

AGREEMENT

**BETWEEN
NEW JERSEY TRANSIT RAIL OPERATIONS, INC.
AND
THE INTERNATIONAL ASSOCIATION OF
MACHINISTS & AEROSPACE WORKERS**

Machinists

**Effective January 1, 1983
Modified July 2000**

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Appendices

1. Implementing Agreement Between NJT Rail and the Union of October 14, 1982.
2. The National Union Shop Agreement of August 29, 1952
3. Dues Deduction Agreement between the Consolidated Rail Corporation Union dated March 14, 1979.
4. Dues Deduction for Political Action (MNPL).
5. Memorandum of Understanding covering Machinist Instructor.
6. National Vacation Agreement.
7. Procedure for the Termination of Seniority.
8. Letter from Martin E. Robins to J. E. Burns, Jr. dated January 28, 1983 setting forth the understanding with respect to the allocation of work at the Kearny Meadows Shop.

9. Letter from Martin E. Robins to J. E. Burns, Jr. dated January 13, 1983 concerning locomotive wheel combo sets and motor vehicles.
10. Letter from Martin E. Robins to J. E. Burns, Jr. dated January 28, 1983 concerning referral of issues outside the jurisdiction of the Special Adjustment Board to the second division of the Labor Railway Adjustment Board of Section 3 of the Railway Labor Act.
11. Letter from Martin E. Robins to J. E. Burns, Jr. dated January 28, 1983 concerning implementation of Rule 5-F-2.
12. Letter from Martin E. Robins to J. E. Burns, Jr. dated January 28, 1983 concerning the honoring of historic work scopes in the application of the Machinist's classification of work.
13. Letter from Martin E. Robins to J. E. Burns, Jr. dated April 15, 1983 concerning time periods specified in Rule 4-P-1.
14. Letter from Martin E. Robins to J. E. Burns, Jr. dated April 15, 1983 concerning services of notices under the Railway Labor Act.
15. Letter from Martin E. Robins to J. E. Burns, Jr. dated April 15, 1983 concerning maintenance of stations NJT Rail is receiving from Amtrak.

All references in the Agreement to any Appendix are null and void except to the extent that an Appendix is enumerated above.

New Jersey Transit Rail Operations, Inc. ("NJT Rail") and the International Association of Machinists and Aerospace Workers (the "Union") agree to the following provisions with respect to rules and working conditions, and with respect to rates of pay and other economic terms, in order to give recognition both to historical rights and privileges of rail employees, to achieve needed improvements in efficiency and productivity in commuter rail service, and to provide a financially secure foundation for the service.

I. WORK SCOPE

With respect to scope of work, NJT Rail and the union agree to the following provisions:

RULE NO. 1--CLASSIFICATION OF WORK

It is the general intent of NJT Rail that all work set forth in this work classification rule performed by members of the craft for Consolidated Rail Corporation on behalf of New Jersey Transit after August 13, 1981, or performed by members of the craft at NJT Rail after January 1, 1983 which can reasonably and practicably be performed by the employees covered by this Agreement shall be assigned to such employees rather than to any contractor or subcontractor.

Machinists' work shall consist of installing, maintaining, repairing, dismantling, assembling, adjusting, testing and inspecting machinists' work, on all machinery, including pumps, bearings, pinions, gears, sheave wheels, mechanical couplings, compressors, air equipment, lubricator and injector work on steam, diesel-electric, electric, and other types of locomotive or self-propelled unit; air brake equipment off cars; valves; torches and gauges for acetylene equipment; machinists' work on cars, refrigeration equipment, air conditioning, train control, cab signal equipment, speed control equipment, roadway equipment, hydraulic elevators, cranes, hoists, elevators, moving stairs, turntable tractors, internal combustion engines, air motors, steam engines, automotive equipment, tools (such as mechanical, pneumatic and hydraulic), and mechanical work on electrically operated tools.

The laying out, fitting and fastening together of parts, adjusting, shaping, boring, including journal brasses, turning, slotting, milling, grinding, skilled drilling and reaming, polishing for electro plating, in connection with machinists' work. Tool and die making, tool grinding and machine grinding, axle truing, wheel and tire turning and boring; wheel and gear mounting and dismantling; removing or applying journal roller bearings in wheel shop or other similar shop or department. Building and repairing of scales when performed in scale shop; repairing and adjusting mechanical

clocks, timing devices and instruments; repairing and maintaining shafting. The inspection and testing of engines and locomotives and self-propelled units generally recognized as machinists' work. The removing, replacing, grinding, bolting and breaking of all joints or superheaters. Autogenous welding in connection with machinists' work.

The operation of tools and machines when used in the performance of machinists' work, including drill presses using a facing, boring, or turning head or milling apparatus, travograph, radiograph, reflectoscope.

Restoring worn parts by metalizing process for subsequent machining or grinding. Operate magnetic particle machine.

Machinery oiling including general shop oiling and care of and repair to belting.

Box packing, lubricator and grease cup filling and oiling including the sponging, oiling and the application of grease to all journals, all bearings on locomotives applying cellar bolts and studs.

Applying and removing couplings, including draw bars, safety bars, steam heat, air, and electric headlight connections.

Dismantling all classes of equipment for scrap; dismantling all or any parts of the locomotive for repairs.

Draft rigging on locomotives including application and removal of couplers, coupler brackets or parts.

Operating wheel shell and bushing presses, bolt threading machines, nut tapping and facing machines, drill presses (not equipped with facing, boring or turning head or milling apparatus, or so equipped and not ordinarily used) boring machines for car, engine track and trailer bearings, cut off and power hack saw, buffing machine, polishing rods and motion parts and miscellaneous work, when used in connection with work of the machinist craft.

Attending tool room in Machine Shops, including issuing, cleaning and caring for all tools, and the grinding of drills and machine tools or grinders provided for this work.

Grinding angle cocks when done on special machine provided for this work, including stripping and applying handles and renewing keys.

Stripping and mounting air brake, signal, steam heat and water hose and all work necessary to prepare for use.

All gas and electric cutting that may be assigned.

RULE NO. 2--GRADES OF WORK

There shall be the following three grades of Machinist craft work, the rates of pay for such work are set forth in the Rate Schedule.

Grade A: timesetting, time studying, layout, grade die making and sinking, and tool making.

Grade B: repairs to plant, road machinery and equipment, FRA inspections, millwright, lathe and reflectoscope operation, welding and instrument work.

Grade C: All other work of the machinist craft.

RULE NO. 3--SUBCONTRACTING OF WORK

Notwithstanding Rule 1, NJT Rail may contract with an outside concern to perform work covered by Rule 1, unless the Union demonstrates:

- (1) Its members possess the necessary skills; and
- (2) The work can be performed on NJT Rail property within the time specified for the project by NJT Rail; and
- (3) The work can be performed without resort to overtime pay; and
- (4) The work can be performed by its members on NJT Rail property at a cost the same or less than the estimate of the cost of subcontracting the work.

Where the Union has demonstrated the above noted facts, NJT may nonetheless contract with an outside concern if it can demonstrate:

- (1) Essential facilities and equipment are not available to perform the work on NJT Rail property; or
- (2) Managerial or technical skills are not available on NJT Rail; or

- (3) The work cannot be performed on NJT Rail property without adversely affecting NJT Rail's equipment, normal routine and scheduling requirements.

Before NJT Rail may contract with a person not a party to this Agreement with respect to the work subject to this Rule, NJT Rail shall furnish to the designated representative of the Union a notice of a proposed contract. The designated representative must notify NJT Rail within five (5) days of any intention to confer concerning the matter and will be given a reasonable opportunity to do so. Upon request, NJT Rail will provide reasons and supply supporting data. If the parties are unable to reach an agreement at the conference, NJT Rail may nonetheless contract out the work and the union may file a time claim and process the matter as a grievance under this Agreement. If the designated representative fails to notify and confer with the time required, all rights to protest a subcontract shall be waived. This rule shall not apply to minor transactions.

RULE NO. 4--INCIDENTAL WORK

At all locations, including the maintenance shops as well as at running repair work locations, where a craft or crafts are performing a work assignment, the completion of which calls for the performance of "incidental work" (as hereinafter defined) covered by the classification of work rules of another craft or crafts, such craft or crafts may be required so far as they are capable, to perform such incidental work provided it does not comprise a preponderant part of the total amount of the work involved in the assignment.

Work shall be regarded as "incidental" when it involves the removal, replacing, loosening or the disconnecting and connecting of parts and appliances such as electrical wires, piping, covers, shielding and other appurtenances during the course of the main work assignment in order to accomplish that assignment. Incidental work shall be considered to comprise a preponderant part of the assignment when the time normally required to accomplish it exceeds the time normally required to accomplish the main work assignment.

If there is a dispute as to whether or not work comprises a "preponderant part" of the work assignment, NJT Rail may nevertheless assign the work as it feels it should be assigned and proceed with the work and assignment in question; however, the Shop Committee may request that the assignment be timed by the parties to determine whether or not the time required to perform the incidental work exceeds the time required to perform the main work assignment.

II. WORK RULES

With respect to work rules and working conditions, NJT Rail and the union agree to the following provisions.

RULE NO. 1 -- EMPLOYMENT

1-A-1. (a) Applicants for employment shall be required to answer questions necessary to determine whether or not they are qualified to become satisfactory employees and shall undergo a physical examination to determine their fitness for the work required and to protect the health and safety of employees.

(b) The application of new employees for employment shall be approved or disapproved within 120 days after applicants begin work. In the event of applicants giving false information this time limit shall be extended to one (1) year. An employee accepted for employment, who has furnished incorrect information in connection with the application for employment, may be terminated within two years of date of hire when the information involved was of a nature that the employee would not have been hired if the Company had had timely knowledge of it.

RULE NO. 2--SELECTION OF POSITIONS

2-A-1. (a) In the exercise of seniority, the senior employee shall, if sufficient ability is shown by trial, be given preference to positions desirable to them.

(b) New positions and all vacancies will be advertised on Tuesday but not later than the second Tuesday from the date they occur, for a period of seven (7) calendar days. Advertisements will designate the position number, location, tour of duty, rest days, rate of pay and major duty to be performed; vacancies will also indicate the name of the last incumbent. (Note: If Tuesday is a holiday the bulletin will be issued on the following day).

An advertisement may be canceled at any time prior to award being made. In the event an advertisement is canceled, notice to that effect, and the reason therefor, will be posted on bulletin boards on which the advertisement appeared and the interested local committee will be furnished a copy.

Award will be made and bulletin announcing the name of the successful applicant will be posted within ten (10) calendar days after the close of the advertisement. This rule will not be construed to require the placing of employees on their awarded positions, when properly qualified employees are not available to fill

their places, but such transfers must be made within twelve (12) calendar days from effective date of award.

When an employee is awarded a position he will be compensated at the rate of the position he is awarded from the effective date of the award. Copy of the bulletin and award will be furnished the interested local committee.

(c) Advertised positions may be filled temporarily pending an award.

(d) An employee transferred from a position on one shift to a position on another shift, by awarded, shall receive an additional eight (8) hours pay at the straight time rate of the position he was awarded, for each day he is required to work on his former position subsequent to twelve (12) calendar days from effective date of award.

An employee transferring from one position to another position on the same shift, by award, shall receive an additional three (3) hours pay at the straight time rate of the positions he was awarded for each day he is required to work on his former position subsequent to twelve (12) calendar days from effective date of award.

An employee who changes from one shift to another as the result of displacement through reduction in force will be paid overtime rates from the first shift of such change.

(e) A furloughed employee will be considered as having bid for any vacancy headquartered within fifty (50) miles of his home or previous worksite. If entitled to the position or vacancy, it will be awarded to him and he will be recalled from furlough.

(f) An employee working in the craft covered by this Agreement who acquires seniority in any other craft shall forfeit seniority.

(g) An employee who desires to withdraw his bid or application for an advertised position must file his request, in writing, with the official whose name appears on the bulletin and with copy to the interested local committee prior to the time and date on which the bulletin is closed.

(h) An employee shall be considered as furloughed when he is unable to obtain any position in the craft within fifty (50) miles from his home or current work site.

(i) Employees are limited to two (2) voluntary bids per calendar year. Awards resulting from abolishments and displacements, (and retirements) promotions, or higher rated positions will not be considered a voluntary bid under this rule.

Should an employee be displaced by a senior employee in a position he/she bid to prior to thirty (30) days on the position or the position is abolished prior to thirty (30) days on the position, the bid to this position shall not be considered as being voluntary.

2-A-2. An employee who bids for and is awarded an advertised position cannot bid for the position he has just vacated until same has been advertised a second time, unless such employee has been displaced from the position he has been awarded or unless no bids are received for the position he has just vacated.

2-A-3. (a) 1. Employees awarded advertised positions for which they bid or applied or acquiring positions through displacement of junior employees, will be given full cooperation from supervisory forces and others in their efforts to qualify.

2. An employee failing to qualify for the position selected after having been given a fair opportunity to demonstrate his qualifications, will retain all prior seniority and will within five (5) working days, return to his former position unless it has been abolished or permanently filled by a senior employee, in which event he may exercise seniority in accordance with Rule 3-C-3.

3. Other employees displaced in application of this rule may exercise seniority in accordance with Rule 3-C-3.

(b) 1. When the installation of a basically improved type of new machinery or new work methods requiring new or additional skills necessitates the creation of a new position under the Agreement, the position shall be advertised and filled in accordance with the provisions of Rule 2-A-1. When there is a large scale installation of new machinery or large installation of new work methods requiring new or additional skills which may involve a substantial loss of work as machinists to senior employees, representative of the Company and of the employees shall agree upon a training program.

2. If the senior bidder or applicant for such position is not qualified therefor, he shall be assigned as a trainee, and shall be paid the hourly rate of his former position during the training period.

3. Except as may otherwise be agreed upon, such as in the case of large scale installations, the term "new machinery" and "new work methods" shall be considered as applicable only during the first year of operation at the point involved.

4. The time, specified in Rule 2-A-1, within which to award and fill advertised positions will be extended by the length of time an employee or employees are in training for the position.

5. The employee who qualifies for the position shall be awarded the position and assigned to it and thereafter shall be paid the rate of the position. The proper officer of the Company after consultation with the employee representative shall determine (subject to appeal) the period of time an employee shall be paid for learning such position, and the employee representative shall be advised, in writing, the period of time determined upon.

6. A trainee who qualifies before the end of the specified training period will be awarded and assigned to the position as soon as he is qualified.

7. An employee who fails to qualify for the position shall retain seniority and shall, within five (5) working days, return to his former position unless it has been abolished or permanently filled by a senior employee, in which event he may exercise seniority. Other employees displaced in application of this paragraph (b) may exercise seniority in accordance with Rule 3-C-3.

2-A-4. (a) Day to day vacancies in regular assigned positions (including vacation vacancies not filled by vacation relief employees) or in positions temporarily vacant pending award, if filled, may be filled by agreement between the General Foreman and the union representative or otherwise the following procedures will apply:

1. In filling a machinist position where a higher grade rate is involved, the position shall be offered in seniority order, to the qualified machinists regularly employed at a lower grade rate, working on the trick and at the location where the position exists.

2. If a machinist position cannot be filled in accordance with paragraph 1 it shall be filled by the junior qualified available machinist working on the trick and at the location where such position exists.

3. Any vacancy created by following the preceding procedure or any vacancy not filled by such procedure, may be filled with an employee in the machinist craft not holding a bulletined position.

4. If the vacancy can not be filled by the preceding procedure, it may be filled by Rule 5-E-1.

(b) Workers will normally work their assigned positions, except a junior qualified employee may be assigned to perform work not comprehended in his regular assignment. When an employee is assigned to perform work not contemplated in his regular work assignment, in other than an emergency such as flood, snow storm, wreck, fire, etc., and there is a more junior employee available to perform such work, the employee assigned the work shall be allowed additional straight time pay equal to the time so assigned with a maximum of one (1) hours pay.

An employee who changes from one shift to another as the result of displacement through reduction in force will be paid overtime rates for the first shift of such change.

RULE NO. 3--SENIORITY

3-A-1. (a) Seniority of machinists begins at the time they are employed as such provided they qualify on such positions; except, at the expiration of their apprenticeship, the seniority of apprentices retained in the service will date from the first day employed as apprentices.

(b) If two or more employees start to work on the same day, their seniority rank on the roster of their respective classes will be in alphabetical order.

(c) If two or more employees on the same roster acquire seniority in a higher class on the same day, their relative rank in the higher class shall be the same as in the class from which promoted.

3-B-1. The NJT Rail operating territory shall constitute a single seniority district for the machinist craft.

3-B-2. No change will be made in existing seniority districts except by agreement between the Senior Director Labor Relations and the interested General Chairman.

3-C-1. (a) Notice of force reduction or abolishment of position at any point or in any department shall be posted or given as soon as possible and not less than five (5) working days in advance, except no advance notice to employees shall be required before temporarily abolishing positions or making temporary force reductions under emergency caused by conditions, such as flood, snow storm, hurricane, tornado, earthquake, fire or labor dispute other than covered in paragraph (b) below, provided that such conditions result in suspension of the Company's operations in whole or in part. It is understood and agreed that such temporary force reductions will be confined solely to those work locations directly affected by any suspension of operations. It is further understood and agreed that notwithstanding the foregoing any employee who is affected by an emergency force reduction and reports for work for his position without having been previously notified not to report, shall receive four (4) hours pay at the applicable rate for his position.

(b) No advance notice shall be required before positions are temporarily abolished or forces are temporarily reduced where a suspension of the Company's operation in whole or in part is due to a labor dispute between the Company and any of its employees.

(c) When operations are restored after emergencies all employees will report to pre-emergency positions at the start of the first full shift thereafter.

3-C-2. When forces are reduced, seniority in accordance with Rules 3-A-1, 3-B-1 and 3-C-3 will govern.

3-C-3. (a) Subject to the provisions of paragraph (c), employees whose positions are abolished shall, within three (3) working days after being notified that their positions are abolished, exercise their seniority.

Subject to the provisions of paragraph (c), other employees affected by such exercise of seniority shall, within three (3) working days after being notified that they will be displaced, exercise their seniority.

An employee may exercise seniority in one of the following methods:

- (1) By displacing a junior employee
- (2) By assignment to an advertised position that went no bid
- (3) By assignment to a currently advertised vacancy pending

award of such vacancy.

(b) An employee reporting for duty after leave of absence, vacation, sickness, disability or suspension must return to his former position if not abolished or filled by another employee in the exercise of seniority and may, within three (3) working days exercise seniority to any position bulletined during his absence. If, during his absence his regular position has been abolished or filled by another employee in the exercise of seniority, he shall, subject to paragraph (c), within five (5) working days after reporting for duty, exercise seniority. If the employee's position has been filled or abolished during his absence, he shall be afforded a day's pay on the date of his return to duty and on such day may be used to perform any work covered by this agreement without penalty.

(c) Employees failing to exercise seniority within fifty (50) miles from their point of hire will forfeit seniority. Such forfeiture of seniority will not occur if the employee provides evidence that mitigating circumstances beyond his control prevented such exercising of seniority.

(d) Employees unable to exercise seniority under paragraph (c) of this rule and who elect not to exercise other seniority shall be furloughed.

3-C-4. When conditions develop so that an employee cannot satisfactorily perform the assigned work, he will be permitted to exercise seniority under Rule 3-C-3, subject to agreement between the Company and the local committee.

3-C-5. In the restoration of forces seniority will govern in accordance with Rules 3-A-1 and 3-B-1, employees to take the rate of position to which assigned.

3-C-6. Employees furloughed must keep their employing officer advised of any change in their current address. Employees failing to report for duty for positions expected to be of more than sixty (60) days duration, within ten (10) calendar days after a Certified U.S. Mail notice is mailed to the last recorded address, will forfeit all seniority, unless they present sufficient proof that circumstances beyond their control prevented such return.

3-D-1. (a) Employees covered by this Agreement who have been or are hereafter appointed to a supervisory or non-agreement position, shall retain previously acquired seniority in the seniority district from which appointed and shall continue to accumulate such seniority while occupying such position.

(b) Employees appointed subsequent to May 1, 1979, shall be subject to the maintenance of membership requirements of the Union Shop Agreement in order to retain and accumulate seniority, except when they are required to belong to another Union. The Union will be advised quarterly of employees appointed under this paragraph.

(c) Appointed employees who return to the ranks of shop craft employees may, within five (5) working days, exercise seniority over any junior employee in their craft in the district in which they hold seniority. Other employees displaced as a result thereof may exercise seniority in accordance with the provisions of Rule 3-C-3.

(d) All appointed employees presently required to maintain union membership under the former PRR-System Federation 152 Agreement will continue to be subject to the maintenance of membership requirements of the Union Shop Agreement in order to retain and accumulate seniority.

