

- 1989 -

I N D E X

SUPPLEMENTAL BENEFIT AND VOLUNTARY SEPARATION  
AGREEMENT

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SUPPLEMENTAL BENEFIT AND VOLUNTARY  
SEPARATION AGREEMENT

MEMORANDUM OF AGREEMENT between The Atchison, Topeka and Santa Fe Railway Company and its employees on the Texas Division represented by the United Transportation Union, Conductors, Brakemen and Yardmen's Committees.

The parties to this Agreement recognize the necessity of providing efficient and competitive transportation service to Santa Fe customers; and that the future success of this company and its ability to provide employment opportunities and job stability is directly related to the ability of the Santa Fe to meet this requirement. The parties also desire to provide benefits for conductors, brakemen and yardmen who now benefit from the existing crew consist agreement.

THEREFORE, it is agreed the Crew Consist Agreement dated May 19, 1981 and related Side Letter Agreements are amended as follows:

Article 1 - Supplemental Separation Benefit

Carrier shall provide a supplemental separation benefit to be paid to eligible employees as follows:

- a. Each trainman/yardman with a seniority date on or before May 15, 1981 who is in active service or furloughed status as a conductor, brakeman or yardman on the effective date of this agreement will be considered an "Eligible Employee."
- b. Each Eligible Employee will be paid a lump sum benefit in cash and/or capital stock of the Carrier as set forth herein upon termination of employment after December 16, 1989, retirement or upon his earlier death.
- c. Subject to subparagraph (e) below, the amount of the Supplemental Separation Benefit will be \$75,000 plus an adjustment increase of 3.5% per year, for each fiscal year following 1989 through the fiscal year prior to the fiscal year in which the benefit is paid.
- d. Ninety days after the effective date of this agreement, the Carrier shall establish irrevocable trusts substantially in the form of Attachments A1, 2 and 3 hereto, and shall deposit sufficient cash, securities and insurance contracts to fund the Supplemental Separation Benefit as provided in the attachment. The Supplemental Separation Benefits will be paid from the trusts but the Carrier may at its discretion, pay the benefits directly from its own funds. The trust funding shall comply with the requirements of Title I of the Employee Retirement Security Act of 1974.

- e. In lieu of \$10,000 of the adjusted benefit provided in paragraph (c) above, Carrier will substitute capital stock of The Atchison, Topeka and Santa Fe Railway Company, or its successor, or of a holding company formed to hold the capital stock of The Atchison, Topeka and Santa Fe Railway Company or its successor and any related rail assets provided that said capital stock constitutes more than 75% of the company (hereinafter "Railroad stock"). The stock shall be substituted only if more than 20% of the capital stock is publicly traded within two years of the effective date of this agreement. If there is an initial public offering of Railroad stock, the number of shares substituted shall be calculated by using the public offering price. If the shares are distributed to the stockholders of Santa Fe Pacific Corporation or otherwise distributed to the public, the number of shares substituted shall be calculated by determining the average of the prices midway between the high and low market price of the stock for each of the first 10 days of trading. All dividends attributable to such stock will be reinvested in the trust in additional stock for the benefit of the Eligible Employees, and no further inflation adjustment under subparagraph (c) will apply to the stock portion of the benefit. Thereafter, all benefits paid to eligible employees under subparagraph (c) will consist of both a cash portion (as adjusted) and a Railroad stock portion. In the event Railroad stock is not publicly traded within two years of the effective date of this agreement (unless extended by agreement of the joint Labor-Management Committee established by Article 10), the entire benefit will be payable in cash, and Carrier shall deposit with the Trustee sufficient additional cash, letter of credit and/or insurance contracts to fund the entire Supplemental Separation Benefit in cash.

EXAMPLE: Suppose this agreement becomes effective July 1, 1989. If ATSF capital stock is offered to the public in March, 1991 at a price of \$20 per share, then 500 shares of stock per eligible employee would be substituted for each employee:

Total benefit prior to substitution  
 $\$75,000 \times 1.035 = \$77,625.00$

Stock Portion  
 $\$10,000.00 \div \$20 = 500 \text{ shares}$

Cash portion  
 $\$77,625.00 - \$10,000 = \$67,625.00$

- f. It is intended that the eligible employees will not be subject to federal income taxation on the Supplemental Separation Benefit until the benefit is actually paid. It is also intended that this benefit comply with the welfare benefit requirements of the Employee Retirement Security Act of 1974. By joint concurrence, the parties may amend or modify this agreement, the trust or take other necessary action, including payment of benefits prior to retirement, death or resignation, to maintain compliance with ERISA and income tax requirements or to convert the trust to a qualified benefit plan.
- g. Unless modified or amended by the parties as provided above, this Article I shall remain in effect from the effective date of this agreement until the date that all claims for supplemental separation benefits have been satisfied.

#### Article 2 - Initial Voluntary Separation Benefit

- a. During the first 90 days this agreement is in effect, Carrier will process requests for a lump sum separation payment in the amount of \$75,000.00, less usual deductions, from active trainmen/yardmen with a seniority date on or before May 15, 1981. The employee will have the following options:
  - 1. Lump sum payment at time of resignation.
  - 2. Equal monthly payments for up to 24 months. During the months payments are made, the Company will continue medical and dental benefits for the employee and his dependents.
- b. In addition to the allowance provided in Item a., all earned ungranted vacation will be paid. Those active employees who are 55 years of age or older will also be entitled to a \$10,000 death benefit.
- c. The number of requests accepted by the Carrier will be limited to the number of employees determined to be surplus on each seniority district, which shall equal the number of employees on the reserve board established pursuant to Article 4 of this Agreement. If excess requests for separation are received, seniority will prevail.
- d. Employees accepting a lump sum severance payment will not be eligible for other provisions of this agreement, except such employees will not forfeit their share of the

Productivity Account accrued prior to implementation of this agreement.

Article 3 - Crew Size

Art 9  
Crew  
Consist

a. A standard crew shall consist of one conductor/engine foreman and one brakeman/helper, except as otherwise provided herein.

b. Paragraph (a) does not preclude the Carrier from electing to use more than one brakeman/helper if it determines the needs of the service so require. Upon request, the Division Manager will review situations where the local chairman feels more than one brakeman or yardman should be used.

c. Carrier may establish conductor-only service subject to the following conditions:

- (1) Trains will not exceed 5,000 feet in length, exclusive of engine; unless a brakeman is utilized.
- (2) Conductors will only protect intermodal trains and will not be required to make more than two straight set-outs or two straight pickups, or one of each per tour of duty, including work at a terminal or en route, excluding bad orders. An intermodal train is one which consists of at least 90% TOFC/COFC, double-stack and/or Roadrailer cars.
- (3) Conductors will be assigned to a pool of designated intermodal trains and the assigned service and starting time rules will apply; however, to avoid train delay, a conductor may be called as much as two hours in advance of his assigned starting time without penalty if the employee can be contacted.
- (4) The local chairmen and division managers will cooperate in establishing the assignments. Any mileage equalization will be resolved by the Organization in a manner that will not result in additional expense or train delay to the Carrier.
- (5) Vacancies will be filled by the controlling extra board on the seniority district to which the assignment belongs.
- (6) District miles will be allowed. Miles in excess of the basic day will be allowed at the basic rate in effect October 31, 1985.

- (7) Conductors protecting this service will not stop to eat en route and will be allowed \$1.50, unless time on duty exceeds 8 hours, in which event they will be allowed \$5.00.
- (8) The overmile rate for conductors protecting service under Paragraph c. hereof will be increased by two cents per mile.
- (9) (a) Conductors may be assigned to protect the following maximum number of intermodal trains:
  - 3 sets (pairs) on the Texas Division. One additional set of trains will be included in the assigned pool to provide flexibility and assurance assignments will operate as near on time as possible.
- (b) Conductors in this service will not protect trains except those designated in the assigned pool.

