

**NEW YORK DOCK IMPLEMENTING AGREEMENT**

**BETWEEN**

**CSX TRANSPORTATION, INC.**

**and**

**SPRINGFIELD TERMINAL RAILWAY COMPANY**

**and**

**Employees Represented by**

**and**

**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION  
IBT (BMWED)**

**and**

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE  
WORKERS (IAM)**

**and**

**INTERNATIONAL ASSOCIATION OF SHEET METAL, AIR, RAIL AND  
TRANSPORTATION WORKERS (SMART-MD)**

WHEREAS, the Surface Transportation Board approved the merger of six railroads owned by Pan Am Railways, Inc. into CSX Transportation, Inc. (“CSXT”) in Decision No. 9, *CSX Corp., et al.—Control and Merger—Pan Am Systems, Inc., et al.*, Finance Docket No. 36472 (served April 14, 2022).

WHEREAS, the railroads owned by Pan Am Railways, Inc. are operated by Springfield Terminal Railway Company (“ST”), also a subsidiary of Pan Am Railways, Inc.

## **CSXT Agreement No. 16-023-24**

WHEREAS, the STB approved the merger of ST into CSXT in Decision No. 9 (hereinafter the “Transaction”).

WHEREAS, in a separate STB-approved transaction, the Berkshire & Eastern Railroad replaced ST as operator of Pan Am Southern LLC (“PAS”) effective September 1, 2023. Thereafter, ST only operates the rail lines of subsidiaries of Pan Am Railways, Inc. (“PAR System”).

WHEREAS, the STB imposed the New York Dock employee protective conditions on its approval of the Transaction.

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Dock employee protective conditions, which addresses the changes in operation and selection and assignment and rearrangement of employees that flow from the Transaction (the “Agreement”).

### **NOW, THEREFORE, IT IS AGREED:**

#### **ARTICLE I - NOTICE**

Upon no less than five (5) days advance written notice by CSXT and ST (hereinafter collectively “Carriers”) to the General Chairmen signatory hereto, CSXT and ST may affect the following changes in operation and selection and assignment and rearrangement of employees described herein to implement the Transaction.

#### **ARTICLE II - CHANGES IN OPERATIONS**

The PAR System will be consolidated into the CSXT System and all maintenance and repair of roadway work equipment currently performed by ST Work Equipment Repairmen (“ST Repairmen”) can be performed at any facility or location on the consolidated CSXT System.

**ARTICLE III - APPLICABLE COLLECTIVE BARGAINING AGREEMENT**

A. CSXT Labor Agreement No. 12-126-92, as amended, between CSXT and the International Association of Machinists and Aerospace Workers (“IAM”), Brotherhood of Maintenance of Way Employes Division IBT (BMWED), and the International Association of Sheet Metal, Air, Rail, and Transportation Workers – Mechanical Division (“SMART-MD”) (hereinafter “IAM RWM Agreement”) and the CSXT IAM System Agreement dated October 31, 2012, as amended, shall apply to the work of Roadway Mechanics on the former PAR System territory.

B. All reference to ST Repairmen in the ST-BMWE Agreement dated March 26, 2020, along with associated interpretations, past practice, and arbitral precedent thereunder, shall terminate upon the conversion of ST Repairmen positions pursuant to Article IV of this Agreement.

**ARTICLE IV - ASSIGNMENT OF FORCES**

A. Within the five (5) day notice period specified in Article I of this Agreement, existing ST Repairmen will be permitted a one-time, voluntary, seniority election to displace any junior BMWED employee on the CSXT Billerica seniority district, which will be effective at the end of the five day period.

B. ST Repairmen that elect to displace a junior BMWED employee will retain their BMWED seniority and will forgo any and all rights to CSXT Roadway Mechanic positions and seniority upon the effective date of this Agreement. ST Repairmen that do not utilize this one-time election will retain their BMWED seniority which may only be utilized once after the effective date of this Agreement in the event their CSXT Roadway Mechanic position is abolished or they are displaced and unable to hold a Roadway Mechanic position under the terms

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of the IAM RWM Agreement. Under such circumstances, the employee will lose any and all RWM seniority rights.