3-E-1. After conference with the General Chairman or his representative, seniority roster shall be prepared for each class, showing the name, employee number, seniority date, status (leave of absence, promoted, disability, annuity or furlough) and relative standing of each employee in each seniority district.

3-E-2. Rosters shall be posted on bulletin boards provided for that exclusive purpose in places accessible to all employees affected and shall be revised as of January 1st and posted in January of each year (except in 1983, when such roster shall be posted March 1 or as promptly thereafter as practicable, but no later than May 1). An employee shall have forty-five (45) calendar days from date his name first appears on the roster to appeal his roster date or relative standing thereon (except in 1983, when an employee shall have ninety (90) days), except that in case of an employee off on leave of absence, vacation, sickness, disability, suspension or furlough, at the time roster is posted, this time limit shall apply from the date employee returns to duty. If no appeal is taken within the sixty (60) calendar day period, future appeals will not be entertained unless the employee's roster date or his relative standing is changed from that first posted. A note shall be placed on each roster stating the time limit of appeal.

Copies of the rosters shall be furnished to the local committee and the General Chairman.

3-E-3. No change in seniority standing of any employee shall be made on the part of the Company without conference and agreement with the General Chairman or his

designated representative. When such a change is made, the employee, whose seniority standing was the subject of the conference and agreement, shall be notified, in writing, of the change.

3-F-1. (a) Subject to agreement, in writing, between the proper official of the Company and the local committee, a disabled employee covered by this Agreement may be placed in a new position or vacancy which has been advertised, a position or vacancy that is under advertisement but not yet filled, or in a position occupied by a junior employee covered by this Agreement, provided such employee is capable of performing the duties required. An employee who is so placed shall be compensated at the rate of the position in which he has been placed.

(b) An employee who has been placed in a position as set forth in paragraph (a) hereof shall forfeit his right to retain the protection afforded by this rule if he thereafter bids for other advertised positions or vacancies, and the position on which he was placed shall thereupon be advertised. In such case, if the disabled employee is not awarded the advertised position or vacancy for which he has bid, he may exercise seniority within five (5) working days to a position the duties of which he is capable of performing and may bid for the position on which he was placed if in the future it is advertised again.

(c) A position of machinist or helper, in which a disabled employee has been placed by agreement under paragraph (a) hereof, shall not except as provided in paragraph (b) hereof, be subject to the seniority or advertising provisions of this Agreement, but a disabled employee so assigned may be displaced by a senior qualified machinist or helper holding seniority in the craft to which a disabled employee has been assigned, provided that there is no other position as machinist or helper in the craft for which such senior employee is qualified.

(d) Employees displaced in the application of this rule may exercise seniority in accordance with Rule 3-C-3.

3-G-1 Seniority Retention (Effective 5/20/87):

(a) Employees now filling or hereafter promoted to official, supervisory or excepted positions shall retain all seniority rights they possess at the time of their promotion to a position outside the scope of this agreement.

(b) Employees who remain members in good standing with the Organization shall continue to accumulate seniority in the district from which

promoted. Such employees who fail to maintain membership in good standing with the Organization shall maintain existing seniority throughout their employment, but shall not accumulate additional seniority in the district from which promoted subsequent to the date of their promotion.

(c) All promoted official and excepted employees will make their intentions known on the form to be provided to the official in charge at the location with a copy to the Union within 60 calendar days from the date of promotion or the date of this Agreement. The attached form to be utilized is a part of this Agreement.

RULE NO. 4--TIME ALLOWANCES

4-A-1. Eight (8) consecutive hours work, exclusive of the meal period shall constitute a day.

4-B-1. (a) Time worked by an employee in excess of eight (8) hours in any 24-hour period, computed from the starting time of the employee's regular shift, will be considered as overtime and paid for at the rate of time and one-half, except that double time will be paid for time worked in excess of sixteen (16) hours in such 24-hour period.

(b) A relief employee who performs relief work in two (2) or more positions within a 24-hour period will be paid straight time for the first eight (8) hours worked in each position. For time worked in excess of eight (8) hours on any of the positions so relieved, he will be paid overtime.

(c) Time worked in excess of forty (40) straight time hours in any work week shall be paid for at one and one-half times the applicable straight time rate of pay, except where such work is performed by an employee due to moving from one assignment to another, or where days off are being accumulated in accordance with the provisions of Rule 5-A-1 (i) (3).

Employees worked more than five (5) days in a work week shall be paid one and one-half times the basic straight time rate for work on the sixth and seventh days of their work week, except as otherwise provided in Rule 4-B-2 (b) or where such work is performed by an employee moving from one assignment to another, or where days off are being accumulated under the provisions of Rule 5-A-1 (i) (3).

(d) There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight (8) paid for at overtime rates on holidays, be utilized in computing the forty (40) hours per week, nor shall time paid

for in the nature of arbitraries or special allowances such as attending court, deadheading, travel time, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours, or where such time is now included under existing rules in computations leading to overtime.

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

4-B-2. (a) Work performed on the following legal holidays, namely:

New Year's Eve Day	Fourth of July
New Year's Day	Labor Day
Martin Luther Kings Birthday	Thanksgiving
Washington's Birthday	Day after Thanksgiving
Good Friday	Christmas Eve Day
Decoration Day	Christmas

(Christmas Eve and New Year's Eve will be the days before Christmas and New Year's Day are observed, respectively).

or the day observed shall be paid for at the time and one-half rate with a minimum of three (3) hours.

(b) Work performed by an employee on his assigned rest day, or days, shall be paid for at the overtime rate subject to Rules 4-B-1 and 4-E-1, except that service performed by a regularly assigned employee on the second rest day of his assignment shall be paid at double the basic straight time rate provided he has worked all the hours of his assignment in that work week and has worked on the first rest day of his work week, except that emergency work paid for under the call rules will not be counted as qualifying service under this paragraph nor will it be paid for under the provisions hereof.

(c) Work performed on an assignment starting in advance of midnight on any day will be considered as work performed on the day the assignment began.

Work performed on an assignment starting at 12:00 midnight will be considered as work performed on the following day.

(d) In the assignment of employees to work on their rest days or on holidays on which they are not scheduled to work, the provisions of Rule 5-E-1 (b) will apply.

4-B-3. (a) Subject to the qualifying requirements applicable to regularly assigned employees contained in paragraph (b) hereof, each regularly assigned employee shall receive eight (8) hours pay at the straight time rate of the position to which assigned for each of the holidays enumerated in Rule 4-B-2.

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

(b) A regularly assigned employee shall qualify for the holiday pay provided in paragraph (a) hereof if compensation paid him by the Company is credited for four (4) hours or more of his/her assignment on the workday immediately preceding and following such holiday. If the holiday falls on the last day of a regularly assigned employee's workweek, the first workday following the rest days shall be considered the workday immediately following the holiday. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday.

The fact that no compensation paid by the Company is credited to the workday immediately preceding or following the holiday shall not disqualify an employee for holiday pay to which he would have been otherwise entitled (1) if the employee is a duly accredited union representative, and, as such, attends a regularly scheduled meeting with the Company, or is required to attend a meeting at the Company's request, on the workday immediately preceding or following the holiday, or (2) if the employee is absent from work on the workday immediately preceding or following the holiday because of death in the employee's family occurring within three (3) calendar days of the day of such absence. "Family" as used in this rule means the employee's spouse, child, parent, parent-in-law, brother or sister.

All others for whom holiday pay is provided in paragraph (a) hereof shall qualify for such holiday pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

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

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

(c) When any of the holidays enumerated in Rule 4-B-2, or the day observed falls during an employee's vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for in paragraph (a) of this rule provided he meets the qualification requirements specified. The "workdays" and "days" immediately preceding and following the vacation period shall be considered the "workdays" and "days" preceding and following the holiday for such qualification purposes. An employee's vacation period will not be extended by reason of any of the eleven (11) recognized holidays, or the day observed.

(d) Special qualifying provision for employees qualifying for both the Christmas Eve and Christmas Day Holiday, the Thanksgiving Day and Day after Holiday, and the New Year's Eve and New Year's Day Holiday:

An employee who meets all other qualifying requirements will qualify for holiday pay for both Christmas Eve and Christmas Day or Thanksgiving and the Day after or New Year's Eve Day and New Year's Day if on the "workday" or the "day", as the case may be, immediately preceding the first holiday of each pair he fulfills the qualifying requirements applicable to the "workday" or the "day" before the holiday and on the "workday" or the "day", as the case may be, immediately following the Christmas Day or Day after Thanksgiving or New Year's Day Holiday he fulfills the qualifying requirements applicable to the "workday" or the "day" after the holiday.

An employee who does not qualify for holiday pay for both holidays of each pair may qualify for holiday pay for either holiday under the provisions applicable to holidays generally.

- (e) Under no circumstances will an employee be allowed, in addition to

his holiday pay, more than one (1) overtime payment for service performed by him on a holiday which is also a work day, a rest day and/or a vacation day.

4-C-1. Bereavement leave, not in excess of three (3) consecutive days, not to include rest days, following the date of death will be allowed in case of death of an employee's brother, sister, parent, child, spouse or spouse's parent. In such cases a minimum basic day's pay at the rate of the last service rendered will be allowed for the number of working days lost during bereavement leave. Employees involved will make provision for taking leave with their supervising officials in the usual manner. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under this provision.

In order to qualify for benefits under this Rule, the employee must first submit satisfactory evidence of the death in his immediate family either by form prepared by NJT Rail or in the form of an attested certificate attesting to such death. NJT Rail's monetary liability shall be limited to actual wage loss at the basic day's pay at straight time and shall not include pay for loss of overtime or other increments to the employee's position while the employee is absent. The benefits of this Rule shall not be coupled or used in conjunction with benefits provided by other rules currently in effect between the parties, such as sick leave, vacation, holidays, etc., for which the employee is being paid for time not worked.

4-D-1. For service continuous with and after bulletined hours employees shall be paid the overtime rate.

4-D-2. For service continuous with and before bulletined hours, employees shall be paid at the overtime rate with a minimum of one (1) hour.

4-E-1. Employees called, who report for work, shall be paid not less than three (3) hours.

4-F-1. (a) There may be one, two or three shifts employed. The starting time of any shift shall be arranged by mutual understanding between the local officer and the local union representative based on actual service requirements; otherwise the provisions of Rule 5-B-1 will apply.

(b) The time and length of the lunch period shall be subject to mutual agreement and shall be between the 4th and 5th hour.

(c) Where two (2) shifts are employed, the spread of the second shift shall consist of eight (8) consecutive hours, including an allowance of twenty (20)

minutes for lunch.

(d) Where three (3) shifts are employed, the spread of each shift shall consist of eight (8) consecutive hours, including an allowance of twenty (20) minutes for lunch.

(e) Employees required to work during the lunch period shall receive actual time at straight time rate for the period so worked, and shall be allowed a reasonable time, without loss of pay, in which to eat. This does not apply where employees are allowed the twenty (20) minutes for lunch without deduction therefor.

(f) Employees required to work more than three (3) hours beyond their bulletined working hours will be allowed reasonable time off, with pay, with a meal allowance as outlined below. Subsequent meal periods, with meals provided at the expense of the Company, will be allowed at five (5) hour intervals following the termination of the preceding meal period. Employees required to work more than three (3) hours before the start of their regular bulletin hours will be allowed reasonable time off with pay for a meal allowance:

- (1) In lieu of each meal which the Carrier is required to provide under existing agreement, employees will receive a ten (\$10.00) dollar taxable allowance.
- (2) At Carrier's discretion, any required meal may be provided by the Carrier, in which case meal allowances will not be payable to affected employees.

4-G-1. (a) Employees sent out on the road for service shall be paid from time reporting at designated point at the home station until they return to home station, at straight time and overtime rates in accordance with Rule 4-B-1.

(b) If during the time on the road an employee is given opportunity to rest five (5) or more hours, he will not be paid for such relief time. When necessary to travel to and from another point to secure lodging, such travel and/or waiting time will be paid for in accordance with section (a) of this rule.

(c) Employees shall not be paid less for this service than their bulletined hours at the home station at their hourly rate.

(d) When meals or lodging are not provided, actual reasonable expenses shall be allowed.

4-H-1. When an employee is required to fill the place of another employee receiving a higher rate of pay, he shall receive the higher rate for his entire tour of duty.

An employee required to fill temporarily the place of another employee receiving a lower rate, shall not have his own rate changed.

4-I-1. When an employee is assigned temporarily for part of his assigned tour of duty to perform work (not covered by Rule 4-H-1) for which the Rate Schedule specifies a rate in excess of his regular rate, he shall be paid the higher rate for the actual time so engaged; if the time so engaged exceeds four (4) hours, he shall be paid the higher rate for the entire tour of duty.

4-J-1. An employee assigned temporarily to fill a supervisory position shall, for the tour of duty, be paid the rate of the position filled.

4-K-1. (a) The following allowances will be made for time spent incident to attending court as a witness for the Company:

1. On a day or days the employee is assigned to work, compensation equal to what would have been earned had such interruption not taken place.
2. On a day or days the employee is not assigned to work (including rest days and holidays), compensation equal to what would have been earned had such interruption not taken place but not less than eight (8) hours pay at his regular straight time rate.
3. On holidays, straight time holiday pay for which an employee is qualified will be paid in addition to the allowance provided in paragraph 2 above.

(b) While away from headquarters incident to attending court as a witness for the Company an employee shall also be allowed necessary actual expense.

(c) All fees and mileage accruing to an employee required to attend

court as a witness for the Company will be assigned to the Company.

4-L-1. When a regularly assigned employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each day lost subject to the following qualification requirements and limitations:

1. An employee must furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed.
2. An employee shall notify his supervisor promptly upon receipt, but not later than 48 hours prior to the start of service, of the receipt of a jury summons and the days involved.
3. No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.
4. When an employee is excused from service account of jury duty the Company shall have the option of determining whether or not the employee's regular position shall be blanked, notwithstanding the provisions of any other rules.
5. Except as provided in paragraph 6, an employee will not be required to work on his assignment on days on which jury duty:
 - (a) ends within four (4) hours of the start of his assignment; or
 - (b) is scheduled to begin during the hours of his assignment or within four hours of the beginning or ending of his assignment.
6. On any day that an employee is released from jury duty and four or more hours of his work assignment remain, he will immediately inform his supervisor and report for work if advised to do so.

4-M-1. (a) Where practicable, investigations and trials will be held during assigned working hours.

(b) When attending an investigation or trial by direction of an officer of the Company, during his working hours, either regular or overtime, an employee shall not suffer any loss of compensation.

(c) An employee required by the Company to attend an investigation or trial immediately after having finished, or just prior to reporting for work, and continuous therewith, shall be compensated at the time and one-half rate for the time spent in attending such investigation or trial outside of his working hours.

(d) When attending an investigation or trial by direction of the Company on an assigned rest day an employee shall be paid not less than three (3) hours at the time and one-half rate.

(e) When attending an investigation or trial by direction of the Company on a holiday which falls on a day an employee is normally assigned to work, such employee will be compensated for the time so spent as though he had worked.

(f) The above provisions do not apply to the time spent attending a trial outside his assigned hours for an employee who is found guilty.

4-N-1. (a) Employees whose work is interrupted while on duty for reasons mentioned in Rule 3-C-1 and who are released from duty shall be paid for time actually worked with a minimum of four (4) hours pay.

(b) Employees who have not been notified before leaving home that their services are not required, and who report for work and are unable to start to work at their regular starting time, or whose work is interrupted for reasons mentioned in paragraph (a) above, may be temporarily assigned to other work. If so assigned, they will be allowed to complete their full tour of duty.

4-O-1. When employees are required to check in and out on their own time they will be allowed 40 minutes each week at their regular straight time hourly rate for checking in and out, on their own time, regardless of the number of hours worked during the week.

4-P-1. (a) A claim or grievance must be presented in writing by an employee or on his behalf by his union representative to the employee's General Foreman or other designated official within thirty (30) days from the date of the occurrence on which the claim is based. Should any claim or grievance be denied, the General

Foreman shall, within thirty (30) days from the date same is filed, so notify, in writing, whoever filed the claim or grievance (the employee or his representative). If not so notified the claim will be allowed as presented.

(b) A claim or grievance denied in accordance with paragraph (a) shall be considered closed unless it is listed for discussion with the Manager Labor Relations by the employee or his union representative within thirty (30) days after the date it was denied. A claim or grievance listed ten (10) days prior to the date of a scheduled monthly meeting with the Local Committee will be discussed at such meeting. When a claim or grievance is not allowed the Manager Labor Relations will so notify, in writing, whoever listed the claim or grievance (employee or his representative) within thirty (30) days after the date the claim or grievance was discussed of the reason therefor. When not so notified the claim will be allowed.

(c) A claim or grievance denied in accordance with paragraph (b) will be considered closed unless a written request for a Joint Submission is made to the Manager Labor Relations by the employee or his representative within thirty (30) days after the date the claim or grievance was denied by the Manager Labor Relations.

(d) The Joint Submission will consist of a Subject, which shall be the original claim or grievance submitted by or on behalf of the employee, a Joint Statement of Agreed Upon Facts, the Employee's Position and the Company's Position (Employee's position and the Company's position will be exchanged simultaneously). If the Joint Submission is not completed after the expiration of thirty (30) days following the request for the Joint Submission, either party may file an Ex Parte Submission which shall consist of the Subject and the Statement of Facts and Position of the party filing such Submission.

(e) Upon completion of a Joint Submission or Ex Parte Submission, the employee, the General Chairman or the Director Labor Relations may list the case or discussion at a scheduled monthly meeting. All such submissions listed ten (10) days prior to the date of a scheduled system meeting will be placed on the docket for discussion at such meeting.

(f) When a claim or grievance is not allowed, the Director Labor Relations will so notify, in writing, the General Chairman (and the employee, if the employee listed the claim or grievance) within thirty (30) days after the case was discussed at a scheduled system meeting of the reason therefor. When not so notified the claim or grievance will be allowed.

(g) A claim or grievance denied in accordance with paragraph (f) will be considered closed unless within ninety (90) days from the day of the decision of the Director Labor Relations proceedings are instituted before the Special Adjustment Board established pursuant to paragraph (1) of this Rule or such other tribunal or board as may be legally substituted for it under the Railway Labor Act.

(h) The time limits specified in paragraphs (b), (c), (f) and (g) may be extended by agreement in any particular case. When the U.S. Mail is used, the postmark will govern in determining compliance with the various time limits.

Any claim allowed or closed by failure to comply with an applicable time limit shall not be considered as a precedent or waiver of the contentions of either party as to other similar claims or grievances.

(i) A claim may be filed at any time for an alleged continuing violation and all rights of the claimant(s) involved shall be protected by the filing of one claim or grievance based thereon so long as such alleged violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than thirty (30) days prior to the filing thereof.

(j) When a claim or grievance for compensation is allowed, the employee and his union representative shall be advised, in writing, the amount and payroll involved.

(k) In addition to claims and grievances, other matters may be handled at the monthly meetings with the Manager Labor Relations and Director Labor Relations.

(1) There shall be a Special Adjustment Board, established pursuant to Section 3, Second of the Railway Labor Act, which shall be known as Public Law Board No.(the "Board").

1. The Board shall have jurisdiction over the following matters:

- (i) all disciplinary disputes appealed from the Director of Labor Relations level of the discipline procedures established under Rule 6,
- (ii) all disputes appealed from the Director Labor Relations of the grievance procedures established

- under this Rule, and
- (iii) all other matters of interpretation or application of this Agreement.

In the event a disagreement exists regarding the arbitrability of an issue, the tribunal shall make a preliminary determination as to whether the issue is arbitrable under the express terms of this Agreement. Once a determination is made that such a dispute is arbitrable, the tribunal shall then proceed to determine the merits of the dispute.

2. The Board shall consist of three members. One member shall be a representative of the Union. The second member shall be selected by NJT Rail. A third member, who shall be the chairman of the Board, shall be a neutral person and shall be selected as provided in this Article. Party members of the Board may be changed from time to time, or at any time, by the respective parties appointing them.
3. The NJT Rail member and the Union member shall confer thirty (30) working days prior to the commencement of a Board and from time to time thereafter as a vacancy occurs for the purpose of selecting a neutral member. Each party shall submit a list of five names. The other party may reject three of the names. The remaining four names will be the subject for discussion as to the appointment of a neutral member.
4. If no name is mutually acceptable, the parties shall within fifteen (15) working days prior to the establishment of the Board and from time to time thereafter in connection with any vacancy request the National Mediation Board to appoint the neutral member.
5. The compensation and expenses of the Union member and the NJT Rail member shall be paid by the Union and NJT Rail respectively. The compensation and expenses of the neutral member and all other expenses shall be paid by the National Mediation Board to the extent funds are appropriated for that purpose, and any amounts not so paid shall be shared equally by NJT Rail and the union.