NOTE: The provisions of this Article 3(c) are subject to modification in accordance with Article 10.

#### Article 4 - Reserve Boards

- a. Carrier will establish one brakeman/yardman reserve board on each seniority district for employees with a seniority date prior to October 31, 1985 and the number of positions on each reserve board will be equal to the number of excess brakemen/yardmen resulting from the application of this agreement, i.e., the number of employees unable to hold an assignment or the extra board.
- b. Absent sufficient voluntary requests for the reserve board from senior employees, the most junior excess brakemen/yardmen will be assigned.
- c. Employees on reserve boards will be subject to the following conditions:
  - 1. An employee shall receive the greater of:
    - (a) 70% of his/her actual 1988 earnings, or
    - (b) 70% of the current helper's rate (subject to future wage increases) for five days per week.

2. An employee on the reserve board must remain in that status until he either (i) is recalled and returns to service, (ii) resigns from employment with the carrier, (iii) retires on an annuity (including a disability annuity) under the Railroad Retirement Act, (iv) becomes otherwise not entitled to free exercise of seniority under agreement rules, or (v) elects to return to active service after being in reserve status voluntarily for 120 consecutive days, whichever occurs first. If an employee voluntarily elects to return, he must remain in active service, seniority permitting, for 120 consecutive days before being permitted to again elect reserve status.
3. Any employee on the reserve board for 24 consecutive months, must mark up, seniority permitting, and be available for active service for 120 consecutive days before regaining eligibility for reserve status.
4. Reserve employees must maintain the same train service proficiencies while in such status as are required of employees in active train service, including successfully completing any retraining or refresher programs that the carrier may require and passing any tests or examinations (including physical examinations) administered for purposes of determining whether such proficiencies and abilities have been maintained. Employees will be notified by certified mail of required tests and examinations. Reserve employees also must hold themselves available for return to service upon fifteen days' notice, sent by certified mail, and must return to service in compliance with such notice. Reserve pay will cease as of recall date. The 15 day time limit will commence upon receipt of recall notice, unless contacted earlier by telephone. Failure to comply with any of these requirements will result in forfeiture of all seniority rights. Reserve employees will be recalled in reverse seniority order and will be permitted to remain in active service a minimum of seven days, prior to again being forced to the reserve board.
5. No other payments will be made to or on behalf of a reserve employee except (i) payment of premiums under applicable health and welfare plans and, (ii) as may otherwise be provided for in this rule. No deductions from pay will be made on behalf of a reserve employee except (i) deductions of income,

employment or payroll taxes (including railroad retirement taxes) pursuant to federal, state or local law; (ii) deductions of dues pursuant to an applicable union shop agreement and any other deductions authorized by agreement, (iii) as may otherwise be authorized by this rule and (iv) any other legally required deduction.

6. Reserve employees will be considered in active service for the purpose of any agreement respecting brakemen/yardmen's rights to work.
7. Other non-railroad employment while in reserve status is permissible so long as there is no conflict of interest. Other employment, which may be considered a conflict of interest, must receive prior authorization from the Division Manager. There will be no offset for outside earnings.
8. An employee observing vacation while in reserve status will receive vacation pay or reserve pay, whichever is greater. Time spent in reserve status will not count toward determining whether the employee is eligible for vacation in succeeding years. It will count as time in determining the length of the vacation to which an employee, otherwise eligible, is entitled.
9. Reserve brakemen/yardmen are not eligible for:
  - Holiday Pay,
  - Personal Leave Days,
  - Bereavement Leave,
  - Jury Pay, or
  - Other similar special allowances,

that are applicable to employees in active service.

NOTE: An employee entitled to personal leave days in active service may carry over unused days while in reserve status but may not accumulate additional days or observe personal leave while on reserve board.

10. When junior employees are in reserve status, a senior employee may request such status. The carrier will grant the request and if needs of the service dictate, will recall the junior reserve employee.
11. In order to prevent the furlough of pre-October 31, 1985 employees in the event of a decline in business, those employees may utilize the reserve board.



The number of positions on a reserve board will not exceed the number of positions that otherwise would have been available under the May 19, 1981 Crew Consist Agreement. For example:

<u>No. of Crews</u>	<u>Size of Each Crew</u>	<u>Reserve Board Count</u>
25 pool crews	2	25
5 locals/road switchers	2	5
7 yard engines	2	7
1 yard engine	3	0
5 conductor-only	1	10
5 yardmen's extra board	-	5
15 brakemen's extra board	-	15
		<u>*67</u>

\*In this example, the total number of reserve board positions could not exceed 67. Any increase or decrease in the number of crews would result in a corresponding increase or decrease in the maximum number of reserve board positions.

Should there be any employees off-in-force reduction and a vacancy occurs on the reserve board, the senior furloughed employee will be recalled promptly.

12. Reserve board employees may elect to protect service at a designated location when a brakeman or yardman extra board is exhausted. These earnings will not be used to offset reserve pay.
13. When Carrier determines there is a need for additional brakemen/yardmen on a Texas Division seniority district at a time there are employees furloughed or in reserve status on one or more of the other Texas Division seniority districts, a sufficient number of the most junior employees, based on their consolidated seniority district date as a brakeman/yardman, will be recalled from furlough or reserve status and required to exercise seniority. Those employees, who were not protected under Section 6 of the December 21, 1987 agreement, as amended by Letter Agreement dated May 13, 1988, and who are unable to hold a position when recalled from furlough or reserve, or as a result of being displaced, will be required to transfer to the seniority district where the need exists within 15 days from the time of reporting from furlough or reserve or from the time of being displaced. Transferred employees will be provided suitable lodging for a period not to exceed 30 calendar days.



## The Atchison, Topeka and Santa Fe Railway Company

80 East Jackson Boulevard  
Chicago, Illinois 60604

May 13, 1988  
47-800

Mr. C. P. Sawyer, General Chairman  
United Transportation Union (CT&Y)  
P.O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Referring to Crew Consist Agreement amendment effective December 21, 1987:

Paragraph 1 required the employee to be in active service on December 20, 1987 to be eligible for the separation/dismissal allowance. As you will recall, we first considered using the date of December 21; however, since this was board check day and the number of employees "in active service" would be in flux for several days due to bidding and recalls, it was mutually agreed to use the date of December 20 instead.

During our recent discussions you indicated approximately 68 brakemen/yardmen were recalled as a result of the board checks on December 21, who were not eligible for the separation/dismissal, and you felt these employees should be included in the Agreement.

In view of your recognition of the competitive problems facing this Carrier and your cooperation in addressing these matters, I would be agreeable to reestablishing the \$50,000 dismissal/separation program and applying all of the terms of the December 21, 1987 Agreement to employees who were recalled as a result of the December 21st board checks, provided it is understood that:

1. Carrier would be permitted to blank 90% of the regularly assigned positions as per the agreement, subject to the protection afforded in Paragraph 6,
2. Employees in active service on December 20, 1987, who elected not to participate in the previous dismissal/separation program, may also do so when the program is reopened.
3. If deemed advisable, Carrier would be permitted to reopen the program at any time in the future for those employees who were in active service on December 20, 1987 or who were recalled as a result of the December 21, 1987 board checks, and the terms of the agreement would be applicable thereto.

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4. Carrier could discontinue accepting requests from brakemen or yardmen on a specific seniority district if the maximum number to be blanked is reached, as per Letter Agreement signed December 22, 1987.

If you are agreeable to the foregoing, please signify by signing in the space provided below.