C. Upon the effective date of this Agreement, all ST Repairman positions on the former PAR System territory held by ST Repairmen who did not elect to displace a junior BMWED employee in accordance with paragraphs IV A and B above will be converted into CSXT Regional Roadway Mechanic positions under the CSXT IAM RWM Agreement. The converted positions will continue to be filled by the incumbents of those positions on such effective date.

D. ST Repairmen in active service on the effective date of this Agreement will become CSXT employees.

E. Employees must accept the converted position pursuant to this Agreement. An employee who accepts the position will be entitled to the protections of the New York Dock conditions if the employee is placed in a worse position as a result of the Transaction. If the employee's position requires the employee to move his or her place of residence, the employee will be entitled to the moving expenses outlined in Article VIII below. An employee who declines to accept a position pursuant to this Agreement will forfeit all seniority and will not be provided any labor protection benefits under New York Dock.

### **ARTICLE V - SENIORITY RIGHTS**

A. ST employees holding positions as Work Equipment Repairmen will establish seniority under the IAM RWM Agreement on the existing Consolidated System Roster for Roadway Mechanics, also known as the CSXT Engineering Department Mechanic's Roster, on the effective date of this Agreement.

B. ST employees will be placed on the Consolidated System Roster using their existing Work Equipment Repairman seniority date and listed with a designation of "Field." In

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addition, such employees will have ST prior rights for the bidding and awarding of all Roadway Mechanic positions headquartered on the former PAR system territory. Employees with existing seniority on the Consolidated System Roster will be designated with prior rights for bidding and awarding of all Roadway Mechanic positions headquartered on the current CSXT system territory.

C. Employees on leave of absence or who are otherwise inactive shall be placed on the point seniority roster only at the location where the employee last worked.

D. Former ST employees who become CSXT employees will be credited with prior service for vacation, personal leave and other benefits provided under the applicable CSXT agreements for the classification of Roadway Mechanic and which are granted on the basis of qualifying years of service in the same manner as though all such time spent had been in the service of CSXT under its agreements with the Organization.

### **ARTICLE VI - VACATION, PERSONAL LEAVE, AND SICK DAYS**

A. Former ST Repairmen awarded a position on CSXT will be permitted to utilize all unused current year vacation, personal leave, and sick days throughout the remainder of 2024.

B. Vacation for the calendar year 2025, will be awarded consistent with the provisions of the National Vacation Agreement dated December 17, 1941, as amended (Appendix I of the CSXT IAM System Agreement). Days worked in 2024 under both the ST-BMWE Agreement and the CSXT IAM System Agreement, will be utilized in determining the number of qualifying days for 2025 vacation entitlements. Current year (2024) vacation days not used by the end of the year will be forfeited unless the employee is prevented from utilizing the days due to operational reasons.

C. Personal leave days for 2025 will be granted consistent with the provisions of Rule 22 of the CSXT IAM System Agreement and applicable National Agreements. Current

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year (2024) personal leave days not used by the end of the year will be forfeited unless the employee is prevented from utilizing the days due to operational reasons.

D. Sick days for 2025 will be granted consistent with the CSXT-BMWED Paid Time Off for Illness and Wellness Agreement dated February 10, 2023. Unused current year (2024) and banked sick days will be paid out to employees consistent with the ST-BMWE Agreement.

### **ARTICLE VII – PAY PERIOD AND DEDUCTIONS**

A. Unless required otherwise by State Law, employees will be paid in arrears on a weekly basis every Friday, two weeks after the pay period ends.