6. The Board shall meet as required but not more than once a month and shall hear such matters within its jurisdiction as have been filed not less than 30 days prior to the meeting. Such meetings shall be convened in Newark, New Jersey.
7. Time limits with regard to appeals to the Board shall be controlled by Rule 6 Discipline and Rule 4-P-I Grievances. The Board shall not hear untimely appeals.
8. At Board hearings the parties may be heard in person, by counsel, or by other authorized representatives. The Board shall rule on the facts stated in the authorized record. The Board shall not conduct a trial de novo where hearings have already been held at a prior level in the discipline or discipline procedure.
9. The Board shall not have the authority to add to, subtract from, or modify any of the provisions of this Agreement, and all decisions shall be confined to the interpretation and application of this Agreement. The Board shall render a decision solely on the dispute submitted to it. Such decisions shall be in writing and furnished to the parties. The decision shall be final and binding on both parties.
10. Each member of the Board shall have one vote, and any two members of the Board in agreement shall issue a written decision. The dissenting member may issue an opinion.
11. The Board shall render a decision within thirty (30) days after the closing of the hearing on each claim, except where the case is mutually withdrawn.
12. The Board hereby established shall continue in existence until it has disposed of all appeals submitted to it under this Agreement, after which it shall cease to exist, except for the interpretation of its awards as provided above.

RULE NO. 5 — HANDLING OF EMPLOYEES

5-A-1. (a) The Company will establish for all employees covered by this Agreement, subject to the exceptions contained in this rule, a work week of forty (40) hours, consisting of five (5) days of eight (8) hours each, with two (2) consecutive days off in each seven (7); the work weeks may be staggered in accordance with the Company's operational requirements; so far as practicable the days off shall be Saturday and Sunday. The foregoing work week rule is subject to the provisions which following .

(b) Normal working hours, which will be bulletined for all employees, will not be greater than eight (8) hours on any day, nor forty (40) hours in any week.

(c) The expressions "positions" and "work" as used herein refer to services, duties, or operations necessary to be performed the specified number of days per week, and not to the work week of individual employees.

(d) On positions the duties of which can reasonably be met in five (5) days, the days off will be Saturday and Sunday.

(e) When the nature of the work is such that employees will be needed six (6) days each week, the rest days will be either Saturday and Sunday, or Sunday and Monday.

(f) On positions which are filled seven (7) days per week any two (2) consecutive days may be the rest days, with the presumption in favor of Saturday and Sunday.

(g) All possible regular relief assignments with five (5) days or work and two (2) consecutive rest days will be established to do the work necessary on rest days of assignments in six (6) or seven (7) day service, or combinations thereof, or to perform relief work on certain days and such types of other work on other days as may be assigned.

Assignments for regular relief positions may, on different days, include different starting times, duties and work locations for employees of the same class in the same seniority district, provided they take the starting time, duties and work locations of the employee or employees whom they are relieving.

(h) If, in positions or work extending over a period of five (5) days per week an operational problem arises which the Company contends cannot be met under

the provisions of paragraph (d) of this rule and requires that some of such employees work Tuesday to Saturday instead of Monday to Friday, and the employees contend to the contrary, and if the parties fail to agree thereon, then if the Company nevertheless puts such assignments into effect, the dispute may be processed as a grievance or claim.

(i) The typical work week is to be one with two (2) consecutive days off, and it is the Company's obligation to grant this. Therefore, when an operating problem is met which may affect the consecutiveness of the rest days of positions or assignments covered by paragraphs (e), (f) and (g) of this rule, the following procedures shall be used:

1. All possible regular relief assignments shall be established pursuant to paragraph (g) of this rule.
2. Possible use of rest days other than Saturday and Sunday by agreement between the proper officer of the Company and the authorized Union representative, or in accordance with other provisions of this Agreement.
3. Possible accumulation of rest time, and granting of longer consecutive rest periods, by agreement between the proper officer of the Company and the authorized Union representative
4. Other suitable or practicable plans which may be suggested by either of the parties shall be considered and efforts made to come to an agreement thereon.
5. If the foregoing does not solve the problem, then some of the relief men may be given non-consecutive rest days.
6. If, after all the foregoing has been done, there still remains service which can only be performed by requiring employees to work in excess of five (5) days per week, the number of regular assignments necessary to avoid this may be made with two (2) non-consecutive days off.
7. The least desirable solution of the problem would be to work some regular employees on the sixth or seventh days at overtime rates and thus withhold work from additional relief men.

8. If the parties are in disagreement over the necessity of splitting the rest days on any such assignments, the Company may nevertheless put the assignment into effect subject to the right of the employees to process the dispute as a grievance or claim, and in such proceedings the burden will be on the Company to prove that its operational requirements would be impaired if it did not split the rest days in question, and that this could be avoided only by working certain employees in excess of five (5) days per week.

5-B-1. When one (1) shift is employed, the normal starting time shall not be earlier than 6:00 A.M. nor later than 8:00 P.M.

When two (2) shifts are employed, the second shift shall normally start immediately following the first shift.

When three (3) shifts are employed, the third shift shall normally start immediately following the second shift.

In establishing the starting and quitting time for the employees on the various shifts, the economy and efficiency of the service shall receive first consideration, and when starting any shift within the time limits specified in this rule would necessitate the use of an otherwise unnecessary additional shift the normal starting time may be departed from. When requirements of the service necessitate, lapped shifts may be established but shall not be resorted to when other equally economical arrangements can be made.

5-C-1. Where the Uniform Time Act of 1966 is in effect, the assigned hours of the positions will be automatically adjusted to conform with the provisions of said Act.

5-D-1. When bulletined hours for all forces are eight (8) hours per day, and the second shift follows immediately after the first shift, it shall be the policy to make the starting time and quitting time for all employees on each shift the same at the respective points. Where three (3) shifts are worked by a part of the force and one (1) or two (2) shifts by the rest, the quitting time of the first shift and the starting and quitting time of the second shift of the one (1) or two (2) shift forces shall be governed by the length of their lunch periods.

5-D-2. Exceptions to Rule 5-D-1 shall be necessary when the normal starting times are varied from as indicated in Rule 5-B-1.

5-E-1. (a) When it becomes necessary for employees to work overtime, they shall not be laid off during regular working hours to equalize the time.

(b) Record will be kept of overtime worked and men called, with the purpose in view of distributing the overtime equally among the employees insofar as their qualifications will permit, such distribution shall be subject to negotiation between the local officer and the local representative.

5-F-1. None but machinists regularly employed as such shall do work specified as that to be assigned to fully qualified machinists.

5-F-2. At all locations, including the maintenance shops, where there is not sufficient work to justify employing a craft on a full time basis the crafts employed at such locations will so far as they are capable of doing so, perform the work of any craft not employed at that location.

Any dispute as to whether or not there is sufficient work to justify employing a craft, the parties will undergo a joint check of the work done at that location. If the dispute is not resolved by agreement it shall be handled as a grievance, and pending disposition of the dispute, NJT Rail may proceed with or continue its designation.

5-F-3. When a machine or machines at a location is used to perform work of more than one craft, the Company may establish a position or positions to perform all work on such machine or machines, and assignment to such position or positions shall be based on the equities of the various crafts in the work performed by the machine or machines. If the assignment of the particular craft to such position is not satisfactory to the crafts involved, the matter may be handled in accordance with the procedure for disposition of jurisdictional disputes.

5-G-1 Capital Project "Gang" (M of E)

The Carrier may establish "project gangs", upon notice to the General Chairman, consisting of employees from the various shop crafts. The purpose of the gang(s) is to provide a dedicated work force to perform capital program work to repair/modify rolling stock or major components. The employees who secure a "gang" position through the bulletin process must remain on the designated project for its duration. However, the required time to remain on the project shall not exceed twelve (12) months.

Project employees may not be displaced (except to avoid a change of hours, rest days, work location or to avoid furlough of a qualified senior employee) nor may such employee voluntarily bid to another position outside the "gang" unless the job posting involves an upgrade. Upon completion of the project, employees may, within the time allowed under Rule No. 3, Seniority, Paragraph 3-C-3, exercise seniority.

It is understood and agreed that a capital project is an activity separately funded from regularly scheduled programmed maintenance. It is an independent activity which has a specific budget and a schedule for completion. Some samples of Mechanical Projects are as follows: Comet II glazing, Comet I-II toilet change out, F-40 Locomotive Overhaul Program, Pantograph Conversion, Evaporators, E-5 Deulostate.

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RULE NO. 6 -- DISCIPLINE

6-A-1. (a) Except as provided in Rule 6-A-5 employees shall not be suspended nor dismissed from service without a fair and impartial trial, nor will an unfavorable mark be placed upon their discipline record without written notice thereof to the employee and his union representative.

(b) When a major offense has been committed, an employee suspected by the Company to be guilty thereof may be held out of service after written notice of the charge pending trial and decision only if their retention in service could be detrimental to themselves, another person or the Company.

6-A-2 An employee who is required to make a statement prior to the trial in connection with any matter which may eventuate in the application of discipline to any employee, if he desires to be represented, may be represented by a union representative. A copy of the employee's statement, if reduced to writing and signed by him, shall be furnished by the Company, and a copy shall be given to the union representative.

6-A-3. (a) An employee who is accused of an offense, and who is directed to

report for a trial in connection therewith, shall be given reasonable advance notice, in writing, of the exact offense for which he is to be tried and the time and place of the trial. The trial shall be scheduled to begin within thirty (30) calendar days from the date the employee's General Foreman or equivalent officer had knowledge of the employee's involvement. A copy of this notice will be given to his Union representative. For a valid reason, a trial may be postponed for a reasonable period at the request of the Company, the employee or his Union representative.

(b) If he desires to be represented at such trial, he may be accompanied by a Union representative(s). The accused employee or his Union representatives (not to exceed two {2}) shall be permitted to question witnesses insofar as the interests of the accused employee are concerned. Actual, pertinent witnesses to the offense will be requested to attend the trial by the Company. The employee shall make his own arrangements for the presence of any witnesses appearing in his behalf, and no expense incident thereto shall be borne by the Company.

6-A-4. (a) If discipline is to be imposed following trial and decision, the employee to be disciplined shall be given written notice thereof not later than fifteen (15) calendar days after the trial is completed and at least fifteen (15) calendar days prior to the date on which the discipline is to become effective, except that in cases involving dismissal such dismissal may be made effective at any time after decision without advance notice. The employee and his Union representative shall be given a copy of the notice of discipline and the trial record.

(b) (1) If the discipline is suspension, the period of suspension shall be as set forth in the schedule below, if following notice of discipline the accused employee does not commit another offense for which discipline is subsequently imposed; provided that in the case of a major offense such deferral of the suspension shall not occur unless granted at his sole discretion by the designated NJT Rail official.

<u>SUSPENSION</u>	<u>PERIOD OF PROBATION</u>
Five days	Three months
Ten days	Six months
Fifteen days	
and less than thirty days.....	Nine months
Thirty or more days	One year

(2) If, within such succeeding six (6) month period, the employee commits one (1) or more offenses for which discipline is subsequently imposed, the

initial suspension shall be served and suspensions resulting from offenses committed during the six (6) month period shall not be deferred. However, should the employee be disciplined by suspension for an offense committed subsequent to a six (6) month period, the first such occurrence shall be the basis for the succeeding six (6) month period referred to in paragraph (b) (1) of this rule.

(3) If the discipline is suspension, the time the employee is held out of service shall be:

(A) Considered part of the period of suspension for the offense if the suspension is served.

(B) Considered time lost without compensation if the suspension is not served.

6-A-5. (a) An employee may be disciplined by reprimand or suspension without a trial, when the involved employee, his Union representative and the authorized official of the Company agree in writing to the responsibility of the employee and the discipline to be imposed.

(b) Discipline determined in accordance with paragraph (a) of this rule will be subject to Rule 6-A-4 (b) (1), (2) and (3).

(c) Discipline imposed in accordance with this rule will be final with no right of appeal.

6-A-6 Expungement of Discipline (Effective 1/13/95)

(a) Investigations

- (1) if discipline assessed is a Reprimand and an employee maintains an unblemished record from the date of the G-32 (Notice of Discipline) for a one (1) year period (including warnings), then the Reprimand will be removed from his/her record.
- (2) If an employee is assessed discipline of sixty (60) days or less and maintains an unblemished record from the date of the G-32 (Notice of Discipline) for a two (2) year period (including warnings), then the discipline will be removed from his/her record.

- (3) For discipline assessed prior to date of this agreement, it is understood that the two (2) year period for expungement will commence with the date of ratification of this memorandum.
- (4) It is understood and agreed that this rule does not apply to any discipline assessed for absenteeism, late starts or early quits.

RULE NO. 7--APPEALS

7-A-1. (a) Appeal from discipline must be made in writing by the employee or on his behalf by his Union representative to the Manager Labor Relations within fifteen (15) calendar days after receipt of written notice of discipline. This appeal, where the discipline imposed is suspension, shall act as a stay (except in the case of a major offense) in imposing the suspension until after the employee has been given a hearing.

(b) At hearing on appeal, an employee may, if he desires to be represented at such hearing, be accompanied by his Union representative. The appeal shall be held on the date of the scheduled monthly grievance meeting.

(c) At hearing on appeal, an employee may, if he desires to be represented at such hearing, be accompanied by his Union representative. The appeal shall be held on the date of the scheduled monthly grievance meeting.

(d) After the appeal has been acted upon by the Manager Labor Relations, the employee and his Union representative shall be promptly advised, in writing, of his decision. If the decision in cases of suspension is to the effect that suspension will be imposed, either in whole or for a reduced period, the stay referred to in paragraph (a) shall be lifted and the suspension imposed, subject to paragraph (b) of Rule 5-A-4.

(e) Further appeal will be subject to the provisions of paragraphs (c), (d), (e), (f) and (g) of Rule 4-P-1 except that in case of dismissal paragraphs (c) and (d) will not apply and the General Chairman may appeal directly to the Director Labor Relations, provided the appeal is made within sixty (60) days after the date of the Manager Labor Relation's decision.

(f) When an employee is later exonerated, the charge shall be stricken from his record and he shall be compensated for the difference between the amount he earned while out of service or while otherwise employed and the amount he would have earned on the basis of his assigned working hours actually lost during the period. Insurance, vacation, and other benefits to which the exonerated employee may be entitled will be restored without impairment.

(g) In the event of failure to comply with the time limits of Rule 6 or 7, discipline shall be either dropped or further appeal forfeited as the case may be.

7-A-2. In the application of Rules 6-A-2, 6-A-3 and 7-A-1, his Union representative may attend the proceedings, even though the employee may not desire to be represented.

7-A-3. When it is considered that an injustice has been done with respect to any matter other than discipline, the employee affected or the Union representative as that term is defined in this Agreement, on his behalf, may within ten (10) calendar days present the case, in writing, to the employee's General Foreman. If the decision of his General Foreman, which shall be in writing, is unsatisfactory, such decision may then be handled by the Union representative with the Manager Labor Relations.

RULE NO. 8--MISCELLANEOUS

8-A-1. The Company will provide a place in all shops and enginehouses, where, under lock and key, Union representatives may post notices relative to social events and Union meetings. Other notices must receive prior written approval by the supervisor.

8-B-1. (a) Employees injured while at work will not be required to make accident reports before they are given medical attention, but will make them as soon as practicable thereafter. Proper medical attention will be given at the earliest possible moment.

(b) Employees relieved from duty due to an on duty injury while at work will be paid for the full day.

8-B-2. All yards and shops shall have first-aid kits on the premises. Said first-aid kits shall be kept in proper condition and inspected weekly.

8-B-3. Notice shall be posted at all shops, yards and enginehouses, showing location of first aid equipment and the location and phone number of hospitals and ambulance service.

8-C-1. (a) Employees shall not be required to furnish their privately owned automobiles for Company use.

(b) Employees requested to and using their private automobiles for Company business shall be allowed mileage made for use thereof in accordance with the mileage rate established by the Company.

8-D-1. Employees shall be paid off during their regular working hours, bi-weekly, except where State laws require a more frequent paying off condition. Should the regular payday fall on one of the holidays specified in Rule 4-B-2, or on days when the shops are closed down, employees shall be paid on the preceding day.

8-D-2. Where there is a shortage equivalent to one (1) day's pay or more in the pay of an employee, a check shall be issued upon request to cover the shortage.

8-D-3. Employees leaving the service of the Company shall be furnished with a time voucher covering all time due.

8-D-4. During inclement weather, provision shall be made where buildings are available, to pay employees under shelter.

8-E-1. The Company shall furnish good drinking water, and ice if necessary. Drinking fountains shall be maintained in a sanitary and serviceable condition. The Company shall keep pits, floors, lockers, toilets, washrooms and lunchrooms, in good repair and in a clean, dry and sanitary condition.

8-E-2. Shops, locker rooms, washrooms and lunchrooms shall be lighted and heated in the best manner possible, consistent with the source of heat and light available at the point in question.

8-E-3. The Company shall, upon request, provide water and acid repellent clothing to employees engaged in the following work:

Cleaning manholes, pits and sumps; handling acid; handling storage battery elements; repairs to water mains and tunnel sumps; cleaning of cars and locomotives when caustic or similar solution is used; locomotive washing machine operation; locomotive boilerwashing operation; lye vat operation.

Spark protective clothing must be furnished by the Company to employees engaged in all welding and cutting; leather gloves to welders; asbestos or leather gloves to employees who are required to handle hot tools or materials and to employees required to do cutting or burning with acetylene gas and oxygen; rubber gloves to employees who are required to work on high voltage circuits.

In the event atomic waste material is handled, necessary protective clothing shall be furnished the employees.

This clothing will be in custody of the General Foreman of the job assignment.

8-E-4. As a result of the conversion from standard to metric, any necessary tools shall be made available to employees by the Company.

The Company shall reimburse or replace an employee for stolen personal tools provided such theft was not due to the employee's negligence.

8-F-1. No employee shall be required to work under a locomotive, derrick, car, elevator, or mould without proper protection.

When the nature of the work to be done requires it, locomotives, derricks, or passenger cars shall be placed over a pit, if available.

Employees will not be required to work on engines or cars outside of shops during inclement weather, if shoproom and pits are available. This does not apply to work in engine cabs or emergency work on engines on cars set out for or attached to trains.

8-G-1. Employees who have been working on hot work shall not be required to work on cold work until given sufficient time to cool off.

8-H-1. (a) The parties to this Agreement pledge to comply with all safety and health requirements in accordance with State and Federal Laws.

(b) The parties to this Agreement pledge to comply with Federal and State Laws dealing with non-discrimination against any employee. This obligation to not discriminate in employment includes, but is not limited to placement, upgrading, transfer, demotion, rates of pay or other forms of compensation, selection for training including apprenticeship, lay-off or termination.

(c) Wherever words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply.

(d) The Company shall not discriminate against any of its employees who are selected as representatives of the Union who from time to time represent other employees; nor shall the Company discriminate against any employee for testifying on behalf of other employees. Representatives of the Union will be granted leave of absence when delegated to represent other employees.

(e) Local Union representatives shall not be required to lose time from their regular assignment when representing employees covered by this Agreement at trials or investigations or for attending local conferences or scheduled monthly meetings with the Manager Labor Relations.

The foregoing shall not apply to more than two (2) Union representatives at any one trial, investigation, conference or meeting.

8-I-1. (a) When the requirements of the service will permit, an employee will be granted leave of absence under reasonable circumstances, but he must make written application in duplicate to the Company official in charge, who will forward one copy to the appropriate Union representative.

If renewal is desired, written application in accordance with the foregoing requirements will be made prior to the expiration of the leave of absence previously granted.

(b) An employee while on leave of absence, who engages in work not covered by this Agreement, will forfeit his seniority unless special arrangements have been made with the Manager Labor Relations and the appropriate Union representative.

(c) Leave of absence will be granted to any employee elected or appointed to a public office, for which a competitive examination is not required, subject to approval of the Manager Labor Relations and the appropriate Union representative.

(d) Employees of the Company who become full-time duly accredited representatives of employees of the Company or are employed exclusively by the Union shall be considered on leave of absence until 30 days after release from such employment.

(e) Employees who have opportunity to take employment with a government agency, which handles railroad matters, will be granted leave of absence, subject to approval of the Manager Labor Relations and the appropriate Union representative.

8-I-2. An employee unable to report for work or detained from work for any cause must notify his shop or work location as soon as possible.

8-J-1. Employees in service covered by this Agreement shall not be required to submit to periodical physical examination unless required by State or Federal Law. In the event a question arises as to the physical condition of an employee, he may be examined by a physician designated by the Company at its expense.

Before an employee is disqualified for further service such employee individually or through his Union representative may request a reexamination by competent medical authority (to be promptly selected between the parties who will jointly participate in the expense).

8-K-1. (a) Employees will be paid at the straight time rate of pay for time attending related training sessions held during or outside of regular work hours.