Yours truly,

*John P. Frestel, Jr.*  
John P. Frestel, Jr.  
Vice President - Personnel  
and Labor Relations

AGREED:

*C. Sawyer*  
General Chairman, UTU/CTY

Signed August 4, 1988.

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14. This Article 4 will automatically become null and void 10 years after the effective date of this agreement.

Article 5 - Guaranteed Extra Boards

- a. Carrier will establish guaranteed conductor, brakemen and/or yardmen extra boards at each location where extra boards are presently in effect.
- b. The terms and conditions of these guaranteed extra boards are set forth in Attachments B and C.
- c. New hires shall have their guarantee reduced by the percentage applicable to the employee's earnings in Article IV, Section 6 of the October 31, 1985 National Agreement.

Article 6 - Temporary Vacancies

- a. Brakemen Vacancies

When the extra board is exhausted and no one available on the reserve board or if emergency lay-off at the away-from-home terminal, a temporary vacancy in pool freight service will be protected by jumping up the first-out available brakeman in that pool. In other service, the senior available brakeman at the point will be used. When a brakeman is jumped up at the away-from-home terminal, a replacement extra brakeman will be deadheaded to the location promptly or the conductor will be deadheaded to the home terminal.

If the employee's regular assignment is operated during the time he is used off his assignment, he will be paid not less than he would have made. If the employee's regular assignment is not operated during the time he is used off his assignment he will be paid the earnings of the additional service. If prevented from being used on his regular assignment account Hours of Service Law or applicable calling rules following his use in the other service he will be paid the earnings of his regular assignment for that trip, in addition to the extra service.

- b. Helper Vacancies

When the extra board is exhausted, a temporary helper vacancy will be filled in the following sequence:

1. Senior available assigned yardman with request on file;
2. Senior available reserve employee with request on file;
3. Junior available assigned yardman.

Yardmen used off their assignment will be paid the time and one-half rate.

#### Article 7 - Permanent Vacancies

- a. When no bids are received for a regular permanent brakeman position, the junior employee on the brakemen's extra board will be assigned.
- b. When no bids are received for a regular permanent yardman position, the junior employee on the yardmen's extra board will be assigned.

#### Article 8 - Personal Leave Days

- a. All active employees in road freight service will be entitled to personal leave days on the following graduated basis:

<u>Years of Service</u>	<u>Personal Leave Days Per Year</u>
Less than 5 years	2
Five years and less than 10 years	4
Ten years and less than 15 years	7
Fifteen years and less than 20 years	10
Twenty years or more	13

- b. All active yard service employees will be entitled to personal leave days/holidays on the following graduated basis:

<u>Years of Service</u>	<u>Personal Leave/ Holidays Per Year</u>
Less than 5 years	11
Five years and less than 10 years	11
Ten years and less than 15 years	12
Fifteen years and less than 20 years	13
Twenty years or more	14

Note: Paragraph b. also includes road employees on assignments subject to holiday pay rules.

- c. The number of personal leave days will be reduced by the number of paid holidays (or pay in lieu thereof) received in covered road or yard service.
- d. Ungranted or unused personal leave days each year may be accumulated and carried over up to a maximum of sixty days.
- e. An employee may elect to receive payment for part or all carry-over days in his account. Payment for such days will be at the rate of \$105.00 per personal leave day, subject to future wage increases and/or cost-of-living adjustments.
- f. The maximum number of personal leave days to be carried over each year will be based on the class of service in which working at the end of the year, i.e. road or yard service.
- g. If an employee resigns, retires, dies or is dismissed from service, the number of personal leave days in his account as of December 31 of the prior year will be payable to the employee or his estate.
- h. Requests to observe personal leave days must be approved by designated carrier representative and are subject to the needs of the service.

#### Article 9 - Hours of Service Relief

When a member of a standard crew ties up en route under the Hours of Service Law, the employee will be allowed deadhead into the terminal on a continuous time and mileage basis. The remaining crew member will continue the trip and will be paid for the entire trip for which called, as well as a separate basic day's pay into the terminal.

After a member of a standard crew ties up en route, the remaining crew member will not be required to perform switching nor make more than two straight set-outs or two straight pickups, or one of each, excluding bad orders.

#### Article 10 - Joint Labor-Management Committee

The parties hereto recognize the importance of ensuring this agreement is properly implemented and fairly administered; and that disputes and grievances are expeditiously resolved. The parties are also confident this agreement will promote constructive ideas and proposals to enhance the job quality of the employees and create a more efficient transportation system.

Therefore, a joint committee will be established consisting of one member from each General Committee signatory hereto and an equal member from the Company consisting of Vice President-Operations, Vice President-Human Resources and others as appropriate. The Committee will meet as often as is necessary for the purpose of administering the trust, resolving disputes, interpreting this agreement and addressing other issues properly brought before the committee.

When the reserve board in any seniority district is exhausted, the joint labor-management committee will meet and determine a method to ensure the continued adequacy of extra board staffing so as to permit reasonable lay-off privileges and to protect for vacations and other vacancies. Such methods may include a hiring program, a relaxation of the restrictions on conductor-only operations set forth in Article 3, or both, or some other measures. The method determined will be binding on both parties.

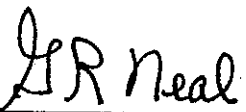
Article 11 - Effective Date


This Agreement shall become effective September 1, 1989 and amends the May 15, 1981 Crew Consist Agreement, related Side Letter Agreements and Crew Consist amendments of December 21, 1987 and May 13, 1988 to the extent necessary to effectuate the provisions of this agreement. This Agreement is only applicable to those employees represented by the General Chairman signatory hereto.

Dated this 21st day of August, 1989.

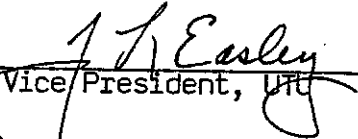
FOR THE ORGANIZATION

FOR THE CARRIER

  
General Chairman, UTU (CTY)

  
Vice President Human Resources

APPROVED:

  
Vice President, UTU

7691B/16B

**CREW CONSIST AGREEMENT  
QUESTIONS AND ANSWERS**

**ARTICLE 1 - SUPPLEMENTAL SEPARATION BENEFIT**

Question and Answer No. 1

Q. With respect to the 3.5% adjustment each year, is the benefit for an eligible employee returning to service in 1991, for example, the same as the benefit for an employee who has been in active service since the effective date of the agreement?

A. Yes.

**ARTICLE 3 - CREW SIZE**

Question and Answer No. 1

Q. What handling will be given an extra board brakeman after being used under Article 3.c.(1)?

A. He will be deadhead back to the extra board point.

Question and Answer No. 2

Q. If an assigned conductor is at the home terminal and the brakemen's extra board is exhausted or if he is at an away from home terminal where there is no brakemen's extra board and the designated train will exceed 5,000 feet, will a pool freight brakeman be jumped up under Article 3.c.(1)?

A. No, but the conductor will be entitled to payment under Side Letter No. 3.

**ARTICLE 4 - RESERVE BOARDS**

Question and Answer No. 1

Q. What procedure will be utilized for an employee desiring to give up the reserve board after 120 days?

A. The employee will be given displacement rights.

Question and Answer No. 2

Q. If an employee is displaced and unable to hold any assignment or the extra board, what handling will be given?

A. The employee will be placed on the reserve board providing there is a vacancy under Article 3.c.(11).



Question and Answer No. 3

Q. What rate of pay will be allowed reserve employees in 1990, 1991, 1992, etc.?

A. 70% of their 1988 earnings, or 70% of the current yard helper rate, whichever is greater.

ARTICLE 5 - GUARANTEED EXTRA BOARDS

Question and Answer No. 1

Q. May an extra board employee, who has been laying off, call in two or three hours before midnight and mark up effective 12:01AM?