B. Health and Welfare deductions will occur on a monthly basis, on the last paycheck of each month.

C. Union dues deductions will occur on a monthly basis and will take place on the second paycheck of each month.

### **ARTICLE VIII - MOVING EXPENSES**

A. Moving and relocation expenses shall be those specified in Articles 9 and 12 of the New York Dock conditions except as voluntarily modified by the Parties in this Article VIII.

B. For purposes of Article 9 of the New York Dock conditions, a change in residence means that the employee's new reporting point is more than thirty (30) highway miles from his/her reporting point on the date of the Agreement.

C. Eligibility and Coverage

The provisions of these benefits apply to relocations meeting the following conditions:

1. The employee could not obtain through the exercise of seniority a machinist position that did not require a change in residence.

2. A change in residence is required, i.e., the employee must actually relocate to a new residence.

3. The home is occupied by the employee and is the employee's principal place of residence (includes modular and mobile homes).

4. The employee and/or spouse are the owner(s) of the home.

D. Sale of Residence

A relocating employee has the option of being reimbursed by the Carrier for any loss suffered in the sale of his or her house for less than its fair value. The Carrier shall in each instance be afforded an opportunity to purchase the home at fair value before it is sold by the employee to any other person. The employee must notify the Carrier at least 30 days prior to an intended sale in order that the Carrier can exercise its option. The Carrier is not required to purchase the employee's home. This section applies to the employee's primary residence only, and does not apply to vacation homes, income or investment property.

E. Personal Sale of Residence

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

2. For purposes of what is considered moving expenses or reimbursable loss on the sale of a residence for purposes of Articles 9 and 12 of New York Dock, the Parties agree that reasonable and customary closing costs borne by the seller may be reimbursed to the extent that the employee suffered a loss on the sale of his or her residence. The total amount of such reimbursable expenses is capped at the amount of the difference between the fair value of the home and the amount at which it actually sold below such value. The following are closing costs that are reimbursable:

- a. Title search
- b. Title insurance
- c. Recordation and transfer fees

d. Appraisal fees

F. Moving Expenses

1. An employee who actually changes his or her residence will, for up to five (5) days, be reimbursed for all reasonable and customary expenses of hunting for a new residence and/or moving his household and other personal effects to a new location, for associated travelling expenses and living expenses of himself and members of family, and for his or her own actual wage loss.

2. An employee who resides in a mobile home as his or her principal place of residence and owns the mobile home but not the land on which it is situated may also be reimbursed the reasonable costs in moving the mobile home from the old location to a new location, including electrical, water, and sewer connections, and blocking/unblocking (this only covers disconnecting and reconnecting to existing services, i.e., will not drill well).

G. Documentation

1. The Carrier may require documentation from an employee for all reimbursable expenses and allowances under this Article.

2. All claims for reimbursement must be received by the Carrier within 45 days of their incurrence.

H. Any disagreements over the value of a home, the loss sustained on its sale, the loss under a contract for purchase, loss and costs in securing termination of a lease, or any other questions in connection with these matters shall be decided pursuant to the dispute resolution procedures in Article I, Section 12(d) of the New York Dock conditions. All other disputes arising under this Article VIII are subject to the dispute resolution procedures in Article I, Section 11 of the conditions.

**ARTICLE IX - ELECTION OF LABOR PROTECTION BENEFITS**

A. In order that the provisions of the first proviso set forth in Article I, Section 3 of the New York Dock conditions may be properly administered, each employee determined to be a displaced employee or a dismissed employee, if any, as a result of this Transaction, who is also otherwise eligible for protective benefits and conditions under some other job security or other protective conditions or arrangements, shall within thirty (30) days after having established displaced or dismissed status under the New York Dock conditions elect between the benefits under such other arrangement and this Agreement. This election shall not serve to alter or effect any application of the substantive provisions of Article I, Section 3.

B. In the event an employee fails to make such an election within said thirty (30) day period, he or she will be subject to the protective benefits in this Agreement.