(b) In connection with classroom instruction, the Company will arrange and pay for lodging facilities, where necessary, that will be of adequate quality and with the assignment of not more than two (2) employees to a room beginning on the night before the training classes begin, continuing throughout the time classes are in session. Employees who will not occupy such lodging facilities and employees who will not attend scheduled classroom sessions must notify the designated Instructor in advance.

(c) Transportation between the Company-arranged place of lodging and the classroom facility will be made available by the Company.

(d) The Company will arrange for transportation and will reimburse the employees for reasonable meal expenses for travel from their headquarters to the lodging at the classroom training location and return. If transportation is not provided by the Company and his personal transportation is authorized and used, mileage will be allowed for one round-trip between the employee's regular headquarters and the lodging facility at the classroom training location at the established mileage rate.

(e) Participants in the classroom training sessions staying in the lodging facilities provided by the Company will have all meals provided from the first day of the session up to the dinner meal on the last day of the session. This does not apply to classroom training sessions at home point.

RULE NO. 9 - MUTUAL AGREEMENT

9-A-1. NJT Rail and the Union acknowledge this Agreement, together with its Appendices, to be their complete Agreement inclusive of all negotiable issues whether or not discussed.

9-A-2. All rules, agreements, practices or understanding, whether written or unwritten, however established, that were in effect or existed prior to the effective date of this Agreement are terminated, and hereafter only this Agreement and its terms shall apply.

9-A-3. Rules, agreements, practices or understandings, whether written or unwritten, which continue beyond the effective date of this contract, shall upon actual notice to NJT Rail be either terminated or affirmed by NJT Rail in writing. It is understood that NJT Rail cannot be construed to sanction or accept any practices, rules, agreements, or understandings, whether written or unwritten, existing outside of this Agreement, until actual notice to and affirmation by NJT Rail.

9-A-4. All economic benefits are contained in the Agreement and its Appendices and no payments shall be made except as required by this Agreement, unless NJT Rail explicitly agrees to such payments in writing. Such agreements shall be between NJT Rail and the Union.

9-A-5. The parties will recognize the need for cooperation in and support of changes in operating practices and procedures which would result in increasing productivity to the greatest extent possible in order to provide essential and economical commuter rail service and to enhance public support for commuter rail service.

RULE NO. 10 - VALIDITY

10-A-1. If any term or provision of this Agreement is at any time during the life of this Agreement in conflict with any law, such term or provision shall continue in effect only to the extent permitted by such law. If any term or provision of this Agreement is or becomes invalid, such invalidity shall not affect or impair any other term or provision of this Agreement.

10-A-2. NJT Rail retains and may exercise all rights, powers, duties, authority, and responsibilities conferred upon and vested in it by the laws and constitutions of the State of New Jersey and of the United States of America including the Railway Labor Act.

RULE NO. 11 - ABSENT WITHOUT PERMISSION

11-A-1. Absent Without Permission (Effective 5/18/90)

Employees who absent themselves from work for five (5) consecutive days without notifying their Supervisor shall be considered as having resigned from the service and will be removed from the seniority roster unless they furnish the carrier documented evidence of either physical incapacity or that circumstances beyond their control prevented such notification.

If the Carrier refuses to accept such documented evidence, the employee or his representative may appeal such action in accordance with the discipline procedures.

III. RATES OF PAY AND OTHER ECONOMIC TERMS

RULE NO. A.--RATES OF PAY

The following rates shall be paid to persons holding the specified grades for the following periods:

<u>MACHINISTS</u>	<u>7/1/95</u>	<u>7/1/96</u>	<u>7/1/97</u>	<u>7/1/98</u>	<u>7/1/99/</u>	<u>7/1/00</u>
Grade A	17.38	17.55	18.16	18.70	19.26	19.93
Grade B	17.09	17.26	17.86	18.40	18.95	19.61
Grade C	16.87	17.04	17.64	18.17	18.72	19.38

Machinist Technician rate of pay, \$1.00 per our above the "C" rate.

RULE NO. B--ENTRY LEVEL RATES AND WAGE PROGRESSION

(1) Conrail employees transferring to NJT Rail on January 1, 1983 under the terms and conditions of the Implementing Agreement by and between NJT Rail and the Unions and employees recalled from Conrail furlough who were receiving full pay at Conrail shall be paid the rates specified in Rule 1.

(2) Other employees not qualifying under paragraph A and entering employment with NJT Rail after January 1, 1983 shall be paid according to the following wage progression:

<u>Years of Service at NJT Rail</u>	<u>% of Base Pay</u>
Less than One	80
One to Two	90
More than Two	100

RULE NO. C — VACATION

(1) A full-time employee who is eligible for vacation because of continuous years of service with NJT Rail (including, for an employee transferred from the Consolidated Rail Corporation, any years of compensation service worked for Conrail, as calculated pursuant to the Implementing Award to which NJT Rail and the Union are parties) shall be entitled to vacation leave as provided in the National Vacation Agreement (effective December 31, 1982).

(2) NJT Rail will recognize vacation time earned in service to the Consolidated Rail Corporation or predecessor railroads by an employee transferred to NJT Rail under the Implementing Agreement to which NJT Rail and the Union are signatory. Vacations earned under two or more agreements or under service performed with Conrail shall not be combined so as to create a vacation of more than the maximum number of days provided for in any of the individual agreements. Vacations earned in 1982 by an employee transferred to NJT Rail under the Implementing Award will be provided in accordance with the Implementing Award.

(3) a. Request for a single day vacation must be in writing and submitted to the office of the appropriate Department Head no more than thirty (30) days or less than forty-eight (48) hours before the date of usage.

b. When scheduling a single day vacation, employees will designate the vacation week from which they are drawing the single day. All subsequent single days of vacation will be drawn from the designated week in sequence. All remaining days in the designated week will be liquidated as originally scheduled.

c. Single day vacations shall not be used in conjunction with holidays, regular vacation week(s), or personal days. Consecutive single day vacation will not be granted.

d. Single day vacations will be granted on a first come, first serve basis in accordance with the requirements of service. The Department Head or his designee shall have the exclusive authority to grant a request for a single day vacation.

Same day request for a single vacation day, if allowed, will be granted on a seniority basis.

e. The Carrier shall have the option to fill or not fill the position of a employee who is absent on a single vacation day. If the vacant position filled, the rules of the agreement applicable thereto will apply. The Carrier will have the right to distribute work on a position vacated among other employees covered by the agreement.

RULE NO. D--HEALTH INSURANCE

(1) With respect to hospital, surgical and medical benefits, and life and accidental death and dismemberment insurance benefits for active employees covered by this Agreement, NJT Rail will provide under a NJT Rail sponsored plan substantively comparable benefits to those provided active employees of Conrail under the Health and Welfare Plan of the National Railroad and Railway Labor Organizations, Travelers' Group Policy GA 23000.

(2) With respect to dental benefits for active employees covered by this Agreement, NJT Rail will provide under a NJT Rail sponsored plan substantively comparable benefits to those provided active employees of Conrail under the Railroad Employees National Dental Plan, Aetna Policy GP 12000.

(3) With respect to hospital, surgical and medical benefits for NJT Rail employees who retire from active service, NJT Rail will provide under a NJT Rail sponsored plan substantively comparable benefits provide retired employees of Conrail effective December 31, 1982 under the National Railroad and Railway Labor Organizations Traveler's Group Policy GA 46000.

(4) NJT Rail will provide its retired employees health and welfare benefits comparable to those provided under Traveler's GA-23111 at Conrail. The benefits shall be provided through a group policy covering NJT Rail employees after age 65 and shall provide benefits supplemental to Medicare. Any premiums shall be paid by the employee.

RULE NO. E--OFF-TRACK VEHICLE INSURANCE

Under a NJT Rail sponsored plan, NJT Rail will provide off-track vehicle insurance coverage for positions presently covered by such benefits at Conrail. The benefit provided under this Rule will be substantively comparable to the benefits applicable to the positions at Conrail.

RULE NO. F--RIDERSHIP PASSES

NJT Rail shall provide each employee and designated union representatives with a pass entitling the employee only to unlimited rides on all rail commuter lines in the NJT Rail system. The pass shall be issued annually and shall be valid only during the year in which issued. The pass will not be transferable.

RULE G — SICK LEAVE

(1) Sick Leave Plan:

a. Commencing January 1, 2000 each employee who has been full-time for six (6) months will be provided an annual allowance of five (5) sick days. Sick days may be accumulated and carried over from year to year. Sick banks are not subject to any maximum accumulation.

b. Employees will be able to utilize any and all sick days in their bank for personal illness or injury, or to care for any sick or injured family member provided that the employee is primarily responsible for the care of such family member.

c. There is no waiting period or exclusionary period prior to payment. Sick leave shall be paid at one hundred (100%) percent of the daily rate based on an eight (8) hour work day.

(2) Sick Leave Reimbursement

Any employee who leaves New Jersey Transit service for any reason, other than termination for cause, with a minimum of ten years of continuous service at the time of separation shall be entitled to a cash severance payment of fifty (50%) percent of the daily rate of pay of all accumulated but unused sick days, to a maximum of \$15,000, provided that the number of accumulated but unused sick days is at least fifty (50%) percent of the total number eligible.

Sick Leave Reimbursement Example:

An employee hired April 1990, voluntarily leaves the company in December 2015. The maximum sick days she/he could have accumulated in 25 years is 80 days (five (5) days each year for 16 years). At the time of separation she/he has a total of 40 unused sick days (at least 50% of the total number eligible). She/he is eligible for a cash severance payment of 20 days (50% of the accumulated but unused sick days) at her/his daily rate of pay at the time of separation.

(3) Sick Benefits

An employee who is eligible to receive Supplemental Sick Plan Benefits during his initial RUIA registration period shall receive from the Plan, for the fifth through the fourteenth days of disability in that period, the Basic Benefit specified in the Plan plus an amount equal to the total RUIA benefit that would have been payable to him for days of sickness in that period but for application of the initial waiting period mandated by existing law.

(4) Every application for sick leave for a period over five (5) days, whether with or without pay, must be accompanied by medical proof satisfactory to New Jersey Transit and on a form to be furnished by New Jersey Transit setting forth the nature of the employee's illness and certifying that by reason of such illness the employee was unable to perform his duties for the period of absence.

The first five (5) paid sick days in a calendar year will not be counted as absence under the Carrier's Attendance Policy.

RULE NO. H--PERSONAL LEAVE DAYS

(1) Three days of personal leave will be provided for the New Jersey Transit Rail employees who have been full-time employees for six (6) months

a. An employee with ten (10) but less than fifteen (15) years of continuous service shall be entitled to one (1) additional day. (Total of four days)

b. An employee with fifteen (15) or more years of continuous service shall be entitled to two (2) additional days. (Total of five days)

c. Continuous years of service shall be calculated the same as vacation entitlements.

(2) a. Personal leave days may be taken upon 48 hours advance notice from the employee to the proper carrier officer provided, however, such days may be taken only when consistent with the requirements of the carrier's service. It is not intended that this condition prevent an eligible employee from receiving personal days except when the request for leave is so late in a calendar year that service requirements prevent the employee's utilization of any personal leave days before the end of that year.

b. Personal leave days will be paid for at the regular rate of the employee's position or the protected rate, whichever is higher.

c. The personal leave days provided shall be forfeited if not taken during each calendar year. The carrier shall have the option to fill or not fill the position of an employee who is absent on a personal leave day. If the vacant position is filled, the rules of the agreement applicable thereto will apply. The carrier will have the right to distribute work on a position vacated among other employees covered by the agreement with the organization signatory hereto.

RULE I - EYE CARE PACKAGE

I-1-a. It is agreed that NJT Rail will provide an Eye Care Program during the term of this agreement. The coverage shall provide for a \$25.00 payment for regular prescription eyeglasses or contact lens or \$30.00 for bifocal glasses or more complex prescriptions. Included are all eligible full-time employees and their eligible dependents. The extension of benefits to dependents shall be effective only after the new employee has been continuously employed for a minimum of sixty (60) days.

I-1-b. Full-time employees and eligible dependents as defined above shall be eligible for a maximum payment of \$25.00 or the cost, whichever is less, of eye examination by an Ophthalmologist or an Optometrist.

I-1-c. Each eligible employee and dependent may receive only one (1) payment for glasses and one (1) payment for eye examinations every two years. Proper affidavit and submission of receipts are required of the employee in order to receive payments.

RULE J - PENSION

(1) Effective July 1, 1989, there shall be established a Section 401(a) Money Purchase Plan (a summary of which is appended hereto as Attachment 1). In addition, the parties agree that as soon as administratively possible, a Section 457, Employee Savings Plan, will be implemented. In the event of any inconsistencies between the attached summary and the plan documents, the plan documents shall govern.

(2) There will be created a Pension Advisory Committee. The purpose of the

pension Advisory Committee is to provide non-binding advice to the NJTRO Board regarding the Section 401(a) and Section 457 Plans established pursuant to this Agreement.

(3) Effective July 1, 1994, NJT will contribute an additional two (2%) percent to an employee's 401(a) account for wages earned on July 1, 1994 and thereafter.

IV. TERM OF AGREEMENT

(A) This Agreement, together with its Appendices shall comprise the collective bargaining agreement between NJT Rail and its employees represented by the Union. It shall become effective January 1, 1983 and shall remain in effect until June 30, 1985 and thereafter, until changed in accordance with the provisions of the Railway Labor Act, as amended.

(B) During the period that this Agreement is in effect, neither party shall serve upon the other any notices under the Railway Labor Act to amend or change any provision of this Agreement or its Appendices, or any matters not covered by this Agreement and its Appendices. This provision will not preclude the parties from entering into agreements which are mutually acceptable.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND-
AEROSPACE WORKERS

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

AWARD

IMPLEMENTING AGREEMENT AWARDED THIS 14TH DAY OF OCTOBER 1982 BETWEEN THE NON-OPERATING EMPLOYEES REPRESENTED BY THE ORGANIZATIONS PARTICIPATING IN THE SECTION 508 ARBITRATION, NEW JERSEY TRANSIT RAIL OPERATIONS, INC. (NJTRO) AND CONSOLIDATED RAIL CORPORATION (CONRAIL) PURSUANT TO SECTION 1145 OF THE NORTHEAST RAIL SERVICE ACT OF 1981

I. NUMBER OF EMPLOYEE

A. The number of employees on the NJTRO Seniority Roster will be equal to the number of positions in commuter service within the NJTRO region as of August 1, 1982.

B. The number of NJTRO positions advertised for bid and award will be equal to the number of positions in commuter service within the NJTRO region as of October 1, 1982. These positions will be discontinued on Conrail and transferred to NJTRO effective January 1, 1983.

II. PROCEDURES — OFFERS/ACCEPTANCE

A. The NJTRO positions referred to in Article I (B) will be advertised by special bulletin to employees of the involved crafts and classes in the appropriate Conrail seniority districts from October 19, 1982 through November 9, 1982. Awards of positions shall be made on December 1, 1982, and the jobs will be effective December 8, 1982.

B. The employees awarded the bulletined positions will be subject to displacement in accordance with the rules of the applicable Conrail collective bargaining agreement until 11:59 P.M., December 31, 1982.

C. With the exception of the timetable established in Article 11(A), the bulletins and awards referred to in Article 11(A) will be made in accordance with the provisions of the applicable Conrail collective bargaining agreement. The bulletin will include the following statement:

"This will serve as notice that these positions will be discontinued on Conrail and transferred to NJTRO effective January 1, 1983. The successful applicants for positions with NJTRO will be considered as having applied for and been

accepted for employment by NJTRO. The bid and award (or subsequent displacement) will also be considered as the employee's release to transfer the following records to NJTRO as of December 8, 1982 in order to effectuate administrative consistency in the transitions:

Last Name, Initials
Social Security Number
Date Entered Service
Occupational Classification (ICC)
Union Affiliation
Date of Birth
Home Address
Seniority Date"

These items are being furnished in order that payroll and Railroad Retirement records may be administratively transferred.

Nothing in this section is intended to limit NJTRO's rights, if any, to revise the contents of the advertisements with respect to rates of pay, rules, and working conditions on or after January 1, 1983 in the event new collective bargaining agreements are not consummated under Section 510 of the Northeast Rail Service Act.

D. Vacancies that occur after the awards are made under paragraph A and before December 20, 1982 shall be advertised as part of the regular advertising procedure in accordance with the provisions of paragraph C of this Article II, except that the employee's release to transfer the above specified records will be as of the effective date of any award.

E. Employees in the seniority districts involved who are on suspension discharge pending appeal, disability leave of absence or are full-time Union Representatives during the period from the advertisement date to December 31, 1982 who would otherwise have been entitled to transfer to NJTRO under the provisions of this agreement, may within five working days following their return to service with Conrail, exercise seniority to an available position on NJTRO.

III. SENIORITY

A. There will be a single NJTRO Seniority District for each existing Conrail craft or class, except that the number and nature of classes in effect after January 1, 1983 will be determined by the applicable NJTRO collective bargaining agreement. The NJTRO Seniority District will encompass the area of NJTRO operations.

B. The NJTRO seniority date for employees transferring to NJTRO and for employees bidding for NJTRO jobs and not awarded a position, the total of such employees not to exceed the number on the NJTRO Seniority Roster established pursuant to Article 1(A), shall be the date of earliest retained seniority, in the employee's present craft or class, with Conrail or a Conrail predecessor railroad. The NJTRO seniority date will be the only standard of seniority in awarding NJTRO jobs after December 31, 1982. "Prior right" seniority and point or locational seniority will not be applicable on NJTRO after December 31, 1982. No NJTRO employee, however, will be required to exercise his seniority at a distance of more than 30 miles from his home or then current work site as a condition of maintaining his NJTRO seniority unless otherwise provided in an applicable NJTRO collective bargaining agreement, provided, however, that this provision shall not be construed as restricting the right of NJTRO to transfer the location of any work.

C. The initial NJTRO Seniority District Roster shall be posted before March 1, 1983.

D. Employees transferred to NJTRO pursuant to Article II of this Agreement shall retain and continue to accumulate seniority on Conrail but shall only be entitled to exercise such seniority under the following circumstances:

1. If deprived of employment on NJTRO. "Deprived of Employment" as used herein means the inability of an employee covered by this Agreement to obtain a position in the normal exercise of his seniority rights with NJTRO. It shall not, however, include a deprivation of employment by reason of retirement, separation allowance, resignation, dismissal or disciplinary suspension for cause, work stoppage or failure to work due to illness or disability. Employees who are deprived employment and who exercise Conrail seniority rights will continue to be considered furloughed NJTRO employees and will be entitled to recall in accordance with the appropriate NJTRO agreement.
2. On May 1 and November 1 of each year, by written notice by the employee to Conrail and NJTRO at least thirty (30) days in advance thereof, limited to not more than 10% of NJTRO employees in any craft or class, employees will be permitted to exercise such rights on any May 1 or November 1. In the event that more than 10% of NJTRO employees in a craft or class give notice of a desire to exercise such Conrail rights, the determination of which employees in such craft or class may exercise such rights will be made on the basis of seniority.

E. Employees returning to Conrail pursuant to Article III(D) (1) or III(D) (2) above shall exercise their Conrail seniority in accordance with the applicable Conrail rule governing employees returning from leave of absence.

F. Employees returning to Conrail pursuant to Article III(D) (1) above will maintain NJTRO seniority in accordance with the applicable NJTRO agreement.

G. Employees returning to Conrail pursuant to Article III(D) (2) or Article IV(C) will be terminated from NJTRO and forfeit all seniority on NJTRO.

H. The requirement of Section 508(c) (7) (E) of NRSA is covered by the existing Conrail collective bargaining agreement.

IV. EMPLOYMENT OPPORTUNITIES - UNSUCCESSFUL INITIAL NJTRO BIDDERS ON THE NJTRO SENIORITY ROSTER AND FURLOUGHED EMPLOYEES

A. Any position advertised after completion of the procedures in Article II of this agreement and not filled by then current NJTRO employees in accordance with the appropriate NJTRO collective bargaining agreement will be offered first to Conrail employees on the NJTRO Seniority Roster established pursuant to Article I above. If any such positions remain vacant, NJTRO will offer such positions to furloughed Conrail employees with a seniority date prior to January 1, 1983 in the craft or class involved in seniority order who have indicated, in writing, to NJTRO and to Conrail, their desire for employment by NJTRO. Subject to the applicable NJTRO collective bargaining agreement, employees subject to this Article IV who decline an offer of employment by NJTRO shall forfeit all seniority rights or other preferential rights to employment on NJTRO.

B. Employees entering the employ of NJTRO under this Article IV will obtain NJTRO seniority in accordance with the applicable NJTRO collective bargaining agreement.

C. Furloughed Conrail employees accepted for employment by NJTRO under this Article IV will continue to be considered as furloughed Conrail employees and will be entitled to recall in accordance with the appropriate Conrail agreement.

