-job injuries shall also be omitted. This paragraph is applicable to any apprentice who started his training before the date of this agreement, but the application of the paragraph shall not result in any such apprentice acquiring a journeyman's seniority date senior to a journeyman in service as of the effective date of this agreement.
- M. Experience Credit - Any apprentice with previous experience or experience obtained while furloughed or formal training received prior to the apprenticeship or furlough, applicable to his craft, may, within ninety (90) days of the beginning of his apprenticeship or recall to service, as the case may be, by written request submitted to the apprentice supervisor, have such experience or training evaluated by the apprentice supervisor and the general chairman involved. Only one (1) such request shall be considered for prior electrical experience or formal training prior to apprenticeship, and one (1) such request shall be considered for experience or formal training obtained while furloughed, upon being recalled to work. The apprentice supervisor, shall, after joint evaluation, advise the apprentice within ninety (90) days of the date of the apprentice's request, of any advance credit he will be granted. If after joint evaluation, the apprentice supervisor and the general chairman are unable to agree on granting advance credit, and the general chairman confirms his position in writing, the apprentice will be advised that no advance credit will be granted. Should the general chairman fail to participate in the evaluation, or fail to submit his decision thereon to the apprentice supervisor within sixty (60) days, the apprentice supervisor shall make the determination which shall be final.

- N. Ratio - The ratio of apprentices in each craft shall not be more than one (1) to three (3) mechanics, and shall be applied as nearly as possible at each point and during force reductions. When the needs of the service require more apprentices, the matter shall be submitted to the general chairman of the craft involved.
- O. Safety - All apprentices shall receive instruction on safety practices throughout the term of apprenticeship.
- P. Certificate - The following certificate shall be furnished to all apprentices upon completion of apprenticeship:

**Certificate of Apprenticeship**

This will certify that on \_\_\_\_\_, \_\_\_\_, 19\_\_\_\_, \_\_\_\_\_ completed the course of apprenticeship prescribed for \_\_\_\_\_ and is entitled to the rate of pay and conditions of service of a mechanic in that craft.

\_\_\_\_\_  
**Chief Mechanical Officer**

- Q. Rate of Pay - The following rates of pay, subject to future general wage increases (including COLA), will prevail for all apprentices:

1. <u>Regular Apprentice</u>	<u>Rates</u>
First 122-day period per hour	<b>\$16.97</b>
Second 122-day period per hour	<b>\$17.53</b>
Third 122-day period per hour	<b>\$18.07</b>
Fourth 122-day period per hour	<b>\$18.62</b>
Fifth 122-day period per hour	<b>\$19.16</b>
Sixth 122-day period per hour	<b>\$19.69</b>
Seventh 122-day period per hour	<b>\$20.23</b>
Eighth 122-day period per hour	<b>\$20.78</b>

These rates of pay are not subject to the provisions of Article 11 of the Labor Agreement.

## ARTICLE VI

### UPGRADING

- A. The upgrading of apprentices to positions of electricians may be made only when all electricians to the seniority district are assigned to work not less than 40 hours per week (except in a week in which a holiday occurs) and there are no additional qualified electricians available with which to increase the force.
- B. The upgrading of apprentices to serve as an electrician will be made in seniority order except as provided for in paragraph (c) hereof.
- C. Initial advancement of apprentices to service as an electrician will be made in seniority order unless the apprentice is unqualified to perform service in an advanced capacity. The local supervisor and local committee will agree to the qualifications of the apprentice subject to the approval of the general foreman and general chairman.
- D. Electrician apprentices will not be upgraded except by written agreement on an individual basis between the general chairman and the local Carrier representative. However, the senior apprentice at the location or those apprentices from other locations in the seniority district as provided for in paragraph (g) may be upgraded immediately, pending the execution of the written agreement required herein, for a period not to exceed sixty (60) days.
- E. The local Carrier Officer shall advise the general chairman and Manager of Mechanical Training in writing, when an apprentice is upgraded or downgraded.
- F. Apprentices upgraded under this agreement shall continue to accumulate seniority as apprentices and all time worked, except overtime, as an upgraded electrician will be credited to their apprenticeship time. Upon completion of the apprenticeship time the upgraded apprentice will be placed on the appropriate electricians roster in accordance with the provisions of the apprentice agreement.
- G. Only apprentice employees at the location where the vacancy exists, or those apprentices from other locations in the seniority district who have signified, in writing, to their supervisor and the general chairman their willingness to accept an upgraded position at any location in their seniority district at least fifteen (15) days prior to the existing vacancy, will be considered for upgrading.

- H. A seniority roster will be established and maintained for apprentices advanced to service as electricians denoting the date of initial advancement. This roster shall be used for the downgrading and upgrading of these employees, the assignment of vacations, force reductions, bidding for positions, and for any seniority moves involving service in an upgraded capacity. Copy of such roster will be furnished to the local chairman.
- I. If qualified journeymen furloughed from other MRL seniority districts desiring employment become available at locations where apprentices are advanced, such qualified electricians will be employed in preference to advanced apprentices.
- J. Apprentices advanced under this agreement shall not be advanced for periods of less than 30 days at a time.
- K. Apprentices returning from military service will be permitted to displace junior employees upgraded during their absence.

## ARTICLE VII

The Memorandum of Agreement shall be effective **November 1, 2012**, and shall remain in effect until or unless changed under the provisions of the Railway Labor Act, as amended. Except as modified herein, all previous agreements remain in full force and effect.

The parties signatory hereto shall not serve nor progress prior to **April 1, 2016** (not to become effective before **January 1, 2017**) any notice or proposal for the purpose of changing any provision contained herein, or which deals with matters presented by the parties during negotiations, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

This Section will not bar the Company and the Union from agreeing upon any subject of mutual interest.

Signed this **1st** day of **November 2012**.

/s/ <u>Dale Doyle</u> Dale Doyle General Chairman International Brotherhood of Electrical Workers	/s/ <u>Michael R. Lemm</u> Michael R. Lemm Vice President Operations Montana Rail Link
---	---