C. There shall be no duplication or pyramiding of protective benefits by any employee under this Agreement and any other agreement or protective arrangement.

**ARTICLE X - LABOR PROTECTION CLAIMS PROCEDURE**

A. In order to provide a standard method for handling claims for protective benefits under the New York Dock conditions, the following procedures will apply in connection with this Transaction.

B. Claims filed by an employee must be filed with the carrier official designated by CSXT to receive such claims. The employee will use the form in *Attachment 1* to claim protective benefits.

C. Monthly claims for displacement or dismissal allowances must be submitted by U.S. mail or electronically as mutually agreed upon by the Carrier and General Chairmen, and be postmarked or e-mailed by the employee not later than sixty (60) days from the last day of the

month for which a claim is being made. Claims not made within this time limit will not be entertained or allowed.

D. Each dismissed employee shall also provide the Carrier with the following information for the month in which he or she is seeking a dismissal allowance no later than sixty (60) days from the last day of the month for which the claim is being made on a form provided by the Carrier, *Attachment 2*. This form is in addition to the Claim Form referenced in Paragraph B above (*Attachment 1*).

1. The day(s) claimed by such employee under any unemployment insurance act.
2. The day(s) each such employee worked in other employment, the name and address of the employer, and the gross earnings made by the dismissed employee in such other employment.

E. If the employee referred to in this Article has nothing to report under this Article on account of not receiving benefits under any unemployment insurance law and having no earnings from any other employment, such employee shall submit, within the term provided for in Paragraph D of this Article, *Attachment 2*, stating “Nothing to Report”.

F. The failure of any employee referred to in this Article to provide the information required by this Article shall result in the withholding of all protective benefits during the month covered by such information pending Carrier’s request of such information from the employee.

G. When claims for compensation alleged to be due have been presented in accordance with paragraph B above and are not allowed, the employee or his or her representative will be notified in writing by the Carrier of the reason for the declination within ninety (90) days from the date such claims were received. When not so notified, claims will be allowed, but their allowance shall only apply to the particular claim and shall not be considered a precedent.

H. An employee may appeal a claim declination to the Carrier’s designated Labor

Relations Officer. Appeals from decision regarding claims for compensation alleged to be due will be made in writing within ninety (90) days from the date of the notice of declination or they will not be allowed.

I. When such timely appeals filed pursuant to Paragraph H above are not allowed, the employee or his or her representative will be notified of the reasons for the declination, in writing, within ninety (90) days from the date appeal was received. When not so notified, claims for compensation alleged to be due will be allowed, but their allowance shall only apply to the particular claim and shall not be considered a precedent.

J. Failure to comply with the time limits set forth above will cause the matter to be closed, but this will not be considered as a precedent or waiver of the contentions of either party to similar claims.

K. All claims involving a decision by the designated Labor Relations Officer will be barred unless, within six (6) months from the date of said officer's decision, proceedings are initiated by the employee or his or her representative pursuant to Article I, Section 11 of the New York Dock conditions.

#### **ARTICLE XI - DISPUTE RESOLUTION**

Any disputes arising over the interpretation, application, or enforcement of this Agreement shall be resolved in accordance with the dispute resolution procedures in Article I, Section 11 of the New York Dock conditions.

#### **ARTICLE XII - GENERAL**

A. This Agreement, together with *Attachments 1 to 3*, shall constitute the implementing agreement required by Article I, Section 4 of the New York Dock conditions imposed in Docket No. 36472.

**CSXT Agreement No. 16-023-24**

B. If there is any inconsistency or conflict between this Agreement, the New York Dock conditions included in *Attachment 3* and any collective bargaining agreement or any implementing agreement, the terms of this Agreement control.

C. The Parties will, upon request, meet and confer as to any concerns with regards to the application of this Agreement.

D. This Agreement shall become effective after five (5) days' notice to the General Chairmen pursuant to Article I.

Signed this 21st day of June, 2024.