A. Yes.

ARTICLE 6 - TEMPORARY VANCANCIES

Question and Answer No. 1

Q. Is the calculation of payment the same for an employee used at the AFHT as it is at the home terminal?

A. Yes.

ARTICLE 8 - PERSONAL LEAVE DAYS

Question and Answer No. 1

Q. If a brakeman was entitled to 10 personal leave days prior to September 1, 1989 and uses a total of 5 days before and after implementation of the agreement, how many days will the employee be entitled to carry over into 1990?

A. Eight.

Question and Answer No. 2

Q. What rate of pay will be allowed when observing personal leave days?

A. The rate of last service performed.

Question and Answer No. 3

Q. Is there any longer a requirement that personal leave days must start on a day when an employee's turn is due out?

A. No.

Question and Answer No. 4

Q. Are personal leave days to be requested and observed on a calendar day basis, i.e., from 12:01AM to midnight?

A. Yes

SIDE LETTER NO. 16 - \$10,000 OPTION

Question and Answer No. 1

Q. Does the \$10,000 option also apply to those employees who are entitled to \$50,000 under Side Letter No. 4?

A. Yes.

Supplemental Separation Benefit Trust

Final document presently being drafted by  
UTU and Santa Fe attorneys)

Irrevocable Trust

- Eligible employees as beneficiaries
- Bank trustee chosen by UTU and Santa Fe
- Funding evaluated by UTU and Santa Fe actuaries
- Remains in effect until last beneficiary is paid

Fully protected in event of bankruptcy or insolvency

- Cannot be reached by Santa Fe or its creditors

IRS approval will be sought to defer tax to employees until distribution

Complies with welfare benefit protections of Employee Retirement  
Security Act

GUARANTEED CONDUCTORS AND BRAKEMEN'S EXTRA BOARDS

- a. Positions on the guaranteed extra boards will be assigned to the senior qualified employee with a letter on file. If no letters on file or insufficient letters for the conductors' board, it will be filled by assigning the most junior promoted brakeman in road service out of that governing home terminal. If no letters on file or insufficient letters for the brakemen's extra board, the most junior brakeman on the reserve board will be recalled and will be entitled to displacement rights.
- b. Each road extra board employee who is available for service an entire half month will be guaranteed a monetary equivalent of 21 days pay at the conductors' minimum basic through freight rate, for conductors' extra boards and 21 days pay at the trainman's minimum basic through freight rate for brakemen's extra boards, subject to future general wage increases and COLA adjustments. In the event all earnings (exclusive of penalty time claims) do not equal or exceed this amount, necessary adjustment will be made in the subsequent payroll period. The guarantee will be reduced by 1/15 for each calendar day or portion thereof the employee is unavailable for service.
- c. The guarantee for employees added to or removed from the board on dates other than the 1st and 16th will be equivalent to 1/15 of the half month guarantee for each full calendar day they are available on the board.
- d. Extra board employees shall be used on a first-in, first-out basis.
- e. An extra board employee missing a call will be marked off for a minimum of 12 hours. If the missed call was for an outside vacancy, the employee will be marked off until the employee protecting the call completes the assignment, and will be marked up behind that employee.
- f. An extra board employee who lays off will lay off for a minimum of 12 hours and, when reporting, go back on the extra board at the bottom. This will not preclude his use, however, if he is available and his services are needed due to a shortage of employees before the minimum time expires. An employee who lays off more than twice in a pay period forfeits the guarantee and shall only receive pay for work performed in that pay period. Missing a call for service or calling for rest with less than 10 hours on duty under the Hours of Service Law shall be considered the same as laying off under the guarantee provisions of this Agreement.

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

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

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

- g. When a board is reduced, the senior employee(s) with request on file will be cut off; if none, decreases will be made in reverse seniority order. Requests must be made at least 24 hours prior to reduction and cannot be revoked without 24 hours notice.

AGREED UPON QUESTIONS AND ANSWERS  
GUARANTEED CONDUCTORS AND BRAKEMEN'S EXTRA BOARDS

Question and Answer No. 1

- Q. Where does an extra board employee mark up when reporting back from compensated time off, i.e., jury duty, vacation, bereavement, etc.?
- A. To the bottom of the extra board.

Question and Answer No. 2

- Q. An employee, entitled to an exercise of seniority, displaces to the guaranteed extra board. When and where will the employee exercising seniority be placed on the extra board?
- A. Provided he is in the home terminal, he should be placed on the bottom of the board at the time seniority is exercised.

NOTE: In Question and Answer No. 2, the employee occupying the position that is out of the terminal will be notified when he returns to the extra board location that he is relieved or displaced.

Question and Answer No. 3

- Q. May an employee in pool service or on a regular assignment give up his position and go to the extra board?
- A. Yes, if there is a junior employee on the extra board and will be marked to bottom of board. If Carrier cuts off the junior extra board employee, he will have displacement rights.

Question and Answer No. 4

- Q. Will an employee's turn continue to move up when he is on vacation or bereavement leave?
- A. No, it will be removed from the board and marked up at the bottom of the board when the employee reports.

Question and Answer No. 5

- Q. What will happen to the extra board turn of the employee who bids in another assignment?
- A. It will be assigned by letter request and placed to bottom of the board.

Question and Answer No. 6

- Q. If an employee is on the extra board for five days and is on vacation the rest of the half, how will he be treated for guarantee purposes?
- A. The employee would be entitled to one fifteenth of the guarantee for each of the five days, providing he remains available.

Question and Answer No. 7

- Q. If an employee lays off at 11:50 p.m. and marks back up 12 hours later, how will he be treated for guarantee purposes?
- A. Credit will be taken for two days, 2/15 of guarantee.

Question and Answer No. 8

- Q. If an employee misses a call for an 11:00 p.m. assignment, how will he be treated for guarantee purposes?
- A. He loses a day (the day of the missed call) and the next day.

Question and Answer No. 9

- Q. If an employee misses a call to deadhead to an outside assignment, will he/she be permitted, in order to avoid loss of time, to relieve the employee sent to the outside vacancy?
- A. Yes, after a 12 hour period the employee who missed the call may, by notifying crew clerk, elect to go to the outside vacancy and protect the vacancy.

Question and Answer No. 10

- Q. Is the employee who missed the call in Q&A No. 9 entitled to dead-head to or from the outside vacancy?
- A. No.

Question and Answer No. 11

- Q. Will earnings in excess of guarantee in one pay period be used to satisfy the guarantee the next pay period?
- A. No, each pay period stands alone.

Question and Answer No. 12

- Q. How often will Carrier regulate guaranteed boards?
- A. It is anticipated they will be regulated with the same frequency as present boards, but it may be necessary to increase or decrease a board at other times due to an increase or decrease in business or vacancies accruing to the board. It was understood that when an extra board is increased or decreased, it will not be decreased prior to the expiration of five days (120 hours) except in cases of emergency such as work stoppage, derailment blocking the main line or act of God.

Question and Answer No. 13

- Q. If an employee is paid for ungranted personal leave days, will this payment be used to offset the guarantee?
- A. No.