V. VACATION ELIGIBILITY, ETC.

A. Subject to the provisions of the applicable NJTRO collective bargaining agreement, compensated days and years of service recognized by Conrail shall be used in determining eligibility for benefits such as vacation, sick pay and personal

days for employees transferred under Article II or IV. Conversely, compensated days and years of service with NJTRO shall be used in determining eligibility for benefits, such as vacation, sick pay and personal days, for employees returning to Conrail under Article III or IV.

B. In the calendar year 1983, Conrail employees transferred to NJTRO in accordance with this agreement shall be granted not less than the number of vacation days with pay they would have received under the applicable Conrail agreement.

C. Service performed for Conrail prior to January 1, 1983 shall be considered in determining eligibility for holiday pay for New Year's Day that may be provided in the applicable NJTRO collective bargaining agreement.

D. There shall be no pyramiding or duplication of any benefit in the application of any portion of this agreement.

VI. DISPUTES

Any dispute or controversy with respect to the interpretation, application or enforcement of the provisions of this agreement which has not been resolved within 90 days may be submitted by any of the parties to an Adjustment Board for a final and binding decision thereon as provided for in Section 3. Second of the Railway Labor Act.

VII. EFFECT OF THIS AWARD

This Award will be considered as a separate agreement between NJTRO, Conrail and each of the non-operating craft organizations. This Award shall take effect on October 14, 1982.

AGREEMENT

This Agreement made this 29th day of August, 1952, by and between the participating carriers listed in Exhibit A, attached hereto and hereby made a part hereof, and represented by the Eastern Carriers' Conference Committee, and the employees shown thereon and represented by the Railway Labor Organizations signatory hereto, through the Employees' National Conference Committee, Seventeen Cooperating Railway Labor Organizations, witnesseth:

IT IS AGREED:

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employees of the carriers now or hereafter subject to the rules and working conditions agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this agreement representing their craft or class within sixty calendar days of the date they first perform compensated service as such employees after the effective date of this agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty days with in a period of twelve consecutive calendar months. Nothing in this agreement shall alter, enlarge or otherwise change the coverage of the present or future rules and working conditions agreements.

Section 2.

This agreement shall not apply to employees while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this agreement. However, such excepted employees are free to be members of the organization at their option.

Section 3.

(a) Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a

period of thirty days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements and continue therein thirty calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within thirty-five calendar days from date of their return to such service.

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-service men shall not be terminated by reason of any of the provisions of this agreement but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this agreement.

(c) Employees who retain seniority under the rules and working conditions agreements governing their class or craft and who, for reasons other than those specified in subsections (a) and (b) of this section, are not in service covered by such agreements, or leave such service, will not be required to maintain membership as provided in Section 1 of this agreement so long as they are not in service covered by such agreements, but they may do so at their option. Should such employees return to any service covered by the said rules and working conditions agreements they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

(d) Employees who retain seniority under the rules and working conditions agreements of their class or craft, who are members of an organization signatory hereto representing that class or craft and who in accordance with the rules and working conditions agreement of that class or craft temporarily perform work in another class of service shall not be required to be members of another organization party hereto whose agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the agreement covering such other class of service.

Section 4.

Nothing in this agreement shall require an employee to become or to remain a member of the organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time in the same organizational unit.

Section 5.

(a) Each employee covered by the provisions of this agreement shall be considered by a carrier to have met the requirements of the agreement unless and until such carrier is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used shall be agreed upon by the individual railroad and the organizations involved and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon receipt of such notice, the carrier will, within ten calendar days of such receipt, so notify the employee concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten calendar days of the date of request therefor. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the organization, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the carrier of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreement not later than thirty calendar days from receipt of the above described notice from the organization, unless the carrier and the organization agree otherwise in writing.

(b) The Carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this agreement and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision except as hereinafter provided or unless the carrier and the organization agree otherwise in writing.

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

If the decision on such appeal is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the organization or the employee involved requests the selection of a neutral person to decide the dispute as provided in Section 5(c) below. Any request for selection of a neutral person as provided in Section 5(c) below shall operate to stay action on the termination of seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

(c) If within ten calendar days after the date of a decision on appeal by the highest officer of the carrier designated to handle appeals under this agreement the organization or the employee involved requests such highest officer in writing by Registered Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the carrier designated to handle appeals under this agreement or his designated representative, the Chief Executive of the organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier the organization and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The carrier, the employee, and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the organization; if the employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employee.

(d) The time periods specified in this section may be extended in individual cases by written agreement between the carrier and the organization.

(e) Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between a carrier and the organization will not apply to cases arising under this agreement.

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

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

Section 6.

Other provisions of this agreement to the contrary notwithstanding, the carrier

shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The carrier may not, however, retain such employee in service under the provisions of this section for a period in excess of sixty calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety calendar days from date of receipt of notice from the organization in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the carrier and the organization involved.

Section 7.

An employee whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this agreement or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.

If the final determination under Section 5 of this agreement is that an employee's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement shall arise or accrue during the period up to the expiration of the 60 or 90 day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the carrier predicated upon any action taken by the carrier in applying or complying with this agreement or upon an alleged violation, misapplication or non-compliance with any provision of this agreement. If the final determination under Section 5 of this agreement is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the carrier in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement.

Section 8.

In the event that seniority and employment under the Rules and Working

Conditions Agreement is terminated by the carrier under the provisions of this agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the organization shall indemnify and save harmless the carrier against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided however, that this section shall not apply to any case in which the carrier involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such carrier acts in collusion with any employee; provided further, that the aforementioned liability shall not extend to the expense to the carrier in defending suits by employees whose seniority and employment are terminated by the carrier under the provisions of this agreement.

Section 9.

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

Section 10.

(a) The carriers party to this agreement shall periodically deduct from the wages of employees subject to this agreement periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such organization, and shall pay the amount so deducted to such officer of the organization as the organization shall designate: Provided, however, that the requirements of this subsection (a) shall not be effective with respect to any individual employee until he shall have furnished the carrier with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement whichever occurs sooner.

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

Section 11.

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

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

FOR THE PARTICIPAT-
ING CARRIERS LISTED
IN EXHIBIT A:

EMPLOYEES' NATIONAL CON-
FERENCE COMMITTEE, SEVEN-
TEEN COOPERATING RAILWAY
LABOR ORGANIZATIONS:

(SIGNATURES NOT REPRODUCED)

THIS AGREEMENT is entered into this 14th day of March, 1979, in accordance with Section 2, Eleventh of the Railway Labor Act, as amended, by and between CONSOLIDATED RAIL CORPORATION (hereinafter referred to as the "Company") and the employees of said Company of the classes represented by the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (hereinafter referred to as the "Organization")

1. Subject to the conditions herein set forth, the Company will withhold and deduct from wages due employees represented by the Organization, amounts equal to periodic dues, initiation fees and assessments (not including fines and penalties, nor insurance premiums unless included in the periodic dues) uniformly required as a condition of acquiring or retaining membership in the Organization.

2. No such deduction shall be made except from the wages of an employee who has executed and furnished to the Company a written assignment, in the manner and form herein provided, of such periodic dues, initiation fees and assessments. Such assignment shall be on the form specified in Attachment "A" hereto and shall, in accordance with its terms, be irrevocable for one (1) year from the date of its execution, or upon the termination of this Agreement, or upon the termination of the rules and working conditions agreement between the parties hereto, whichever occurs sooner. Current wage deduction assignments executed under former railroad agreements will continue in effect.

3. Additions or deletions of names, or changes in amount, shall hereafter be furnished the Director Payroll Operations, by the Organization, using a typewritten deduction list in the form and containing such information as is specified in Attachment "B" hereto, on or before the 20th day preceding the month in which the deduction will be made.

4. Deductions as provided for herein will be made monthly by the Company from wages due employees for the first biweekly pay period (or corresponding period for those paid on a weekly basis) which ends in each calendar month and the Company will pay, by draft, to the order of the Organization the total amount of such deductions on or before the last day of the month following the month in which such deductions are made. With said draft the Company shall return to the Organization a listing identifying the deductions made and not made containing a computation of the sum withheld.

5. No deduction will be made from the wages of any employee who does not have due to him for the pay period specified an amount equal to the sum to be deducted in accordance with this Agreement, after all deductions for the following

purposes have been made:

- (a) Federal, State, and Municipal Taxes;
- (b) Supplemental Pension;
- (c) Other deductions required by law, such as garnishment and attachment;
- (d) Amounts due Company;
- (e) Contributions to Voluntary Relief Department.

6. Responsibility of the Company under this Agreement shall be limited to remitting to the Organization amounts actually deducted from the wages of employees pursuant to this Agreement and the Company shall not be responsible financially or otherwise for failure to make proper deductions. Any questions arising as to the correctness of the amount deducted shall be handled between the employee involved and the Organization, and any complaints against the Company in connection therewith shall be handled by the respective Organization on behalf of the employee concerned.

7. An employee who has executed and furnished to the Company an assignment may revoke said assignment by executing the revocation form specified herein within fifteen (15) days after the end of the year, but if the employee does not so revoke the assignment it shall be considered as re-executed and may not be revoked for an additional period of one (1) year, unless within such year this Agreement or the rules and working conditions agreement between the parties hereto is terminated, and the re-executed assignment shall similarly continue in full force and effect and be considered as re-executed from year to year unless and until the employee shall execute a revocation for within fifteen (15) days after the end of any such year. Revocations of assignments shall be in writing and on the form specified in Attachment "C" hereto. Attachment A, B and C shall be reproduced and furnished as necessary by the Organization without cost to the Company. The Organization shall assume the full responsibility for the procurement of the execution of said forms by employees, and for the delivery of said forms to the Company. Assignment and revocation of assignment forms shall be delivered with the deduction list herein provided for, to the Company not later than the 20th of the month preceeding the month in which the deduction or termination of deduction is to become effective.

8. No part of this Agreement shall be used in any manner whatsoever, either directly or indirectly, as a basis for a grievance or time claim by or in behalf of any employee; and no part of this or any other agreement between the Company and the Organization shall be used as a basis for a grievance or time claim by or in behalf of any employee predicated upon any alleged violation of, or misapplication of, or noncompliance with, any part of this Agreement.

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

This Agreement shall become effective May 1, 1979 and shall remain in effect until changed or modified in accordance with the Railway Labor Act, as amended.

Signed at Philadelphia, Pa., this 14th day of March, 1979.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS

CONSOLIDATED RAIL
CORPORATION

(original signed by)
Joseph E. Burns, Jr.
President-Directing
General Chairman

(original signed by)
R. E. Swert
Asst. Vice President-Labor
Relations

(original signed by)
Charles A. Mumma, General Chairman

(original signed by)
Charles C. Arthur, Jr., General Chairman

(original signed by)
N. Papaiani, General Chairman

(original signed by)
Robert C. O'Connell, General Chairman

(original signed by)
G. L. Datres, General Chairman

WAGE DEDUCTION AUTHORIZATION

N.J. TRANSIT RAIL OPERATIONS INC. AND
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS

PRINT (LAST NAME, FIRST NAME, MIDDLE INITIAL)

WORK LOCATION Employee Number

HOME ADDRESS (STREET & NUMBER, CITY, STATE, ZIP)

MANAGER-PAYROLL OPERATIONS N.J. TRANSIT RAIL OPERATIONS INC.

I HEREBY ASSIGN THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, THAT PART OF MY WAGES NECESSARY TO PAY INITIATION FEES, PERIODIC DUES, AND ASSESSMENTS (NOT INCLUDING FINES & PENALTIES), AND MY VOLUNTARY POLITICAL CONTRIBUTION IN THE AMOUNT OF \$_____, AS CERTIFIED TO THE COMPANY BY THE ORGANIZATION AS PROVIDED IN THE DEDUCTION AGREEMENT, ENTERED INTO BY THE COMPANY AND THE ORGANIZATION MARCH 14, 1979, AS AMENDED AND AUTHORIZED: COMPANY TO DEDUCT SUCH SUM FROM MY WAGES AND PAY IT OVER TO THE ORGANIZATION IN ACCORDANCE WITH THE DEDUCTION AGREEMENT.

DATE SIGNATURE LOCAL NUMBER

WAGE ASSIGNMENT REVOCATION

N.J. TRANSIT RAIL OPERATIONS INC. AND
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS

PRINT (LAST NAME, FIRST NAME, MIDDLE INITIAL)

WORK LOCATION EMPLOYEE NUMBER

HOME ADDRESS (STREET & NUMBER, CITY, STATE, ZIP)

MANAGER-PAYROLL OPERATIONS N.J. TRANSIT RAIL OPERATIONS INC.

EFFECTIVE IN THE NEXT CALENDAR MONTH, I HEREBY REVOKE THE
WAGE ASSIGNMENT AUTHORIZATION NOW IN EFFECT ASSIGNING TO
THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS, THAT PART OF MY WAGES NECESSARY TO PAY INITIATION
FEES, PERIODIC DUES, AND ASSESSMENTS, AND MY VOLUNTARY
POLITICAL CONTRIBUTION IN THE AMOUNT OF \$_____, AND I
HEREBY CANCEL THE AUTHORIZATION.

DATE SIGNATURE LODGE NUMBER

ADDENDUM TO MARCH 14, 1979 DUES CHECK-OFF
AGREEMENT

(Appendix "E" to the May 1, 1979 Agreement)

In accordance with the provisions of the National Agreement signed August 31, 1979, between the Carriers represented by the National Railway Labor Conference and their employees represented by the International Association of Machinists and Aerospace Workers, Consolidated Rail Corporation and the Association hereby amend the March 14, 1979, Dues Check-Off Agreement in the following manner to provide for the deduction of employees' voluntary political contributions:

1. The phrase "and voluntary political contributions" will be inserted to the end of paragraph 1.
2. Attachments "A" and "C" of the March 14, 1979, Dues Check-Off Agreement are changed as indicated in the respective attachments to this Agreement.
3. This Addendum is signed this 29th day of January 1980, and will become effective the 1st day of March, 1980.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS

CONSOLIDATED RAIL
CORPORATION

President-Directing
General Chairman

R. E. Swert,
Assistant Vice President
Labor Relations

General Chairman

General Chairman

General Chairman

General Chairman

MEMORANDUM OF UNDERSTANDING COVERING
MACHINIST INSTRUCTOR

Positions of Machinist Instructor may be established at the sole discretion of the Company. Such positions, when established, may be utilized to train apprentices or trainees and mechanics in 'all phases of Machinist's work and to teach mechanics techniques to be used in the training of apprentices or trainees.

These positions shall be subject to all rules of the agreement effective May 1, 1979, except those dealing with advertisement, displacement, starting time, rest days and hours of assignment, provided, however, that the overtime provisions shall apply after completion of forty (40) hours work in any week. Such Instructor positions may be filled by the Company from employees having more than sixty (60) days seniority on a Machinist roster.

Employees assigned to such Instructor positions shall be paid 50 cents per hour above the Grade "E" rate.

The establishment of this classification of Machinist Instructor in no manner restricts the Company from utilizing other than Machinists in training functions.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS

CONSOLIDATED RAIL
CORPORATION

(original signed by)
Joseph E. Burns, Jr.
President-Directing
General Chairman

(original signed by)
R. E. Swert
Asst. Vice President-
Labor Relations

(original signed by)
Charles A. Mumma
General Chairman

(original signed by)
Charles C. Arthur, Jr.
General Chairman

(original signed by)
Robert C. O'Connell
General Chairman

(original signed by)
N. Papaanni
General Chairman
Philadelphia, Pa. March 14, 1979

(original signed by)
G. L. Dares
General Chairman

EXCERPT FROM THE NATIONAL VACATION
AGREEMENT, OF DECEMBER 17, 1941 AS AMENDED

Article I.

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

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

(c) Effective with the calendar year 1979, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has nine (9) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of nine (9) of such years, not necessarily consecutive.

(d) Effective with the calendar year 1979, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has eighteen (18) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of eighteen (18) of such years, not necessarily consecutive.

(e) Effective with the calendar year 1973, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this

Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty-five (25) of such years, not necessarily consecutive.

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

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

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

Article 8.

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

PROCEDURE FOR THE TERMINATION OF SENIORITY

The seniority of employees coming within the scope of the Agreement entered into by and between the Consolidated Rail Corporation and its employees in the Maintenance of Equipment Department represented by the International Association of Machinists and Aerospace Workers:

1. Employees who have attained the age of seventy (70) years or who shall attain the age of seventy (70) years before July 1, 1979, shall have their seniority terminated effective June 30, 1979.

2. Each employee who reaches the age of seventy (70) subsequent to June 30, 1979, shall have his seniority terminated effective the last day of the month in which his 70th birthday occurs, or on June 30th of the year in which his 70th birthday occurs, whichever is the later.

3. Employees whose seniority has been terminated under the provisions of this procedure shall not be reemployed by the Company for service within the Machinist Craft.

4. Neither this procedure, nor any provision contained herein, nor any application thereof, shall be considered or used as a basis for any time or money claim against the Company.

January 28, 1983

Mr. J. E. Burns, Jr.
President/Directing General Chairman
District No. 22
International Association of Machinists
and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns:

The purpose of this letter is to set forth our understanding with respect to the allocation of work at the Kearny Meadows shop to be constructed by NJT Rail.

The design and operation of the new shop is not intended to eliminate the historic scope of work of each craft. However, several issues must be resolved:

(1) Although NJT Rail is a single railroad its maintenance of rolling stock system currently reflects its multiple predecessor railroads. As a consequence, similar work is claimed by different crafts based upon historic practices at prior railroads. The allocation of this work needs to be unified at the new shop.

(2) The design and operation of the new shop must take into account changes in technology and maintenance practices. Allocation of the work needs to reflect these changes.

The parties to this letter acknowledge that certain efficiencies can be achieved by redefining and reallocating certain work. Therefore, the parties agree to negotiate in good faith concerning the following issues:

(1) The designation of a specific number of mechanic positions which will perform work within the scope of work rules of their craft as well as "other duties as assigned."

(2) The "other duties as assigned" would include specific work of mechanics of another craft.

(3) Allocation of the specific number of mechanic positions among the signatories to this letter would be made in accordance with the scope of work of the signatories.

Except to this extent, historic work scopes will be recognized.

These negotiations will commence no later than September 1, 1983. The parties agree to resolve these issues in good faith no later than September 1, 1984; agreement will not be unreasonably withheld.

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

(original signed by)
Martin E. Robins
Deputy Executive Director

I CONCUR:

(original signed by)
J. E. Burns, Jr.

January 13, 1983

Mr. J. E. Burns, Jr.
President/Directing General Chairman
District No. 22
International Association of Machinists and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns:

This letter is to set forth our understanding concerning work which your organization has requested to be performed in New Jersey Rail Operations, Inc.'s (NJT Rail) Maintenance of Equipment Department.

(1) Locomotive Wheel Combo Sets: NJT Rail will dismantle traction motors from locomotive wheel combos in the maintenance of equipment shops. This work will be performed by members of your organization.

(2) Motor Vehicles: NJT Rail currently leases all of its motor vehicles. Maintenance and repair of the motor vehicles is performed by the outside concerns which lease the motor vehicles to NJT Rail, and not by NJT Rail itself. At this time, NJT Rail will continue to lease its motor vehicle equipment under the foregoing arrangement. However; NJT Rail will conduct a study to analyze the feasibility of NJT Rail's in-house maintenance of motor vehicles equipment.

Sincerely,

(original signed by)
Martin E. Robins
Deputy Executive Director

I CONCUR:

(original signed by)
J. E. Burns, Jr.

January 28, 1983

Mr J. E. Burns, Jr.
President/Directing General Chairman
District No. 22
International Association of Machinists and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns:

With respect to Rule 4-P-1, other matters of interpretation and application of the Agreement not within the jurisdiction of the Special Adjustment Board established by Section 3, second, of the Railway Labor Act, shall be referred to the second division of the Labor Railway Adjustment Board of Section 3, first of the Railway Labor Act.

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

(original signed by)
Martin E. Robins
Deputy Executive Director

1 CONCUR:

(original signed by)
J. E. Burns, Jr.

January 28, 1983

Mr. J. E. Burns, Jr.
President/Directing General Chairman
District No. 22
International Association of Machinists and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns

The purpose of this letter is to set forth our understanding concerning the application of Rule 5-F-2. It is agreed that machinists will not be furloughed in order to create the circumstances where Rule 5-F-2 can be applied.

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

(original signed by)

I CONCUR:

(original signed by)
J. E. Burns, Jr.

January 28, 1983

Mr. J. E. Burns, Jr.
President/Directing General Chairman
District No. 22
International Association of Machinists and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns:

Notwithstanding Rule 9 in Part II of the Agreement, NJT Rail will honor historic work scope in the application of the Machinists' classification of work rule. In applying the Machinists' classification of work under this Agreement at existing Maintenance of Equipment facilities NJT Rail will take into account jurisdictional awards and past practices which either have interpreted or could interpret the Machinists' classification of work on the property.