**FOR ST & CSXT:**



\_\_\_\_\_  
Jeff Wall  
Vice President, Labor Relations

**FOR SMART-M:**



\_\_\_\_\_  
John McCloskey  
General Chairperson

**FOR BMWED:**

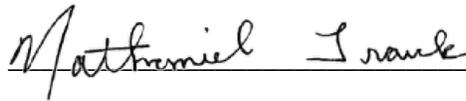


\_\_\_\_\_  
Jason Graham  
General Chairman, Alliance Federation

**FOR IAM:**



\_\_\_\_\_  
Kenny Krause  
General Chairman



\_\_\_\_\_  
Nate Trawick  
General Chairman, Allied Federation

**APPROVED:**



\_\_\_\_\_  
Reese Saulter  
Vice President, BMWED



Eric Caruth  
Director, Labor Relations

500 Water Street, 5<sup>th</sup> Floor  
Jacksonville, FL 32202

Side Letter #1  
Representation Allocation

June 21, 2024

Jason Graham, General Chairman  
Brotherhood of Maintenance of Way Employes Division  
1085 W. State Street  
Alliance, OH 44601

John McCloskey, General Chairperson  
SMART- Mechanical  
25 Amanda Circle  
Bear, DE 19701

Kenny Krause, General Chairman  
International Association of Machinists  
1208 N. Davis Road  
Independence, MO 64056

Dear Sirs:

This will confirm our recent discussions concerning representation for the Springfield Terminal Work Equipment Repairmen who are converted to Roadway Mechanics under the terms of CSXT Labor Agreement No. 16-023-24.

The parties have agreed that all ST Work Equipment Repairman who convert to CSXT Roadway Mechanics upon the effective date of the Agreement will continue representation by the BMWED. Thereafter, the union representation of any future new hires will be allocated in accordance with the allocation percentages provided in Side Letter No. 1 of CSXT Labor Agreement No. 12-126-92.

Please indicate your concurrence with the above understanding by signing in then space provided below.

Sincerely,

Eric Caruth  
Director, Labor Relations

Agreed:

Jason Graham, BMWED General Chairman

John McCloskey, SMART-M General Chairperson

Kenny Krause, IAM General Chairman

**Request for Entitlement to New York Dock Benefits**

**Instructions:**

This Entitlement to Benefits Form is to assist the Employee and the Company in determining whether the Employee is entitled to benefits. We wish to do this as promptly as possible in order to expedite the processing of valid claims. You may help by completing the form with as many helpful facts as will assist the Company in its initial determination as to whether you have been adversely affected.

**Completed forms should be forwarded to:**

Linda Miraflor  
Manager Labor Relations  
ATTN: Protection Team  
CSX Transportation  
500 Water Street, 5<sup>th</sup> Floor  
Jacksonville, FL 32202  
or  
[LRProtectionclaim@csx.com](mailto:LRProtectionclaim@csx.com)  
Fax: (904) 245-2708

Notice of:  Placement in a worse position with respect to my compensation.

or

Loss of Employment.

Name: \_\_\_\_\_ ID No. \_\_\_\_\_ Craft: \_\_\_\_\_

Home Address: \_\_\_\_\_

Current Seniority Roster No.: \_\_\_\_\_ Seniority Date: \_\_\_\_\_

Hire Date: \_\_\_\_\_ Immediate Supervisor: \_\_\_\_\_

1. On what date were you first placed in a worse position or deprived of employment?

\_\_\_\_\_

How:  Position Abolished

Displaced by \_\_\_\_\_

Other. Explain \_\_\_\_\_

2. (a) What position did you hold immediately prior to the date shown in Item 1?

Position: \_\_\_\_\_ Location: \_\_\_\_\_

Rate of pay: \_\_\_\_\_ hour/day

(b) What position do you currently hold?