7717B



Yardmen's Guaranteed Extra Boards

- a. Positions on the guaranteed extra boards will be advertised with one specified off day each half month in accordance with applicable schedule rules. If no bids are received for a vacancy on the board, the most junior yardman on the reserve board will be recalled and will be entitled to displacement rights.
- b. Each yard extra board employee who is available for service an entire half month (except on specified off-day) will be guaranteed a monetary equivalent of 12 days pay at the yard helper rate, subject to future general wage increases and COLA adjustments. In the event all earnings (exclusive of penalty time claims) do not equal or exceed this amount, necessary adjustment will be made in the subsequent payroll period. The guarantee will be reduced by 1/15 for each calendar day or portion thereof the employee is unavailable for service.
- c. The guarantee for employees added to or removed from the board on dates other than the 1st and 16th will be equivalent to 1/15 of the half-month guarantee, for each full calendar day, exclusive of off day, they are available on the board.
- d. Extra board employees shall be used on a first-in, first-out basis.
- e. An extra board employee missing a call will be marked up at the foot of the board behind the yardmen tying up at that time. If the missed call was for an outside vacancy, the employee will be marked off until the employee protecting the call completes the assignment, and will be marked up behind that employee.
- f. An extra board employee who lays off will, when reporting, go back on the extra board at the bottom. This will not preclude his use, however, if he is available and his services are needed due to a shortage of yardmen. A yardman who lays off more than twice in a pay period forfeits the guarantee and shall only receive pay for work performed in that pay period. Missing a call for service shall be considered the same as laying off under the guarantee provisions of this Agreement.

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

- g. When a board is reduced, the senior employee(s) with request on file will be cut off; if none, decreases will be made in reverse seniority order. Requests must be made at least 24 hours prior to reduction and cannot be revoked without 24 hours notice.

AGREED UPON QUESTIONS AND ANSWERS  
(GUARANTEED YARDMEN EXTRA BOARDS)

Question and Answer No. 1

Q. When will the specified off day begin and end?

A. The off day will be a calendar day (midnight to midnight), or a period of 24 hours from the time relieved or time of return to the extra board location.

Question and Answer No. 2

Q. Will an extra board employee be considered available for service on the day preceding his off day if the call for duty will result in the employee going on duty on his designated off day?

A. No. If the employee will not be on duty, or under pay, prior to midnight on the day preceding his off day, he will not be considered available for service.

Question and Answer No. 3

Q. When will the off day begin for an employee called on the day preceding his off day for an assignment which is relieved after midnight?

A. At the time relieved and will continue for 24 hours.

Question and Answer No. 4

Q. Are guaranteed extra board employees required to notify the crew caller when they begin and end observance of assigned off days?

A. Yes, and upon reporting will be marked up at the bottom of the board.

Question and Answer No. 5

Q. If an employee lays off prior to the beginning of his off day, and marks up at the end of his off day, or later, where will he be placed on the board?

A. He will be marked to the bottom of the board when he reports. The off day time will not be charged against his guarantee.

Question and Answer No. 6

- Q. How is an advertised vacancy on the extra board to be handled when becoming first out?
- A. It will be placed on the off board and advertised.

Question and Answer No. 7

- Q. May an extra board employee move to another position on the same extra board?
- A. Yes, in accordance with seniority rules, except he may not bid back on his former position, or another position with the same off day as his former position until it has been once filled and again becomes vacant, unless displaced in the interim.

Question and Answer No. 8

- Q. Where does an extra board employee mark up when reporting back from compensated time off, i.e., jury duty, vacation, bereavement, etc.?
- A. To the bottom of the extra board.

Question and Answer No. 9

- Q. Will an employee's turn continue to move up when he is on vacation or bereavement leave?
- A. No, it will be removed from the board and marked up at the bottom of the board when the employee reports.

Question and Answer No. 10

- Q. What will happen to the extra board turn of the employee who bids in another assignment?
- A. It will be placed on the off board and advertised.

Question and Answer No. 11

- Q. Will employees exercising seniority to the extra board assume the off-day of the position?
- A. Yes, and if he exercises seniority on a position on an off-day, he remains off until the off-day is over.

Question and Answer No. 12

- Q. If an employee is on the extra board for three days and is on vacation the rest of the half, how will he be treated for guarantee purposes?
- A. The employee would be entitled to one fifteenth of the guarantee for each of the three days, excluding a rest day, providing he remains available.

Question and Answer No. 13

- Q. If an employee lays off at 11:50 p.m. and marks back up 24 hours later, how will he be treated for guarantee purposes?
- A. Credit will be taken for two days, 2/15 of guarantee.

Question and Answer No. 14

- Q. If an employee misses a call for an 11:00 p.m. assignment, how will he be treated for guarantee purposes?
- A. He loses a day.

Question and Answer No. 15

- Q. An employee on a guaranteed extra board position is displaced, and displaces onto another guaranteed extra board position. How will this affect his guarantee for that day?
- A. If the displaced employee displaces another employee on the guaranteed extra board within 2 hours of the time he is notified that he is displaced, no penalty will be assessed his guarantee for that day.

Question and Answer No. 16

- Q. Will earnings in excess of guarantee in one pay period be used to satisfy the guarantee the next pay period?
- A. No, each pay period stands alone.

Question and Answer No. 17

- Q. Will the "time in" board still be applicable, i.e., will an extra board yardman with five straight time eight hour shifts in his/her work week be run around if other extra yardmen are available?
- A. No; however, the time and one-half rate will continue to apply to service in excess of five straight time eight hour shifts in a work week commencing on Monday.

Question and Answer No. 18

- Q. How often will Carrier regulate guarantee boards?•
- A. It is anticipated they will be regulated with the same frequency as present boards, but it may be necessary to increase or decrease a board at other times due to an increase or decrease in business or vacancies accruing to the board. It was understood that when an extra board is increased or decreased, it will not be decreased prior to the expiration of five days (120 hours) except in cases of emergency such as work stoppage, derailment blocking the main line or act of God.

Question and Answer No. 19

- Q. If an employee misses a call to deadhead to an outside assignment, will he/she be permitted, in order to avoid loss of time, to relieve the employee sent to the outside vacancy?
- A. Yes, the employee who missed a call may, by notifying crew clerk, elect to go to the outside vacancy and protect the vacancy.

Question and Answer No. 20

- Q. If an employee is paid for ungranted personal leave days, will this payment be used to offset the guarantee?
- A. No.

7718B/16B

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

## Side Letter No. 1

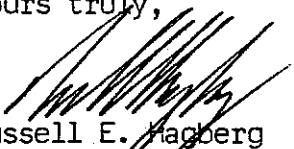
Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

It was agreed payment to the Crew Consist Productivity Accounts in effect prior to the effective date of this agreement will cease upon implementation of the Agreement but the accounts will continue to accrue interest and will be distributed in December 1989 in the manner specified in Article 19 of the 1981 Crew Consist Agreement. Upon such final distribution, the Productivity Accounts will be terminated.

The accumulation of employee shares will also cease on the effective date of this agreement. Prior to October 31, 1989, the General Chairman will furnish Carrier a statement to cover share credits for part-time union officers in the usual manner to cover the period before the effective date of this agreement.

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

Yours truly,

  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTU

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

## Side Letter No. 2

Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

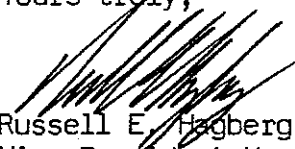
During our negotiations we agreed freight pools will be regulated in accordance with schedule rules; however, we also acknowledged the possibility of temporary shortages of employees and the undesirability of hiring for such temporary situations.

It was agreed that should temporary shortages occur, mileage regulation of pools would be increased on a temporary basis, but not to exceed 60 days.

It was also agreed that the above-mentioned 60 days will be used prior to requiring employees to transfer under Article 4(c)13.

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

Yours truly,


  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTR  
7666B



# The Atchison, Topeka and Santa Fe Railway Company

80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Side Letter No. 3

Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

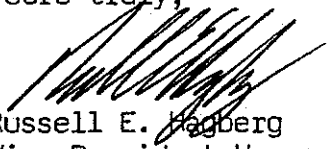
In connection with Article 3 providing for conductor-only service, should the Carrier violate the train length, definition of intermodal trains, or pickup/setout restrictions contained therein, the conductor will be entitled to the one-way trip mileage a brakeman would have earned had he been a member of the crew, in addition to all other earnings. Cutting in and cutting out helper power will be considered a pickup and set-out unless performed by other than the conductor.