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

(original signed by)
Martin E. Robins
Deputy Executive Director

I CONCUR:

(original signed by)
J. E. Burns, Jr.

April 15, 1983

Mr. J. E. Burns, Jr.
President/Directing
General Chairman
District No. 22
International Association of Machinists
and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns:

Concerning the time periods specified in Rule 4-P-1 of the Agreement between NJT Rail and the International Association of Machinists and Aerospace Workers, NJT Rail will implement the time periods specified in your organization's Agreement with the Consolidated Rail Corporation for a reasonable period of time, not to exceed four months from the date of the Agreement between NJT Rail and your organization. The purpose of this grace period is to inform your membership of the shorter time periods which will be available to them under Rule 4-P-1 of the Agreement between NJT Rail and your organization. At the end of this period, the shorter time periods specified in your organization's Agreement with NJT Rail will govern.

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

(original signed by)
Martin E. Robins
Deputy Executive Director

I CONCUR:

(original signed by)
J. E. Burns, Jr.

April 15, 1983

Mr. J. E. Burns, Jr.
President/Directing General Chairman
District No. 22
International Association of Machinists
and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns:

It is our understanding that notwithstanding the Agreement between NJT Rail and your organization, your organization may serve upon New Jersey Transit Rail Operations notices under the Railway Labor Act to amend or change any provisions of the Agreement after May 30, 1985. Nothing in the Agreement forecloses your organization from negotiating subsequent to June 30, 1985 concerning implementation of wage increases retroactive to June 30, 1985.

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

By(original signed by)
Martin E. Robins
Deputy Executive Director

I CONCUR:

(original signed by)
J. E. Burns, Jr.

April 15, 1983

Mr. J. E. Burns, Jr.
President/Directing General Chairman
District No. 22
International Association of Machinists
and Aerospace Workers
2600 Diswell Avenue
Hamden, Connecticut 06514

Dear Mr. Burns:

Your organization has raised questions concerning the maintenance of the stations NJT Rail is receiving from Amtrak. For the next six months, Amtrak will continue to maintain the stations NJT Rail is receiving from Amtrak. At this time a decision has not been made as to how these stations will be maintained after this six month period. NJT Rail shall notify your organization prior to any change in the foregoing maintenance arrangement.

NEW JERSEY TRANSIT RAIL
OPERATIONS, INC.

By: (original signed by)

Martin E. Robins
Deputy Executive Director

I CONCUR:

(original signed by)
J. E. Burns, Jr.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE INTERNATIONAL ASSOCIATION OF
MACHINISTS & AEROSPACE WORKERS
AND
NEW JERSEY TRANSIT RAIL OPERATIONS, INC.

Ratified MAY 20, 1987

1. Wages:

Effective July 1, 1986, all current wage rates will be increased by three percent (3%).

Effective July 1, 1987, all wage rates shall be increased by three percent (3%).

Effective July 1, 1988, all wage rates shall be increased by three percent (3%).

NJ TRANSIT Rail Operations, Inc. agrees to make a special payment to each employee on the property at the time of ratification or who retired between July 1, 1985, and the date of the ratification of \$150.00 for each full month of continuous service between July 1, 1985, and date of ratification, with a maximum payment of \$1,000 per employee. This special payment shall be made by separate check and shall be issued to eligible employees as expeditiously as possible.

2. Health and Welfare Plan

NJ TRANSIT Rail Operations proposes a cost containment Health and Welfare Plan, which will contain the following features:

1. Hospital room and board paid at 100% if Pre-Certified. For days not Pre-Certified, plan pays (50%).
2. There will be Continued Stay Review on all hospital confinements.
3. Case Management Review will be performed on all long-term hospital stays.
4. Out patient surgery will be paid at 100%.

5. There will be a Mandatory Second Surgical Opinion for elective surgeries. Benefits will be paid at (80%), if second opinion is not received.
- f. Hospital charges for non-emergency weekend admissions will not be paid.
7. Alcohol and Substance Abuse charges will be paid as presently covered under the National Plan (same as GA23000).

3. Probationary Period

Change current sixty (60) days to ninety (90) working days.

4. Bidding

Effective date of ratification, employees will be limited to two voluntary bid awards per calendar year. Awards resulting from abolishments, displacements, (and retirements), promotions, or higher rated positions will not be considered a voluntary bid under this rule.

The Company's right to limit employees to two bids per year shall terminate if repeated proven violations of the limitations contained in this section occur and continue to occur following written notice of such violations delivered to the General Manager of the Company.

5. Holiday

Effective 1988, add Martin Luther King's Birthday.

6. Tool Allowance

The Company agrees to pay to those employees required to use tools in the performance of their duties a tool allowance of \$100.00 per contract year and provided this Agreement is ratified prior to June 30, 1987, the Company will pay \$100.00 for the contract year 1986 to 1987.

7. Paid Meal Period

Effective date of ratification, employees will receive remuneration in lieu of each meal provided for under Rule 4-F-1(f) in accordance with the following schedule:

- Four dollars (\$4.00) for meals between 12 a.m. - 8 a.m.
- Five dollars (\$5.00) for meals between 8 a.m. - 4 p.m.
- Seven dollars (\$7.00) for meals between 4 p.m. - 12 a.m.

8. Seniority Retention:

- (a) Employees now filling or hereafter promoted to official, supervisory or excepted positions shall retain all seniority rights they possess at the time of their promotion to a position outside the scope of this agreement.
- (b) Employees who remain members in good standing with the Organization shall continue to accumulate seniority in the district from which promoted. Such employees who fail to maintain membership in good standing with the Organization shall maintain existing seniority throughout their employment, but shall not accumulate additional seniority in the district from which promoted subsequent to the date of their promotion.
- (c) All promoted official and excepted employees will make their intentions known on the form to be provided to the official in charge at the location with a copy to the Union within (sixty) 60 calendar days from the date of promotion or the date of this Agreement. The attached form to be utilized is a part of this Agreement.

9. Moratorium

There shall be a Moratorium on the serving of Section 6 Notices until April 1, 1989, any changes not to become effective before July 1, 1989.

This Agreement is subject to ratification by the Board of New Jersey Transit and the Membership of the Union.

For the Organization:

For the Company:

(original signed by)
Joseph E. Burns, Jr.
President Directing
General Chairman

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources

(original signed by)
Charles C. Arthur, Jr.
General Chairman

(original signed by)
J. S. Baker
Director Labor Relations

(original signed by)
D. C. Agrawal
Special assistant to the
Vice President & General Manager

May 20, 1987

Mr. J. E. Burns, Jr.
President & Directing
General Chairman
International Association
of Machinists & Aerospace
Workers
2600 Dixwell Avenue
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association
of Machinists & Aerospace
Workers
580 East Broadway
Greenwood, IN 46142

Gentlemen:

Enclosed you will find a copy of NJ TRANSIT Rail Operations' Health and Welfare proposal which was discussed during our Section 6 negotiations. Please feel free to contact me should you have any questions.

Very truly yours,

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources

Enc.
PS:smh

May 20, 1987

RE: Health and Welfare Program/
Cost Containment

Mr. J. E. Burns, Jr.
President & Directing
General Chairman
International Association
of Machinists & Aerospace
Workers
2600 Dixwell Avenue
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association
of Machinists & Aerospace
Workers
580 East Broadway
Greenwood, IN 46142

Gentlemen:

Pursuant to our discussion held during the recent negotiations, NJ TRANSIT Rail Operations proposed the following Health and Welfare Program and Cost Containment measures:

- (a) The following procedures:
 - Hospital Charges
 - Emergency Accidents
 - Doctor's Visits
 - X-Ray and Lab
 - In-Patient Surgery

and the procedures set forth in Exhibit "A". This schedule lists only a few procedures. A more complete surgical schedule is shown in the policy and shall be paid at 80% after the deductible under the major medical portion of the plan.

- (b) Annual deductible will be \$100/individual, \$300/family.

- (c) Annual out-of-pocket costs will be \$1,000/individual and \$3,000/family.
- (d) Health Maintenance Organizations (HMO's) will be offered to employees with the company paying the cost of the indemnified plan and the employee paying the balance through payroll deductions.
- (e) Prescription drug card to be provided to each employee with \$4.50 co-pay. Co-pay of \$2.50 for mail order prescriptions.

In the event no Agreement is reached by the parties on the Health and Welfare proposal as set forth herein, NJ TRANSIT Rail Operations reserves the right to withdraw its proposal including the improvements contained therein.

If the above correctly reflects our understanding, please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources

I CONCUR:

(original signed by)
Mr. J. E. Burns, Jr.
President & Directing General
Chairman

(original signed by)
Mr. Charles Arthur, Jr.
General Chairman

SCHEDULE OF LABORATORY AND X-RAY EXAMINATIONS

	20%	
	Maximum	Paid by
	Amount	Employee
LABORATORY EXAMINATIONS		
Bacterial test; Smear (sputum, feces, etc.)	\$ 4.00	\$.80
Basal metabolism test	\$ 0.00	2.00
Blood count; hemoglobin, red cells, white cells		
or differential.....	\$ 2.00	.40
All four counts.....	\$ 6.50	1.30
Electrocardiogram or ballistocardiogram, with		
interpretation and report.....	\$ 20.00	4.00
Malignancy test: Papanicolaou smear		
Initial.....	\$ 6.50	1.30
Each additional.....	\$ 3.50	.70
Spinal fluid: Cell count and protein.....	\$ 6.50	1.30
Sugar determination, blood.....	\$ 6.50	1.30
Sugar tolerance (2 or more blood and urine		
determinations).....	\$ 16.50	3.30
X-RAY EXAMINATIONS		
Abdomen (intestines, colon, rectum, kidney, etc).....	\$ 20.00	4.00
Chest (heart, lungs, ribs, etc.).....	\$ 20.00	4.00
Colon, barium enema.....	\$ 33.50	6.70
Extremities		
Fingers, one or more of one hand.....	\$ 6.50	1.35
Arm, all or any portion between shoulder		
and fingers.....	\$ 13.50	2.70
Shoulder, with or without humerus.....	\$ 16.50	3.30
Toes, one or more of one foot.....	\$ 6.50	1.30
Leg, all or any portion between hips and toes.....	\$ 13.50	2.70
Hip, with or without femur.....	\$ 16.50	3.30
Gallbladder, dye method.....	\$ 26.50	5.30
Gastro-intestinal series, complete:		
Barium meal.....	\$ 40.00	8.00
Barium meal with gallbladder, dye method.....	\$ 53.00	10.70
Barium meal an enema, with gallbladder,		
dye method.....	\$ 66.50	13.30
Head (skull or sinuses excluding nasal bones).....	\$ 20.00	4.00
Kidney, intravenous pyelogram.....	\$ 26.50	5.30
Pelvis.....	\$ 20.00	4.00

For procedures not listed in the Schedule, Connecticut General will determine an amount of payment consistent with the amounts listed. Such determination will take into account the nature and complexity of the examination involved.

SCHEDULE OF RADIOTHERAPY

	Maximum	20% Paid by
	Amount	Employee
X-RAY AND RADIOACTIVE THERAPY		
Malignant conditions:		
Face, lip or skin per treatment.....	\$ 8.00	\$ 1.60
Other than face, lip or skin, including leukemia and malignant lymphomas, per treatment.....	\$ 10.50	2.10
Non-malignant conditions, deep or superficial:		
Benign tumors, one or more		
Bursitis		
Cysts, one or more		
Furuncle or carbuncle, one or more		
herpes Zoster		
paronychia		
Tinea capitis		
per treatment.....	\$ 5.50	1.10
Oral administration, parenteral or intracavity injection of radioactive isotopes for malignant or non-malignant conditions:		
Initial treatment.....	\$ 66.50	13.30
Each additional treatment.....	\$ 33.50	6.70
Surface or topical application of radioactive isotopes, radium or radon for malignant or non-malignant conditions, per treatment.....		
	\$ 5.50	1.10

No payment will be made for treatments not listed in the above Schedule.

SURGICAL SCHEDULE

Exhibit A

This Schedule lists only a few procedures. A more complete Surgical Schedule is shown in the policy.

Surgical Procedure	Maximum Payment	20% Paid by Employee
Appendectomy, with or without incision and drainage of appendiceal abscess.....	\$ 550.00	\$110.00
Blood transfusion		
Administration of transfusion.....	\$ 30.00	6.00
Exchange transfusion.....	\$ 75.00	15.00
Clavicle fracture (closed reduction).....	\$ 150.00	30.00
Elbow dislocation (closed reduction).....	\$ 200.00	40.00
Extraction of lens for cataract.....	\$1,000.00	200.00
Fenestration operation for otosclerosis.....	\$1,500.00	300.00
Herniotomy, inguinal or femoral		
Single.....	\$ 550.00	110.00
Bilateral.....	\$ 750.00	150.00
Hysterectomy (with or without dilation and curettage), complete (pan-hysterectomy), with or without adnexa.....	\$ 900.00	180.00
Nephrectomy or heminephrectomy.....	\$1,125.00	225.00
Obstetrical procedures		
Delivery of child or children.....	\$ 375.00	75.00
Caesarian section		
Delivery of child or children.....	\$ 750.00	150.00
Delivery of children and hysterectomy.....	\$ 900.00	180.00
Abdominal operation for extra-uterine or Ectopic pregnancy.....	\$ 625.00	125.00
Miscarriage		
With dilation and curettage.....	\$ 200.00	40.00
Without dilation and curettage.....	\$ 125.00	25.00
Pilonidal cyst, excision of.....	\$ 450.00	90.00
Sebaceous cyst, excision of.....	\$ 75.00	15.00
Shoulder dislocation (closed reduction).....	\$ 175.00	35.00
Tonsillectomy with or without adenoidectomy.....	\$ 200.00	40.00
Tumor (benign superficial), excision from face, neck, genitalia, hands or feet		
One.....	\$ 100.00	20.00
Each additional.....	\$ 50.00	10.00

May 20, 1987

Mr. J. E. Burns, Jr.
President & Directing
General Chairman
International Association
of Machinists & Aerospace
Workers
2600 Dixwell Avenue
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association
of Machinists & Aerospace
Workers
580 East Broadway
Greenwood, IN 46142

Gentlemen:

In the event NJ TRANSIT Rail Operations executes an agreement with any of the other Unions representing its employees that contains any improvements that are greater than those set forth in the Memorandum of Agreement between the International Association of Machinists & Aerospace Workers and NJ TRANSIT Rail Operations, dated May 20, 1987, it is agreed that such improvements will be incorporated into the International Association of Machinists & Aerospace Workers' Agreement with the Company.

Very truly yours,

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources

I CONCUR:

(original signed by)
Mr. J. E. Burns, Jr.
President & Directing General
Chairman

(original signed by)
Mr. Charles Arthur, Jr.
General Chairman

May 20, 1987

Mr. J. E. Burns, Jr.
President & Directing
General Chairman
International Association
of Machinists & Aerospace
Workers
2600 Dixwell Avenue
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association
of Machinists & Aerospace
Workers
580 East Broadway
Greenwood, IN 46142

Gentlemen:

This will confirm our understanding that the words "each full month of continuous service" as found in Section 1 of the Memorandum of Understanding between NJ TRANSIT Rail Operations and the International Association of Machinists & Aerospace Workers dated May 20, 1987, shall be construed to mean a month's creditable service as that term is defined by the railroad retirement.

Very truly yours,

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources

I CONCUR:

I CONCUR:

(original signed by)
Mr. J. E. Burns, Jr.
President & Directing General
Chairman

(original signed by)
Mr. Charles Arthur, Jr.
General Chairman

May 20, 1987

Mr. J. E. Burns, Jr.
President & Directing
General Chairman
International Association
of Machinists & Aerospace
Workers
2600 Dixwell Avenue
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association
of Machinists & Aerospace
Workers
580 East Broadway
Greenwood, IN 46142

Dear Mr. Burns:

This is to confirm that subject to the conditions set forth herein, the International Association of Machinists & Aerospace Workers will perform all wheel shop work at the Meadows Shop. It is understood, however, that the performance of such work is subject to the availability of appropriate equipment, tooling, scheduling of cars and locomotives and other operational needs.

Very truly yours,

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources

I CONCUR:

(original signed by)
Mr. J. E. Burns, Jr.
President & Directing General
Chairman

I CONCUR:

(original signed by)
Mr. Charles Arthur, Jr.
General Chairman

May 20, 1987

Mr. J. E. Burns, Jr.
President & Directing
General Chairman
International Association
of Machinists & Aerospace
Workers
2600 Dixwell Avenue
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association
of Machinists & Aerospace
Workers
580 East Broadway
Greenwood, IN 46142

Dear Mr. Burns:

This is to confirm our discussions concerning the maintenance of NJ TRANSIT Rail Operations' owned forklifts, cherry pickers, and car movers at the Meadows Shop. As we discussed, NJ TRANSIT Rail Operations (NJTRO) agrees that maintenance of the above equipment which falls within the scope of the Machinists' agreement, shall be performed by members of the Machinists' craft.

This letter will also serve to confirm NJTRO's intent to utilize Machinists for the maintenance of automobiles and trucks in the event such maintenance is performed at the Meadows Shop in the future.

Very truly yours,

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources

I CONCUR:

(original signed by)
Mr. J. E. Burns, Jr.
President & Directing General
Chairman

I CONCUR:

(original signed by)
Mr. Charles Arthur, Jr.
General Chairman

January 28, 1988

Mr. J. E. Burns, Jr.
President & Directing General
Chairman
International Association of
Machinists & Aerospace Workers
2600 Dixwell Avenue
P.O. Box 4324
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association of
Machinists & Aerospace Workers
580 East Broadway
Greenwood, IN 46142

Gentlemen:

FILE: L-201-IAMAW

This refers to our understanding concerning the application of entry rates for employees represented by the International Association of Machinists & Aerospace Workers as contained in the current labor agreements between the Organization and NJ TRANSIT Rail Operations.

It is understood and agreed that the following provisions shall apply:

- a) Entry rates shall apply to all employees represented by the International Association of Machinists & Aerospace Workers.
- 2) Employees entering service on or after January 1, 1983 shall be paid in accordance with the following schedule:

<u>Years of Service at NJ TRANSIT Rail</u>	<u>% of Pay</u>
Less than one	80%
One to two	90%
More than two	100%

- 3) Commencing upon date of this agreement, applicants for employment with prior railroad Machinists craft experience will not be considered new hires subject to the provisions of Paragraph (a) above, except, that, such former railroad employees with less than twenty-four (24) months' experience will be paid in accordance with the schedule in Paragraph (b) above. Previous railroad craft experience will be used to determine where such an employee falls within the Entry Rate Schedule in Paragraph (b).

Mr. J. E. Burns, Jr.
Mr. C. Arthur, Jr.
January 28, 1988
Page 2

It is further agreed that current employees hired prior to the date of this agreement with less than twenty-four (24) months of service with NJ TRANSIT Rail will have their entry rate adjusted in conformity with Paragraph (c).

- 4) NJ TRANSIT Rail employees who are furloughed by NJ TRANSIT Rail and who are subsequently recalled from furlough will be paid at 100 percent of base rate after completion of twenty-four calendar months of continued service whether or not the service is continuous.
- e) Full calendar months of absence due to voluntary absenteeism, suspension or dismissal shall not count towards completion of the 24-month period.
- 6) When an employee has completed twenty-four (24) calendar months of service in one or a combination of positions covered under this scheduled Agreement, the provisions of paragraph (b) will no longer be applicable to any subsequent position to which the employee is transferred under this Agreement.

If the above fully explains our understanding with respect to entry rates, please indicate your concurrence by appending your signature below.

Very truly yours,

(original signed by)
J. S. Baker
Director-Labor Relations

I CONCUR:
(original signed by)
J. E. Burns, President & Directing
General Chairman

Date:
January 29, 1988

(original signed by)
Mr. C. Arthur, Jr.
General Chairman

January 29, 1988

January 28, 1988

Mr. J. E. Burns, Jr.
President & Directing General
Chairman
International Association of
Machinists & Aerospace Workers
2600 Dixwell Avenue
P.O. Box 4324
Hamden, CT 06514

Mr. Charles Arthur, Jr.
General Chairman
International Association of
Machinists & Aerospace Workers
580 East Broadway
Greenwood, IN 46142

Gentlemen:

FILE: L-201-IAMAW

It is agreed by both the Carrier and Organization that the terms and provisions of Rule B, Paragraph 2, Entry Level Rates and Wage Progression of the Schedule Agreement shall not apply to new hires having no prior railroad craft experience for a one-year period, January 1, 1988 through and including, December 31, 1988.

As a result of this Agreement, it is agreed that for the above referenced time period, any person hired into the craft having two or more years of non-railroad machinist experience, will be hired at the 100% rate of pay. Should a person be hired with one to two years' prior non-railroad craft experience, he/she would receive 90% of the base rate. A person with less than one year's experience would receive 80% of the base rate.