Position: \_\_\_\_\_ Location: \_\_\_\_\_

Rate of pay: \_\_\_\_\_ hour/day

(c) At the time of your displacement, did you exercise your seniority to obtain the highest paying position available to you? \_\_\_\_\_

If the answer is no, please explain: \_\_\_\_\_

\_\_\_\_\_

3. Identify what occurred that resulted in your being placed in a worse position or deprived of employment: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. Explain in detail how your work situation changed and caused you to be adversely affected. (Use additional sheet if necessary.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I HEREBY CERTIFY THAT THIS INFORMATION IS TRUE AND CORRECT:

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Date)

# Employee Report of Outside Earnings

## Attachment 2

CSX Corp., et al.—Control and Merger—Pan Am Systems, Inc., et al., Finance Docket No. 36472 (Sub-No. 5)

10/25/2023  
(Instructions on reverse side)

\_\_\_\_\_  
A.(ID No.)

\_\_\_\_\_  
D.(Protection Agreement)

\_\_\_\_\_  
B.(Employee Name)

\_\_\_\_\_  
F.(Protection Expiration Date)

\_\_\_\_\_  
C.(Claim Period (mm/yy))

\_\_\_\_\_  
E.(Location)

<b>Earnings (including sick, vacation, personal leave, etc.)</b>				
	<b>Name of Employer</b>	<b>Outside Earnings</b>	<b>Federal or State Unemployment Benefits</b>	<b>Remarks</b>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
<b>TOTAL</b>				

I hereby certify that the above information is true and correct, and I agree on request of CSX Transportation, Inc. to submit promptly for inspection when available a copy of each (W-2) statement of earnings that I am furnished each year by my employers.

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(Employee Signature) (Employee Name (Print)) (Prepared by) (Date)

## INSTRUCTIONS

### **The following fields must be completed:**

- A. Employee ID Number (6 digits only)
- B. Name - initials and last name only.
- C. Claim Period - Month and year
- D. Agreement - Name of agreement which allows guarantee  
Examples: New York Dock
- E. Location
- F. Expiration Date of Protection - List month, day and year
- G. List outside earnings and monies received from federal or state unemployment insurance programs such as Railroad Unemployment Insurance from the RRB for each day of the month. Be sure to include name of outside employer.
- H. Form must be signed by employee or person prepared by
- I. If an employee has no outside earnings and/or federal or state unemployment benefits for the month, write “Nothing to Report” in Row 1 for the appropriate column for Outside Earnings and/or Unemployment Benefits. For example, if the employee had no outside earnings or unemployment benefits for the month, write “Nothing to Report” in both the box in the Outside Earnings column and in the box for unemployment benefits.
- J. When form is completed, email, fax or mail to the following:

Linda Miraflor  
Manager Labor Relations  
CSX Transportation  
500 Water Street, 5<sup>th</sup> Floor  
Jacksonville, FL 32202  
LRProtectionclaim@csx.com

## NEW YORK DOCK PROTECTIVE CONDITIONS

Finance Docket No. 28250 Appendix III

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

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

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

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

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

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

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

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

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

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

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

(2) No later than twenty (20) days after a referee has been

designated a hearing on the dispute shall commence.

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

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

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

5. Displacement allowances - (a) So long after a displaced employee's displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced. Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period), and provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases. If a displaced employee's compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

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

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

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

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

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

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

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

8. Fringe benefits. - No employee of the railroad who is affected by a transaction shall be deprived, during his protection period, of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, reliefs, et cetera, under the same conditions and so long as such benefits continue to be accorded to other

employees of the railroad, in active or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

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

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

11. Arbitration of disputes. - (a) In the event the railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except section 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman. If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the committee shall

then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding , upon the parties.

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

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

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

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

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

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

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

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

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

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

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

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## ARTICLE II

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

2. In the event such training or retraining is requested by

such employee, the railroad shall provide for such training or retraining at no cost to the employee.

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