We also discussed the dogcatching of this service if the conductor ties up under the Hours of Service Law. It was understood that in the absence of a conductors' extra board at the destination terminal, a pool crew would be used unless Carrier desires to utilize a yard crew under Article VIII of the October 31, 1985 Agreement.

This understanding is not applicable if a brakeman is used out of the terminal or to situations covered by Article 9.

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

Yours truly,


  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTU  
A Santa Fe Southern Pacific Company  
76688



# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Side Letter No. 4


Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

The provisions of Article 1 of the Agreement relating to a supplemental benefit are not applicable to brakemen/yardmen with a seniority date subsequent to May 15, 1981.

It was agreed; however, that trainmen/yardmen with a seniority date subsequent to May 15, 1981, but prior to October 31, 1985, who are in active train/yard service as of the effective date of this agreement, will be considered eligible for a \$50,000 cash benefit, as adjusted.


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

Yours truly,


  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTO

76688

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

## Side Letter No. 5

Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

It was agreed an employee's 1988 W-2 Form would be used to determine the employee's earnings during calendar year 1988 in the application of Article 4.

An employee who lost time in 1988 due to union business or an on-duty injury may elect to have his 1988 earnings computed by using the average 1988 earnings of the employee immediately above and immediately below him on the brakemen's roster.

In addition, it is further understood that an employee who was in a suspended/dismissed status during 1988 and who is subsequently awarded pay for time lost shall have his test period earnings adjusted to reflect the award of pay for time lost applicable to 1988 in accordance with Coast Lines Understanding of October 23, 1984 and Northern and Southern Divisions Understanding of February 18, 1986.

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

Yours truly,

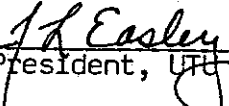
  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTA  
7666F  
Santa Fe Southern Pacific Company

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

## Side Letter No. 6

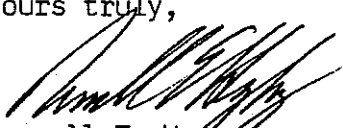
Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

Presently the special allowance of \$7.89 under Article 18 of the May 15, 1981 Crew Consist Agreement is being paid to reduced crews. It was understood this allowance would be discontinued with the effective date of this agreement. In consideration thereof, it was agreed to add \$4.50 to all basic day road and yard rates in effect concurrent with discontinuance of the special allowance.

The \$4.50 additive will be subject to future wage increases and/or cost of living adjustments.

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

Yours truly,

  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTD

7666B

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

## Side Letter No. 7

Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

Article 1 of the Agreement provides for a supplemental benefit upon retirement for employees in active service on the effective date of the agreement.

It was agreed an eligible employee under Article 1, who leaves the service of the Company after December 16, 1989, but prior to becoming qualified for a full age annuity, may elect to receive his/her supplemental benefit upon execution of a resignation form.

An eligible employee under Article 1(a), will include those employees who on the effective date of this agreement are on: (1) disciplinary suspension or dismissal or (2) authorized leave of absence; but only if the employee first returns to active service for a period of 180 days. Employees will not be permitted to return to active service unless they are medically qualified and pass required rules examinations.

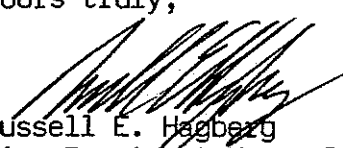
An employee on Amtrak leave of absence less than two years will be considered an "eligible employee" if the employee resigns from Amtrak, returns to active service before the expiration of two years and remains in active service for at least 180 days. The employee must furnish copy of the Amtrak resignation.

An employee on Amtrak leave of absence more than two years will be considered an "eligible employee" if he is unable to hold a regular assignment or an extra board assignment with Amtrak (except for disciplinary reasons, retirement or disability), due to Amtrak's complete cessation of business, if the employee resigns from Amtrak, returns to active service and remains in active service for at least 180 days.

An "eligible employee" will not be considered disqualified from receiving the supplemental benefit if he/she transfers to another craft subsequent to date of this agreement. For the purposes of this agreement, a brakeman/yardman in the engineer's training program will continue to be considered a brakeman/yardman until promoted.

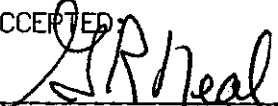
If the foregoing correctly sets forth the understanding reached,  
please signify by signing in the space provided below.

Yours truly,

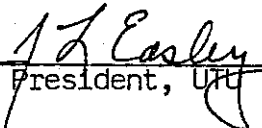
  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UPU

7666B

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Side Letter No. 8

Referring to Memorandum of Agreement dated August 21, 1989, in connection with Crew Consist.

In an effort to alleviate any concern, we agreed that the moratorium provision contained in Article 24 of the May 19, 1981 Crew Consist Agreement remains in effect.

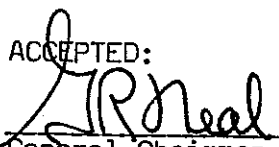
The foregoing does not bar the parties from making changes by mutual agreement.

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


Yours truly,

  
Russell E. Hagberg  
Vice President-Human Resources

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTR  
7666B

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

## Side Letter No. 9

Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

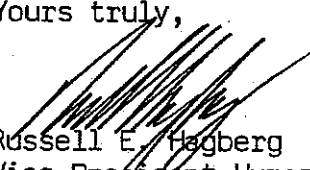
During our negotiations of the proposed crew consist changes, we discussed the handling to be given your Section 6 Notices dated July 25, 1988 and Carrier's notices for concurrent handling. It was agreed that should the Memorandum of Agreement dated August 21, 1989 be ratified, the following treatment will be given to those Section 6 Notices.

1. The respective notices will be held in abeyance pending outcome of national negotiations between the UTU and the NRLC, including any mediation, arbitration or Emergency Board proceedings.
2. Subject to Paragraph 3 and 5 below, the parties to this agreement will adopt the portion of any national agreement reached by the UTU and the NRLC which deal with wage increases, miles encompassed in the basic day and arbitraries, vacations, holiday and health and welfare but not any changes in work rules.
3. Promptly after any agreement is reached between the UTU and the NRLC on a national basis, the joint labor/management committee established under Article 10 of the Memorandum of Agreement dated August 21, 1989 will meet to consider alternate methods of granting a comparable increase, including 401k, profit sharing, stock or other means. Should the committee fail to reach an agreement or if the agreement reached is not ratified by the membership, the portion of the national agreement dealing with wages, basic day miles and arbitraries, will be implemented on the same basis as the national pattern.

4. The parties will adopt a moratorium provision comparable and coterminous with any moratorium set forth in the national agreement between the UTU and the NRLC.
5. The provisions of this agreement do not preclude the parties from negotiating and agreeing to alternate means of resolving the issues concerning wages, miles encompassed in the basic day, arbitraries raised in these Section 6 Notices and Carrier counterproposal prior to the UTU and NRLC reaching an agreement.

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

Yours truly,

  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTU

7668B



# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Side Letter No. 10

Referring to Memorandum of Agreement dated August 21, 1989, in connection with Crew Consist.

Article 1.e provides for a substitution of Railroad stock if more than 20% of the capital stock of the Carrier is publicly traded within two years. The 20% figure was used because that is the threshold for consolidated tax and financial accounting.


The parties intend that Railroad stock be used to fund a portion of the Supplemental Benefit to the extent feasible. Accordingly, it was agreed that Railroad stock will be substituted for \$10,000 of the Supplemental Benefit even if less than 20% of the Railroad stock is publicly traded within two years of the effective date unless the amount of stock publicly traded when combined with the amount of stock to be substituted under this agreement would constitute more than 20% of the capital stock in the aggregate.