Also, it is understood and agreed that the provisions of this agreement will apply to current Machinists who are currently not at the 100% rate.

Very truly yours,

(original signed by)
J. S. Baker
Director-Labor Relations

I CONCUR:
(original signed by)
J. E. Burns

DATE:
January 28, 1988

(original signed by)
Charles Arthur

January 28, 1988

MEMORANDUM OF UNDERSTANDING
BETWEEN
INTERNATIONAL ASSOCIATION OF
MACHINIST AND AEROSPACE WORKERS
AND
NJ TRANSIT RAIL OPERATIONS, INC. (NJTRO)

The parties hereby agree to the following agreement on a new labor agreement ("Agreement") for the period July 1, 1989 through June 30, 1992.

This Memorandum of Understanding ("M of U") is subject to ratification by the membership of the IAMAW and final approval by the NJ TRANSIT Rail Operations (NJTRO) Board of Directors.

This agreement amends the agreement between the IAMAW and NJTRO which expires June 30, 1989. The rules in the agreement are changed only to the extent indicated herein and remain otherwise unchanged and in full force until changed in accordance with the provisions herein, the rules changes set forth in this M of U shall be effective as of July 1, 1989.

1. Wages

Effective July 1, 1989 all current wage rates shall be increased by five percent (5%).

Effective July 1, 1990 all current wage rates shall be increased by five percent (5%).

Effective July 1, 1991 all current wage rates shall be increased by five percent (5%).

2. New Rule - Pension

- (a) Effective July 1, 1989, there shall be established a Section 401(a), Money Purchase Plan (a summary of which is appended hereto as Attachment 1). In addition, the parties agree that as soon as administratively possible, a Section 457, Employee Savings Plan, will be implemented. In the event of any inconsistencies between the attached summary and the plan documents, the plan documents shall govern.

- (b) There will be created a Pension Advisory Committee. The purpose of the Pension Advisory Committee is to provide non-binding advice to the NJTRO Board regarding the Section 401(a) and Section 457 Plans established pursuant to this Agreement.

3. Eye Care

Amendment to III Rule 1-1-C as follows:

- (3) Each eligible employee and dependent may receive one (1) payment for glasses and one (1) payment for eye examinations every two years. A proper affidavit and submission of receipts are required of the employee in order to receive payments.

4. Absent without permission (New Rule)

Employees who absent themselves from work for fourteen (14) consecutive days without notifying their Supervisor shall be considered as having resigned from the service and will be removed from the seniority roster unless they furnish the carrier documented evidence of either physical incapacity or that circumstances beyond their control prevented such notification.

If the Carrier refuses to accept such documented evidence, the employee or his representative may appeal such action in accordance with the discipline procedures.

5. Term Insurance

Employees will have the option of purchasing through payroll deduction an additional five thousand dollars (\$5,000.00) Term Life and Accidental Death and Dismemberment Insurance at Carrier's Group Rate.

6. Family Leave Act

New Jersey Transit Rail will comply with the provisions of the New Jersey Family Leave Act.

IAMAW
Memorandum of Understanding
Page 3

7. Moratorium:

Extend through April 1, 1992, changes not to be effective before July 1, 1992.
This Memorandum of Understanding constitutes the elements of the Collective Bargaining Agreement reached between the undersigned on May 18, 1990.

FOR THE ORGANIZATION:

FOR THE COMPANY

(original signed by)
Robert L. Reynold
Asst. to President,
Directing - General Chairman

(original signed by)
Patricia Sebron
Assistant Vice President
Human Resources
NJ TRANSIT Rail Operations

(original signed by)
E. B. Kostakis
President,
Directing - General Chairman

(original signed by)
William B. Murphy
Director-Labor Relations

**PROPOSED MONEY PURCHASE PENSION PLAN
FOR NJ TRANSIT RAIL OPERATIONS EMPLOYEES**

The following is a summary of the principle features to be incorporated in the proposed money purchase pension plan (Plan) for all NJ TRANSIT Rail Operations (NJTRO) employees in the employment of NJTRO or hired after the effective date of the Plan.

The provisions of this plan can be modified in the development of the actual plan document if they are not inconsistent with the principle features summarized below. NJTRO may adopt amendments which may be necessary or appropriate to qualify or maintain the status of the Plan under Section 401(a) of the Code or any other applicable section of law (including ERISA) and the Regulations issued thereunder as now in effect or hereafter amended or adopted.

Item 1 - Qualifications

The Plan will be a funded, defined contribution money purchase pension plan covered by Section 401(a) of the Internal Revenue Code as applicable to governmental plans. All contributions made by the employer, as well as any earnings thereon and proceeds thereof, will be held in a separate trust that is exempt from taxation under Section 501(a) of the IRS code.

Item 2 - Eligibility

All full-time permanent employees will be covered under the Plan. The Plan will have an effective date of July 1, 1989 or when the agreement employer covered by this Plan ratify the new collective bargaining agreement of which this Plan is a part of, whichever is later.

Eligible employees will commence participation immediately after they become permanent full-time employees of NJTRO. All eligible employees will be required to participate in the Plan as a condition of their employment.

Item 3 - Contributions

NJTRO will contribute an amount equal to three percent of an employee's compensation into a participant's account. For this purpose, compensation means all W-2 earnings, including all overtime and other payments, as well as deferred compensation, but will not include taxable group life insurance premiums and any other taxable employee benefits. NJTRO contributions will be forwarded on a monthly basis to the trustee for investment.

Item 4 - Investments

The trust funds under the Plan will be invested by the Trustee in approved funds selected by the NJTRO Board. Each participant will direct how the contributions to his or her individual account are to be invested and will have an opportunity, on a yearly basis, to shift the balance in his or her accounts between the different investment options.

Item 5 - Vesting

NJTRO contributions on behalf of participant will vest upon the participant's completion of three years of service as a full-time employee from the effective date of this plan, death while in covered employment with NJTRO, or on retirement from NJTRO service under the provisions of the Railroad Retirement Act, as amended.

A participant whose employment terminates before vesting will forfeit the entire amount in his or her accounts derived from NJTRO contributions, which monies will be available to NJTRO to reduce future NJTRO contributions or other uses.

Item 6 - Distributions

The normal retirement age under the Plan will be age 62 or at retirement age under the Railroad Retirement system. The Plan will provide an early retirement option for participants who reach age 55 and complete three years of effective service under the plan. The normal form of benefits payable to a participant will be a life annuity with no survivorship benefit for a participant who is not married; for married participants, the normal form of benefits will be a joint and a 50% survivor annuity with his or her spouse as joint annuitants, unless the participant with the consent of the spouse, elects another permissible form of an alternate benefit under the Plan such as lump-sum distributions or a joint and two-thirds survivor annuity).

Upon termination from service with NJTRO, the vested participant prior to his or her normal or early retirement date will have the option to withdraw his or her entire account balance or have the balance of his or her account held until such time as the participant would otherwise be entitled to retire. For purpose of the Plan, termination shall not occur until all administrative remedies with respect to the termination have been fully exhausted.

No withdrawals or loans from the participant's account will be permissible while the participant continues in employment or deemed employment with NJTRO.

Item 7 - Plan Administration

The Plan will be administered by NJTRO. NJTRO Board will select a trustee under the Plan, an investment manager with whom the contributions are to be invested, and administrator manager of the Plan if different from the trustee.

Account performance fees related to investment of an individual account as charged by the investment manager will be charged directly to the account of the participant involved. Regular administrative fees, such as those for legal counsel, and accounting and auditing services will be born by NJTRO.

May 18, 1990

Mr . E . B . Kostakis
President & Directing
General Chairman, IAMAW
District Lodge No. 19
729 Sunrise Ave., Suite 502
Roseville, CA 95661

Dear Mr. Kostakis:

In the event NJ TRANSIT Rail executes an agreement for the period commencing July 1, 1989, with any of the other Unions representing its employees that contains improvements in the area of general wage increases, basis of pay, vacation, holidays, pension, health insurance, bereavement leave, or jury duty than are greater than those set forth in this Memorandum of Understanding, it is agreed that such improvements will be incorporated into the IAMAW union's agreement with NJ TRANSIT Rail unless such improvement(s) was made in consideration for a modification(s) in the Company's agreement with the other Union which benefits NJ TRANSIT Rail.

Very truly yours,

(original signed by)
William B . Murphy
Di rector - Labor Relations

WBM:kyr

May 18, 1990

Mr. E. B. Kostakis
President and Directing
General Chairman, IAMAW
District Lodge No. 19
729 Sunrise Ave., Suite 502
Roseville, CA 95661

Dear Mr . Kostakis:

This refers to our discussion on interpretation of Rule 4-C-1: Bereavement Leave. The following is an agreed upon interpretation of such Rule:

Agreed-Upon Interpretations--Bereavement Leave

1. Q: How are the three calendar days to be determined?
A: An employee will have the following options in deciding when to take bereavement leave:
 - 7) three consecutive calendar days, commencing with the day of death, when the death occurs prior to the time an employee is scheduled to report for duty:
 - 8) three consecutive calendar days ending the day, of the funeral service; or
 - c) three consecutive calendar days, ending the day following the funeral service.
2. Q: Does the three (3) calendar days allowance pertain to each separate instance, or do the three (3) calendar days refer to a total of all instances?
A: Three days for each separate death; however, there is no pyramiding where a second death occurs with the three-day period covered by the first death.

Example: Employee had a work week of Monday to Friday--off days of Saturday and Sunday. His mother dies on Monday and his father dies on Tuesday. At a maximum, the employee would be eligible for bereavement leave on Tuesday, Wednesday, Thursday, and Friday.

Mr. E. B. Kostakis
May 18, 1990
Page 2

3. Q: Will a day on which a basic day's pay is allowed account bereavement leave serve as a qualifying day for holiday pay purpose?
A: No; however, the parties are in accord that bereavement leave non-availability would be considered the same as vacation non-availability and that the first work day preceding or following the employee's bereavement leave, as the case may be, should be considered as the qualifying day for holiday purposes.
4. Q: Would an employee be entitled to bereavement leave in connection with the death of a half-brother or half-sister, stepbrother, or stepsister, stepparents or stepchildren?
A: Yes as to half-brother or half-sister, no as to stepbrother or stepsister, stepparents or stepchildren. However, the rule is applicable to a family relationship covered by the rule through the legal adoption process.

If you are in agreement with this Rule, please indicate your concurrence below.

Very truly yours,

(original signed by)
W. B. Murphy
Director, Labor Relations

WBM:kyr

I Concur:

(original signed by)
E. B. Kostakis, IMAAW

May 18, 1990

Mr. E. B. Kostakis
President & Directing
General Chairman, IAMAW
District Lodge No. 19
729 Sunrise Ave., Suite 502
Roseville, CA 95661

Dear Mr. Kostakis:

This refers to our discussions regarding the term "exercise of seniority" provided for in the Collective Bargaining Agreement.

As agreed, an employee may exercise seniority in one of the following methods:

- 1) By displacing a junior employee
- b) By assignment to an advertised position that went no bid
- 3) By assignment to a currently advertised vacancy pending award of such vacancy

It is understood that if an employee chooses to be assigned to a currently advertised vacancy, the employee will be required to bid on such vacancy. In the event that the employee is not a successful bidder, the employee will have to exercise seniority in accordance with the above methods within five (5) days of the award.

If the following meets your approval, please indicate your concurrence.

Very truly yours,

(original signed by)
W. B. Murphy
Director Labor Relations

WBM:kyr

I Concur:

(original signed by)
E. B. Kostakis, IAMAW

TO: Distribution
FROM: R. A. Randall
DATE: March 21, 1990
SUBJECT: Minimum Tools Required for Mechanical Department Carmen, Machinists,
Pipefitters, and Electricians

The following recommended tools (or suitable substitutes) should be in each Machinists, Electricians, Carmen and Pipefitter's possession as a minimum requirement fulfilling tool purchases prior to July 1992.

Carmen

14" pipe wrench
Flashlight
Hacksaw & cold chisel
Drift pin set
Ball peen hammer
3/8" drive socket set complete
Channel lock plier
Screwdriver, 4-6" plus stubby
Phillips screwdriver, 4-6" plus stubby
10 & 12" adjustable wrench
Set of easy outs

Pipefitters

Ball peen hammer & cold chisel
Hacksaw
Flashlight
Set of easy outs
Set of split tubing wrenches
Flaring tool set
Small tubing cutter
Large tubing cutter
Channel lock (tongue & groove) pliers
Vice grip pliers
Pip wrench 10-14-18"
Screwdriver, flat tip #2
Screwdriver, stubby flat tip #2
Phillips screwdriver #2
Phillips screwdriver #2 stubby
3/8" drive socket set complete

Machinists

Flashlight
Hacksaw
Set of metal files
Punch set and drift pin set
Metal scribe (marker)
Screwdriver, 4-6" plus stubby
Phillips screwdriver, 4-6" plus stubby
Vice grip pliers
3/8" drive socket set (complete)
Channel lock pliers
Set of easy outs

Electricians

Flashlight
Hacksaw
#2 flat tip screwdriver 4 & 6" long, & off set
#2 flat tip screwdriver stubby
#2 Phillips screwdriver stubby & off set
#2 Phillips screwdriver 4 & 6" long
Linesman plier
Wire stripper
Crimper plier
Needle nose plier
6" adjustable wrench
Channel lock plier
10" adjustable wrench
3/8" drive socket set (complete)
Electrician's knife
Fuse puller

Distribution
Page No. 2
Required Tools

By July 1, 1994, the following tools should be added to the above list:

Carmen

Speedwrench set
½" drive socket set (complete)
Tape measure
Adjustable wrench, 6 & 8"
Hex key set
Vice grip pliers

Pipefitters

Inspection mirror
Pipe wrench 6-8-12"
Basin wrench
Hex key set
Tape measure

Machinists

Hex key set
Speedwrench set 1 1/8 - 1 ¼
½" drive socket set (complete)
Tape measure
Adjustable wrench 10 & 12"

Electricians

8 & 12" adjustable wrench
¼" drive socket set
Nut driver set
Inspection mirror
Screw starter - slotted tip
Screw starter - Phillips
Combination wrench set, ¼ - 1"
Hex key set (Allen wrench)

By July 1, 1996, each Carman, Machinist, Pipefitter, and Electrician should have completed his basic tool requirements with the addition of the following tools:

Carmen

Set combination wrench ¼ - 1 ¼"
Inspection mirror
Set of metal files

Pipefitters

Set combination wrench ¼ - 1 ¼"
6-8-10-12" adjustable wrench
Cutting shears - straight cut
Cutting shears - curved cut

Machinists

Adjustable wrench, 6 & 8"
Magnetic pick up
Inspection mirror
Set of combination wrenches, ¼ - 1 ¼"

Electricians

Vice grip pliers
Tape measure
Diagonal side cut pliers
Jewelers screwdriver
½" drive socket set (complete)

Distribution
Page No. 3
Required Tools

Subsequent tool allotments each July 1st can be used to maintain, add or replace existing tools.

RAR/CTP/weh

cc:	J. R. Reinknecht	R. A. Olsen
	F. J. Coccaro, Jr.	J. W. Mead
	G. R. Campbell	F. Christello
	F. X. Larkin	K. Dornford

August 26, 1992

Jay R. Cronk
General Chairman
IAMAW
61 Bailey Road
North Haven., CT 06473

File: L-141, IAMAW

Dear Mr. Cronk:

This refers to our discussion on the need to modify Appendix V -- Memorandum of Understanding covering Machinists Instructors to provide for displacement of Machine Instructors.

As agreed, Machinist Instructors who are incumbents of such bulletined assignments may be displaced by the following during the usual exercise of displacement rights:

- o A senior qualified Machine Instructor
- o A senior qualified machinist who is involuntarily reduced from a previously held position as a Machinist Instructor
- o A senior qualified Machinist to avoid furlough from the craft

Prior to exercise of such seniority the employee wishing to make the displacement will be required to demonstrate to the satisfaction of the shop manager that he/she is qualified to perform the duties of the position.

If the above accurately reflects our understanding, please affix your signature below.

Very truly yours,

(original signed by)
Phillip B. Charles
Asst. Director
Labor Relations

I Concur:

(original signed by)
Jay R. Cronk
General Chairman
IAMAW

cc: W. Knapp
C. Prehm
J. Reinknecht

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
REPRESENTING
MACHINISTS
AND
NJ TRANSIT RAIL OPERATIONS OPERATIONS

The parties hereby agree to the following agreement on a new labor agreement ("Agreement") for the period July 1, 1992 through June 30, 1996.

This Memorandum of Understanding is subject to ratification by the membership of the International Association of Machinists and Aerospace Workers and final approval by the NEW JERSEY TRANSIT Board of Directors.

This agreement amends the agreement between the International Association of Machinists and Aerospace Workers and NEW JERSEY TRANSIT Rail Operations (NJTRO) which expires June 30, 1992. The rules in the agreement are changed only to the extent indicated herein and remain otherwise unchanged and in full force until changed in accordance with the provisions herein, the rules changes set forth in this Memorandum of Understanding shall be effective upon date of ratification unless otherwise specified.

International Association of
Machinists & Aerospace Workers
Memorandum of Understanding
Page 2

1. Wages:

- Effective July 1, 1992, a three (3%) percent lump sum based upon an employee's actual hourly gross earnings July 1, 1992, through June 30, 1993.
- * Effective July 1, 1993, all current hourly wage base rates shall be increased by three (3%) percent.
- Effective July 1, 1994, all current hourly wage base rates shall be increased by three (3%) percent.
- * Effective July 1, 1995, all current hourly wage base rates shall be increased by three (3%) percent.
- The wages payable due to the three (3%) percent lump sum effective July 1, 1992, through June 30, 1993, and the three (3%) percent general wage increases effective July 1, 1993, and July 1, 1994, through February 28, 1995, will be paid in a lump sum on or before March 30, 1995. The new hourly rate effective July 1, 1993, will go into effect March 1, 1995.

As regards the three (3%) percent lump sum payment due for the period July 1, 1992, through June 30, 1993, and the three (3%) percent general wage increase effective July 1, 1993, and July 1, 1994, it is agreed that retired employees and employees who otherwise left the service prior to ratification of this Memorandum of Understanding (except for dismissal for cause, who, if reinstated, will receive such payments due) will receive such payments due for all hours compensated during such periods.

As a result of the above wage increases, the following classifications and rates of pay are in effect:

* Machinist - Instructors/Technicians

Effective July 1, 1993	\$ 16.40 per hour
Effective July 1, 1994	\$ 16.88 per hour
Effective July 1, 1995	\$ 17.37 per hour

International Association of
Machinists & Aerospace Workers
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Page 3

Grade A Machinist

Effective July 1, 1993	\$ 16.38 per hour
Effective July 1, 1994	\$ 16.87 per hour
Effective July 1, 1995	\$ 17.37 per hour

* As per Appendix "V" Page 70 of the Collective Bargaining Agreement.

Grade B Machinist

Effective July 1, 1993	\$ 16.11 per hour
Effective July 1, 1994	\$ 16.59 per hour
Effective July 1, 1995	\$ 17.09 per hour

Grade C Machinist

Effective July 1, 1993	\$ 15.90 per hour
Effective July 1, 1994	\$ 16.38 per hour
Effective July 1, 1995	\$ 16.87 per hour

2. Pension:

Effective July 1, 1994, NJ TRANSIT will contribute an additional two (2%) percent to an employee's 401(a) account for wages earned on July 1, 1994, and thereafter.

3. The Health and Welfare cost containment changes effective thirty (30) days upon notice of ratification:

All hospital admissions require pre-certification. Room and board charges will be paid at 100% when pre-certified. If the pre-certification process is not followed, a 35% penalty will be imposed on hospital room and board charges.

Managed Second Surgical Opinion required for designated elective surgeries. Failure to comply with the procedures shall result in a 50% penalty on the surgeon's fee.

Mammography to be eligible under Major Medical.

Penalty provisions do not apply to emergency situations for either hospital admissions or second surgical opinion provided that within forty-eight (48) hours of either event, Connecticut General is notified and procedures adhered to.

Effective thirty (30) days upon notification of ratification:

The Mental/Nervous/Substance Abuse benefit shall be as follows:

Network Benefits	Case Management referral to Specific provider required for defined program of treatment
In-patient Hospital	100% up to 60 days/year
In-patient Medical	100% up to 60 days/year
Intensive Outpatient (Substance abuse only)	\$5 per visit co-pay 2 programs/year limit, 40 visits/year maximum
Out-patient	\$0 co-pay for first three (3) visits \$5 co-pay for group sessions \$15 co-pay for individual sessions 60 visits/year maximum
Employee/Dependent Voluntary Treatment	Unless specifically requested by the individual seeking treatment, the NJ TRANSIT'S Employee Assistant Program (EAP) will not have knowledge and will not participate in such cases.
Network Substance Abuse/Mental/Nervous Annual Limit	\$25,000

Special Cost Containment Provisions

Duplication of payments for medical expenses arising out of an automobile accident is not permitted. Once an Insurance Provider is selected to provide primary coverage, the other Provider Plan will automatically be designated as secondary provider through coordination of benefits between the two plans. The subrogation rights of each plan provider shall apply.