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

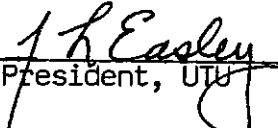
Yours truly,

  
Russell E. Hagberg  
Vice President-Human Resources

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTU

7666B

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989  
47-600

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

## Side Letter No. 11

Referring to Memorandum of Agreement dated August 21, 1989, in connection with crew consist:

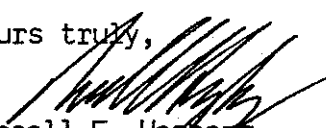
In connection with Article 5, Guaranteed Extra Boards, it was agreed local supervision will consult with the local chairmen prior to adjusting the number of positions on a guaranteed extra board.

In this connection it was also agreed that initially a 20% factor would be used, unless a lesser number is agreed to locally, to determine the minimum number of extra board positions. For example, if a conductor's board protected vacancies on a total of 45 regular conductor assignments, then a minimum of 9 ( $45 \times 20\% = 9$ ) extra board conductors should be maintained. If a yardmen's extra board protected 2 foremen and 2 helper assignments, a minimum of 1 ( $4 \times 20\% = .8$ ) extra board yardman should be maintained. In applying the 20%, any fractions of .5 or more would be rounded upward. This does not preclude Carrier from maintaining more than 20% on an extra board.

The 20% factor will be reviewed by the Joint Labor/Management Committee within the first 180 days and may be adjusted upward or downward by the Committee.

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

Yours truly,

  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

A Santa Fe Southern Pacific Company

  
Vice President

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

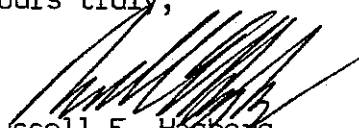
## Side Letter No. 12

Referring to Memorandum of Agreement dated August 21, 1989, in connection with Crew Consist.

It was understood in the application of Article 7.b., Permanent Vacancies, there will be no forced assignments on bulletined yardmen jobs on the off days of the assignment account no bids received. These assignments will be readvertised.

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

Yours truly,

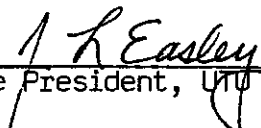
  
Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Int'l. Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, California 92407

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTO

7666B

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Side Letter No. 13

Referring to Memorandum of Agreement dated August 21, 1989, in connection with Crew Consist:

In connection with Article 4.c.3., it was agreed Carrier will notify employees of the provisions of this rule approximately 30 days prior to the expiration of 24 consecutive months.

As concerns the language in Article 4.c.4. reading "failure to comply with any of these requirements will result in forfeiture of all seniority rights," it was understood the employees are required to take all tests and examinations; however, failure to pass same would not result in automatic forfeiture of seniority.

It was also understood that Article 4.c.5. would not preclude the payment of penalty time claims while in reserve status for violations occurring prior thereto.


In the application of Article 4.c.12., it was agreed the local chairman and local supervision would determine the method for reserve board employees requesting emergency work. The method would include the manner in which employees could make the election, withdraw the election and what handling would be given to these requests if an employee is unavailable. It was understood, however, that if an employee has a request on file and is unavailable, he would not be subject to discipline.

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


Yours truly,

  
Russell E. Hogberg  
Vice President, Human Resources

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
J. D. Easley  
Vice President, Human Resources

# The Atchison, Topeka and Santa Fe Railway Company



80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P. O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Side Letter No. 14

Referring to Memorandum of Agreement dated August 21, 1989, in connection with Crew Consist:

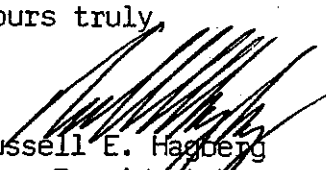
Article 1 provides for an annual increase of 3.5% in the amount of the supplemental benefit regardless of whether the actual inflation rate is higher or lower than the 3.5%. As you know, this has a compounding effect since it is applied each year. In the last six years, the inflation rate has been less than 3.5% in three years and in the other three years has not exceeded 4%.

Nevertheless, concern has been expressed that the inflation rate may substantially exceed 3.5% in many years and the employees' supplemental benefit would not be sufficiently protected in that event. It was agreed, therefore, that Carrier would share equally with the employee the risk of sustained inflation above 6%. Accordingly, the inflation adjustment of 3.5% annually will be increased by 1/2% for every full percentage by which the average annual inflation rate exceeds 6%, as measured by the CPI-W index issued by the Bureau of Labor Statistics, for each fiscal year during the measurement period July 1-June 30.

For example, assume an employee retires in 1993 and the average inflation rate was 8% in 1990, 10% in 1991 and 6% in 1992, or an average of 8%. The employee would be entitled to an additional 1% each year, i.e., 50% of the difference between 8% and 6%. The 3.5% adjustment would be increased by 1% to 4.5% for each of the three years and the \$75,000 would amount to \$85,587 in 1992 instead of \$83,154 based on 3.5%.

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

Yours truly,

  
Russell E. Hagberg  
Vice President-Human Resources

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UTA



# The Atchison, Topeka and Santa Fe Railway Company

80 East Jackson Boulevard  
Chicago, Illinois 60604

August 21, 1989

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P.O. Box 1687  
Brownwood, Texas 76801

Dear Sir:

Side Letter No. 15

Referring to Memorandum of Agreement dated August 21, 1989, in connection with Crew Consist.

As concerns Article 4, Reserve Boards, it was understood a reserve board will be established for each prior rights seniority district and positions thereon will be prorated between yard and road based on a ratio of the total number of employees working in each craft on the day before implementation.

EXAMPLE: 600 total employees (road & yard)  
200 yard = 33%  
400 road = 67%

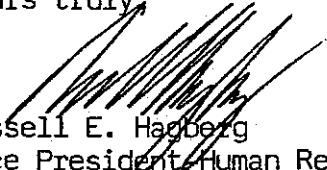
If 95 positions available on reserve board then:  
31 yard = 33%  
64 road = 67%  
95

These positions would be bid in using prior rights hiring date. When the prior rights employees have exercised their seniority, dual rights will apply. Using the above example, if only 5 prior rights yardmen and 15 prior rights roadmen took the reserve board, there would be 80 positions available to dual rights employees.

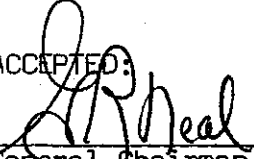
Recall will be in reverse seniority order. When all the dual rights (junior) employees have been recalled and there is a need for 2 yardmen and 3 brakemen, for example, the junior from the craft which used prior rights to attain the reserve board will be recalled. All employees returning from the reserve board by recall will have full displacement rights.

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

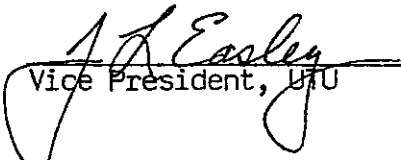
Yours truly,

  
Russell E. Hagberg  
Vice President, Human Resources

ACCEPTED:

  
General Chairman (CT&Y)

APPROVED:

  
Vice President, UIU

7666B

August 21, 1989

Mr. R. E. Hagberg  
Vice President Human Resources  
AT&SF Railway Company  
80 East Jackson Boulevard  
Chicago, IL 60604

Dear Mr. Hagberg:

Side Letter No. 16

During various meetings with our members on both the Coast Lines and Texas Divisions, we found that the proposed crew consist modification would be better received if a portion of the \$75,000 could be distributed to the employees at the time of implementation.

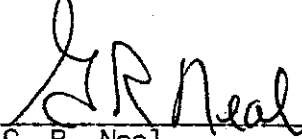
We therefore propose the following:

During the first 90 days of this agreement, an eligible employee will have the option to take \$10,000.00 of his/her supplemental benefit in cash. This payment will be subtracted from the employee's account in the retirement trust. When and if AT&SF stock becomes a part of the supplemental benefit, this payment will not affect the stock portion of the trust. The payment will be subject to regular deductions such as Federal and State income tax and railroad retirement.

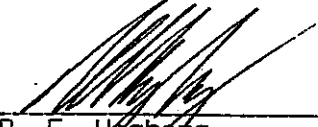
If the above meets with your approval, please sign below. We will endeavor to apprise our membership of the change.

Very truly yours,

\_\_\_\_\_  
A. G. Delyea  
General Chairman, UTU-CT&Y

  
\_\_\_\_\_  
G. R. Neal  
General Chairman, UTU-CT&Y

ACCEPTED FOR THE CARRIER:

  
\_\_\_\_\_  
R. E. Hagberg  
Vice President Human Resources  
AT&SF Railway Company





# The Atchison, Topeka and Santa Fe Railway Company

80 E. Jackson Blvd.,  
Chicago, Illinois 60604

March 29, 1990  
47-600

Mr. A. G. Delyea, General Chairman  
United Transportation Union (CT&Y)  
2110 E. First Street, Suite 112  
Santa Ana, California 92705-4095

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P.O. Box 1687  
Brownwood, Texas 76801

Gentlemen:

This has reference to our previous correspondence concerning whether reserve trainmen can collect payment for personal leave days carried over from a prior year.

This is to advise that we are agreeable to allowing reserve trainmen to collect payment for personal leave days carried over from prior years, and we are advising the Accounting Department and the Division Managers by copy of this letter.

Yours truly,

James M. Harrell  
Director-Labor Relations

cc: Messrs. Benson  
Dixon  
Fruin  
Holdaway  
McDougal  
Shalin  
Drake  
Gunn  
Ms. Hughes  
Messrs. Hartenbower  
Magathan  
Pollak

/1706



# The Atchison, Topeka and Santa Fe Railway Company

800 Jackson Blvd.  
Chicago, Illinois 60601

March 30, 1990

Mr. A. G. Delyea, General Chairman  
United Transportation Union (CT&Y)  
2110 E. First Street, Suite 112  
Santa Ana, California 92705-4095

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P.O. Box 1687  
Brownwood, Texas 76801

Gentlemen:

This has reference to Article I of the Memorandum of Agreement effective September 1, 1989, and specifically the provisions contained in Side Letter No. 16.

A question has arisen concerning whether or not trainmen who were on leave of absence on September 1, 1989 and have returned to active service for over 180 days are entitled to the \$10,000.00 payment made under Side Letter No. 16. Our tax attorney has reviewed the question with Mr. Arnold Magasinn, your attorney, and they have concluded these employees are not entitled to receive the \$10,000.00 payment. They will receive the full \$75,000.00, as adjusted, upon termination.

Hopefully this will clarify the situation.

Yours truly,

Russell E. Hagberg  
Vice President-Human Resources

cc: Mr. J. L. Easley, Vice President  
United Transportation Union  
4493 Acacia Avenue  
San Bernardino, CA 92407

August 21, 1989

Mr. R. E. Hagberg  
Vice President Human Resources  
AT&SF Railway Company  
80 East Jackson Boulevard  
Chicago, IL 60604

Dear Mr. Hagberg:

Side Letter No. 17

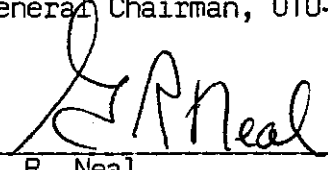
During the meetings with our members on both the Coast Lines and Texas Divisions, we were apprised of concern of the membership that the Carrier will continue to abuse the Contract concerning the use of "short rested" conductors and/or brakemen. In view of this concern, we propose the following, which will be implemented only on request of the organization subsequent to 180 days from implementation of the Crew Consist modification

Conductors and/or brakemen who are not fully rested under the Hours of Service, will not be used out of the home terminal or extraboard point unless they have sufficient time to make the trip for which called. In no event will they be used with less than four hours to work from the time required to report for duty; if another employee is available. No payment will be due an employee run around account less than four hours to work.


If the above meets with your approval, please sign below.

Very truly yours,

\_\_\_\_\_  
A. G. Delyea  
General Chairman, UTU-CT&Y

  
\_\_\_\_\_  
G. R. Neal  
General Chairman, UTU-CT&Y

ACCEPTED FOR THE CARRIER:

  
\_\_\_\_\_  
R. E. Hagberg  
Vice President Human Resources  
AT&SF Railway Company

Isaac Hollis, Jr.  
Senior Vice Chairman

E.D. Garner  
Junior Vice Chairman

Joe M. Jenkins  
Secretary

**united  
transportation  
union**

General Committee of Adjustment  
(Conductors - Trainmen - Yardmen)  
Atchison, Topeka and Santa Fe Railway  
Northern and Southern Texas Division  
P.O. BOX 1687  
BROWNWOOD, TEXAS 76804



G.R. NEAL  
General Chairman

(915) 646-1322

July 25, 1990  
PLEASE REFER TO FILE

Letter of Understanding Regarding Impact of  
Federal Excise Tax on  
Supplemental Benefit Payments

Mr. R. E. Hagberg  
Vice President-Human Resources  
AT&SF Railway Company  
80 E. Jackson Boulevard  
Chicago, Illinois 60604

Dear Sir:

I am enclosing herein signed copy of the above  
named Letter of Understanding.

Yours truly,

G. R. Neal  
General Chairman

Enclosure

# The Atchison, Topeka and Santa Fe Railway Company



80 E. Jackson Blvd.,  
Chicago, Illinois 60604

July 24, 1990

Mr. G. R. Neal, General Chairman  
United Transportation Union (CT&Y)  
P.O. Box 1687  
Brownwood, Texas 76801

RE: Letter of Understanding Regarding Impact of Federal  
Excise Tax on Supplemental Benefit Payments


Dear Sir:

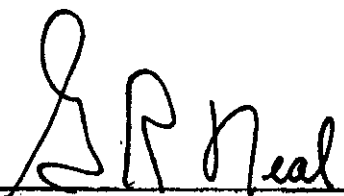
As you know, at the time the September 1, 1989 crew consist agreement was executed, your organization and the carrier did not appreciate the impact of the ten percent federal excise tax on supplemental benefit payments made under this agreement. This letter is intended to confirm the carrier's commitment, in recognition of the parties' earlier confusion about this tax law issue and your recent request, to make every employee covered by the September 1, 1989 crew consist agreement whole for any adverse effects he may suffer due to the application of the federal excise (10 percent) tax on his receipt of a supplemental benefit payment.

Therefore, in the case of any employee who receives a supplemental benefit payment which is subject in whole or in part to the 10 percent federal excise tax, the carrier will issue an additional cash payment to that employee equal to: the value of his supplemental benefit payment after income and railroad retirement taxes assuming the ten percent excise tax were not applicable, minus the value of the supplemental benefit payment after income, railroad retirement, and the ten percent excise taxes have all been applied properly. Further, every additional cash payment made by the carrier in such a case will be "grossed up" to compensate the employee for any additional income or railroad retirement taxes he is required to pay based on the additional cash payment itself.

If the foregoing correctly states our agreement in this regard, please indicate your concurrence in the space provided below.

Yours truly,

  
John J. Fleps  
Assistant Vice President -  
Labor Relations

  
General Chairman, United  
Transportation Union