New employees become eligible for all hospital, medical, and vision plans and life insurance the first of the month after completing 90 days of service.

An employee may be either a subscriber or a dependent in NJ TRANSIT health plans. Children may be enrolled only once in NJ TRANSIT health plans.

Coverage for all plans and all conditions will terminate on the first of the month according to the following schedule:

<u>Category</u>	<u>Effective</u>
After full-time student's 23rd birthday	1 st of the year
Furlough w/less than one (1) full year of service	1 st of the month after 1 full month
Resignation	1 st of the month
Leave of Absence/ Termination	3 full months

Prescription Drug Card

Increase current \$4.50 pharmacy co-pay to \$6.00 and current \$2.50 mail order co-pay to \$4.00

4. Regulation No. 3 Seniority

Revise Paragraphs 3-C-3 (A) and (B) as follows:

Replace five (5) working days with three (3) working days.

5. Absent Without Permission Rule

Paragraph 4, Page 100 of the Collective Bargaining Agreement

Change fourteen (14) consecutive working days to read five (5) consecutive working days.

6. Capital Project "Gang" (M of E)

The Carrier may establish "project gangs," upon notice to the General Chairman, consisting of employees from the various shop crafts. The purpose of the gang(s) is to provide a dedicated work force to perform capital program work to repair/modify rolling stock or major components. The employees who secure a "gang" position through the bulletin process must remain on the designated project for its duration. However, the required time to remain on the project shall not exceed twelve (12) months.

Project employees may not be displaced (except to avoid a change of hours, rest days, work location or to avoid furlough of a qualified senior employee) nor may such employee voluntarily bid to another position outside the "gang" unless the job posting involves an upgrade. Upon completion of the project, employees may, within the time allowed under Rule No. 3, Seniority, Paragraph 3-C-3, exercise seniority.

It is understood and agreed that a capital project is an activity separately funded from regularly scheduled programmed maintenance. It is an independent activity which has a specific budget and a schedule for completion. Some samples of Mechanical Projects are as follows: Comet Ii glazing, Comet I-II toilet change out, F-40 Locomotive Overhaul Program, Pantograph Conversion, Evaporators, E-5 Deulostat.

7. Single Vacation Days

Effective date of ratification, employees with four (4) or more years of service may liquidate vacation in one day increments up to a maximum of five (5) days per calendar year, as follows:

- a) Request for a single day vacation must be in writing and submitted to the office of the appropriate Department Head no more than thirty (30) days or less than forty-eight (48) hours before the date of usage.
- b) When scheduling a single day vacation, employees will designate the vacation week from which they are drawing the single day. All subsequent single days of vacation will be drawn from the designated week in sequence. All remaining days in the designated week will be liquidated as originally scheduled.
- c) Single day vacations shall not be used in conjunction with holidays, regular vacation week(s), or personal days. Consecutive single day vacation will not be granted.
- d) Single day vacations will be granted on a first come, first serve basis in accordance with the requirements of service. The Department Head or his designee shall have the exclusive authority to grant a request for a single day vacation.

Same day requests for a single vacation day, if allowed, will be granted on a seniority basis.

- e) The Carrier shall have the option to fill or not fill the position of an employee who is absent on a single vacation day. If the vacant position is filled, the rules of the agreement applicable thereto will apply. The Carrier will have the right to distribute work on a position vacated among other employees covered by the agreement.

8. Supplemental Sickness Improvement

The January 1, 1983, Supplemental Sickness benefit shall be amended for periods of disability. The benefits provided for under the plan shall be revised as follows and is effective thirty (30) days upon notification of ratification:

	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earning	\$13.95 or more	\$2,427 or more
Class II Employees Earning	\$11.40 or more but less than \$13.95	\$1,984 or more but less than \$2,427
Class III Employees Earning	Less than \$11.40	Less than \$1,984

Basic and Maximum Benefit Amount Per Month

	<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
Class I	\$ 1,058	\$ 674	\$ 1,732
Class II	802	674	1,476
Class III	733 674 1,407		

Combined Benefit Limitation

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$1,772
Class II	1,582
Class III	1,508

Supplemental Sickness Improvement (continued)

Plan Benefits During Initial Registration Period

An employee who is eligible to receive Plan benefits during his initial RUIA registration period shall receive from the Plan, for the fifth through the fourteenth days of disability in that period, the Basic Benefit specified in the Plan plus an amount equal to the total RUIA benefit that would have been payable to him for days of sickness in that period but for application of the initial waiting period mandated by existing law.

9. Establish position of Lead Mechanic. The rate shall be \$.75 above the established rate of pay of those positions working under his/her direction. Positions to be advertised based upon operational requirements. Positions will be awarded based on the criteria applicable to Instructor/Technician Agreement.

10. Bidding:

Paragraph 4, Page 84 of the Collective Bargaining Agreement. Add the following language to the first paragraph:

Should an employee be displaced by a senior employee in a position he/she bid to prior to thirty (30) days on the position or the position is abolished prior to thirty (30) days on the position, the bid to this position shall not be considered as being voluntary.

11. Expungement of Discipline (New Rule):

Investigations

If discipline assessed is a Reprimand and an employee maintains an unblemished record from the date of the G-32 (Notice of Discipline) for a one (1) year period (including warnings), then the Reprimand will be removed from his/her record.

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International Association of
Machinists & Aerospace Workers
Page 10

If an employee is assessed discipline of sixty (60) days or less and maintains an unblemished record from the date of the G-32 (Notice of Discipline) for a two (2) year period (including warnings), then the discipline will be removed from his/her record.

For discipline assessed prior to date of this agreement, it is understood that the two (2) year period for expungement will commence with the date of ratification of this memorandum.

It is understood and agreed that this rule does not apply to any discipline assessed for absenteeism, late starts or early quits.

12. New Job Classification

Based upon standards to be agreed upon by the parties, effective 30 days after ratification, the position of Machinist Technician shall be established at a rate of pay of \$1.00 per hour above the "C" rate.

13. Moratorium

There shall be a moratorium on the serving of Section 6 Notices through April 1, 1996, any changes not to become effective before July 1, 1996.

This Memorandum of Understanding constitutes the complete agreement of the parties with respect to changes in the Collective Bargaining Agreement reached between the undersigned on January 13, 1995.

For the Organization:

(original signed by)
Jay R. Cronk
General Chairman

(original signed by)
John Schoonmaker
Local Chairman

For the Company:

(original signed by)
W. B. Murphy
Director Labor Relations

(original signed by)
M. Rienzi
Deputy General Manager
Support Operations

January 13, 1995

Mr. Jay R. Cronk
General Chairman
International Association
of Machinists & Aerospace
Workers
61 Bailey Road
North Haven, CT 06473

Dear Mr. Cronk:

As regards your recent request for certain language clarifications contained in the Memorandum of Understanding, please be advised as follows:

As a result of our recent discussion concerning Paragraph 6 of the proposed Memorandum of Understanding entitled "Capital Project Gang", it is agreed that this language will be applied upon ratification on a prospective basis to any new capital project work undertaken and not to current project work being performed.

As regards your request for language clarification concerning the definition of a capital project "gang," the following will apply.

A capital project is an activity separately funded from regularly scheduled programmed maintenance. It is an independent activity which has a specific budget and a schedule for completion. Some examples of Mechanical Projects are as follows: Comet II glazing, Comet I-II toilet change out, F-40 Locomotive Overhaul Program, Pantograph Conversion, Evaporators, E-5 Deulostat.

Should you have any further questions concerning these items, please contact me at your earliest convenience.

Very truly yours,

(original signed by)
William B. Murphy
Director Labor Relations

January 13, 1995

Mr. Jay R. Cronk
General Chairman
International Association
of Machinists & Aerospace
Workers
61 Bailey Road
North Haven, CT 06473

Dear Mr. Cronk:

Please be advised, as regards Item 10 of the Memorandum of Understanding which reads as follows:

New Job Classification:

Based upon standards to be agreed upon by the parties, effective thirty (30) days after ratification, the position of Machinist Technician shall be established at a rate of pay of \$1.00 per hour above the "C" rate.

As discussed, thirteen (13) of the currently designated instructors positions will be reclassified as Machinist Technician positions and thirteen (13) of the senior qualified instructors will be given first preference to fill these positions.

Should you have any further questions concerning these items, please contact me at your earliest convenience.

Very truly yours,

(original signed by)
William B. Murphy
Director Labor Relations

MACHINIST TECHNICIAN AGREEMENT BETWEEN
NJ TRANSIT RAIL OPERATIONS
AND
THE INTERNATIONAL ASSOCIATION OF MACHINIST AND
AEROSPACE WORKERS

Effective May 6, 1996

1. Positions of Machinist Technician may be established consistent with the duties and qualifications described in Attachment "A".
2. Positions of Machinist Technician will be advertised throughout NJTRO's system in accordance with Rule 2-A-1(b) with a copy to the Local and General Chairman.
3. (1) All applicants will be give a fair and impartial competitive examination that includes both a written and practical test. An employee must obtain a minimum of 55% on the written test in order to be eligible for the practical test. All applicants must obtain a minimum weighted average numeric score of 70% or its equivalent in order to be considered for the position. A designated representative of the IAM may be present during the practical examination.

(2) Awards will be made to the senior qualified applicant who meets or exceeds the requirements established and holds rights in the class for such vacancy.
4. Employees awarded a Machinist Technician position will be paid \$1.00 above grade "C" rate of pay.
5. Employees holding positions of Machinist Technician shall be permitted to perform work of the craft in line with the duties and location assigned, and shall maintain their respective standing on the appropriate Machinist overtime roster.
6. The Mechanical Department will offer the written Technician test to all machinist seeking to be pre-qualified for such position. Such test will be conducted annually, and the results will remain on file for one year.

7. (Effective 12/7/99) Employees awarded a Technician position cannot voluntarily bid to another position within twelve (12) months from the effective date of award except in case of change of hours, rest days and work location. Technicians may voluntarily bid to another position that pays a higher rate of pay. Technicians may be displaced in case of reduction of forces or by another qualified Technician.
8. Technicians working in another classification will maintain their qualifications for a one year period from the last time they held a technician's job.
9. Employees who have passed the pre-qualification test will be considered qualified for a period of one (1) year, following which they will be required to pass a retest in order to maintain their displacement rights. Such qualification period may be extended by agreement of the parties.
10. Machinist Technicians will normally work their assigned bulletin position, however, they may be periodically assigned to other tours, work locations, or rest days as the needs of service dictate. In instances of reassignment the provisions of Rule 2-A-4(b) are not applicable.
11. (1) Should a dispute on testing, selection, qualification or disqualification arise, the General Superintendent of Equipment and the General Chairman, or their designated representatives, will meet and attempt to agree on a satisfactory resolution of the dispute. If it cannot be resolved in that manner, an appeal may be made within fifteen (15) calendar days after such meeting to the Director of Labor Relations.

The Director of Labor Relations shall provide a written decision to the General Chairman with fifteen (15) calendar days after notice of appeal.

- (2) Any disputes that cannot be resolved under the foregoing provisions may be handled in accordance with Rule 4-P-1 of the Collective Bargaining Agreement.

12. All rules of the Labor Agreement not in conflict with the foregoing remain applicable.

Sincerely,

(original signed by)
Phillip B. Charles
Director, Labor Relations

(original signed by)
Charles Prehm
General Superintendent, Equipment

I Concur:

(original signed by)
Jay R. Cronk
General Chairman
International Association of Machinist
and Aerospace Workers

ATTACHMENT "A"

MACHINIST TECHNICIAN AGREEMENT

QUALIFICATIONS

All Technicians are to complete and validate Federal, State and Company forms when required.

Air Room/Air Brake Technician - Possess knowledge and skills to inspect, test, diagnose and repair air brake valves and elated components including testing apparatus. Must be able to read prints and schematics. Must be familiar with valve and component functions and operation of testing apparatus and procedures used in the air room. Must be familiar with manufacturer specifications and FRA/AAR regulations governing same.

Locomotive Brake Technician - Possess knowledge and skills to troubleshoot, test, diagnose and repair locomotive braking systems and related components. Must be familiar with testing equipment and procedures and proficient in the operation of gauges and analyzers used in such testing. Must be able to read and work from prints and schematics. Must be familiar with manufacturer specifications and FRA regulations governing locomotive braking systems.

Multiple Unit Brake Technician - Possess knowledge and skills to troubleshoot, test, diagnose and repair MU braking systems and related components. Must be familiar with testing equipment procedures and proficient in the operation of gauges and analyzers used in such testing. Must be able to read and work from prints and schematics. Must be familiar with manufacturers specifications and FRA regulations.

Locomotive Head End Power Technician - Possess knowledge and skills to troubleshoot, test, diagnose and repair locomotive head and/auxiliary power units. Must be familiar with testing equipment and procedures and proficient in the operation of gauges and analyzers used in such testing. Must be able to read and work from prints and schematics. Must be familiar with manufacturers specifications and FRA regulations related to such units.

Locomotive Load Box Technician - Possess knowledge and skills to load test, diagnose and repair locomotive propulsion units. Must be familiar with testing procedures and proficient in the operation of testing apparatus and analyzers used in such testing. Must be able to read and work from prints and schematics. Must be familiar with manufacturers specifications and FRA regulations.

ATTACHMENT "A" (con't)
MACHINIST TECHNICIAN AGREEMENT

Locomotive Maintenance/Overhaul Technician - Possess knowledge and skills in the preventative maintenance and overhaul of locomotives. Must be familiar with manufacturers' specifications related to preventative maintenance and overhaul of locomotives. Must be able to read and work from prints schematics, work with micrometers, gauges and other diagnostic equipment and analyzers used in the maintenance and overhaul of locomotives. Must be familiar with FRA regulations governing the maintenance and overhaul of locomotives

Multiple Unit Equipment Maintenance/Overhaul Technician - Possess knowledge and skills in the preventative maintenance and overhaul of NJTRO multiple unit equipment. Must be familiar with manufacturers' specifications related to preventative maintenance and overhaul of such equipment. Must be able to read and work from prints and schematics. Be proficient in the use of micrometers, gauges and other diagnostic equipment and analyzers used in the maintenance and overhaul of MU equipment. Must be familiar with FRA regulations governing the maintenance and overhaul of MU equipment.

Maintenance of Facility - Equipment and Machinery Technician - possess knowledge and skills to inspect, troubleshoot, maintain and repair all shop equipment and machinery, including but not limited to cranes, wheel machines, presses, drop tables and etc. Must be able to read and work from prints and schematics. Familiarity with manufacturer specification, for the preventative maintenance and overhaul of shop equipment and machinery.

Wheel Shop Technician - Possess knowledge and skills in the operation of all wheel shop machinery, including but not limited to axle lathe, boring mill, Magna-flux and wheel presses. Must be able to read and work from prints and schematics. Be proficient in the use of micrometer and all other gauges as used in wheel shop work. Must be familiar with specifications and tolerances of FRA/AAR regulations for all wheel and axle work.

Wheel True Technician - Possess knowledge and skills in the maintenance and operating the wheel truing machine. Must have thorough knowledge of FRA/AAR standards and regulations as they pertain to locomotive and passenger car wheels and defects. Trouble shoot problems and be familiar with testing equipment and procedures.

AGREEMENT ENTERED INTO THIS SIXTH DAY OF MAY 1996 BETWEEN NJ TRANSIT RAIL OPERATIONS AND ITS EMPLOYEES REPRESENTED BY THE INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE WORKERS WITH RESPECT TO CERTIFIED WELDERS TRAINING PROGRAM

WHEREAS, the parties recognize the need to elevate the skill levels of employees who perform welding functions, and;

WHEREAS, the parties believe that a comprehensive training program will materially add in accomplishing this end;

THEREFORE, the parties agree to establish a Certified Welders Program subject to the following conditions:

A. Advertisement

- 1) At the sole discretion of the Carrier, certified welder positions may be established pursuant to the provisions of the Collective Bargaining Agreement. Such positions will be utilized to perform specialized welding duties in addition to other responsibilities as outlined in the scope of the Agreement.
- 2) The Carrier may establish three levels of certified welders, identified as Certified Welder Level I; Certified Welder Level II; and Certified Welder Level III.
- 3) In filling vacant certified welder positions preference will be given to senior employees making application who have successfully completed the training program and possess the AWS certification applicable to the welding level. Should award be made to a certified welder, the provisions of Section B will not apply and the award will become effective.
- 4) If applicants do not possess the certification as outlined in A3 above, the advertised certified welders positions will be awarded in the following manner:

Level I: To the senior employee making application who demonstrate an aptitude to performing welding functions.

Level II: To the senior qualified employee making application that has successfully completed Level I training or who can successfully pass the level of certification as dictated by the American Welding Society (AWS).

Level III: To the senior qualified employee making application that has successfully completed Level I and Level II training or who can successfully pass the levels of certification as dictated by the AWS.

- 5) Employees awarded certified welders positions under the provision of A4 are subject to successful completion of the Training Program as outlined in Section B.

B. Training Program

- 1) All successful applicants of the certified welder positions must successfully complete an extensive training program. Failure to make satisfactory progress while in training may be grounds for disqualification.
- 2) This Training Program includes classroom instructions and practical application of welding proficiency.
- 3) All training will be conducted during the first tour of duty, Monday through Friday.
- 4) Successful completion of the training program is based on the standards established by the Carrier based on guidelines of the AWS. The Carrier will provide to the General Chairman a copy of the standards or guidelines.
- 5) An employee will be given two opportunities to pass the test. An employee who fails to qualify will exercise seniority in accordance with the provisions of the Collective Bargaining Agreement.

- 6) Except for a reduction in forces, while in training, employees may not be displaced, nor may said individual voluntarily bid to other positions.
- 7) While in training, employees will receive the rate of pay of their last awarded permanent position immediately preceding the advertisement of the certified welding position.
- 8) When the employee is notified of successful completion of the training program, the award and rate will become effective.

C. Certified Welders

- 1) Effective the date of the award, qualified incumbents of a certified welder position may not be displaced except by a senior certified welder.
- 2) Upon successful completion of the training program and commencing with the effective date of award, certified welders will receive a hourly rate of pay of a Grade A position subject to the general wage increases plus the following differentials:

Level I: 50 cents per hour above the hourly rate of pay

Level II: \$1.00 per hour above the hourly rate of pay.

Level III: \$1.50 per hour above the hourly rate of pay.
- 3) Certified welders awarded other bulletined positions may be retained on their certified welders position without penalty for a maximum of thirty (30) days.
- 4) A certified welder will be furloughed in accordance with machinist seniority.

Should dispute on testing, selection, qualification or disqualification arise, the Chief Mechanical Officer and the General Chairman, or designated representative, will meet and attempt to agree on a satisfactory resolution of the dispute. If it cannot be resolved in that manner, an appeal may be made within fifteen (15) calendar days after such a meeting to the Director of Labor Relations.

Director of Labor Relations shall provide a written decision to the General Chairman or designated representative within fifteen (15) calendar days after receipt of such appeal. Any dispute that cannot be resolved under the provisions outlined in the above paragraph may be handled in accordance with Rule 4-P-1 (f) of the Collective Bargaining Agreement.

Until otherwise specified in this agreement, all other rules of the Collective Bargaining Agreement will apply.

(original signed by)
Phillip B. Charles
Director, Labor Relations

(original signed by)
Charles Prehm
General Superintendent Equipment

(original signed by)
Mr. Jay R. Cronk
General Chairman
International Association of Machinist
and Aerospace Workers

NEW JERSEY TRANSIT WELDING PROCEDURE FOR
MANUAL SHIELDED METAL ARC WELDING

1. MATERIAL SPECIFICATION
THE BASE METAL SPECIFICATION SHALL BE
ABTM A283 MATERIAL NO. 1 GROUP NO. 1
2. WELDING PROCESS SHALL BE SMAW.
(SHIELDED METAL ARC WELDING)
3. WELDING SHALL BE MANUAL
4. POSITIONS - WELDING SHALL BE IN THE 3G AND 4G POSITIONS.
5. WELDING PROGRESSION
3Q SHALL BE VERTICAL-UPHILL
4G SHALL BE OVERHEAD (LEFT TO RIGHT OR RIGHT TO LEFT)
6. THE WELDING BEADS SHALL BE DEPOSITED IN A STRINGER FASHION
NOT EXCEEDING TWO TIMES THE DIAMETER OF THE FILLER WIRE.
7. FILLER METAL
AWS SPECIFICATION NO. A5.1 AND 5.5
AWS CLASSIFICATION NO. E6018 OR 7018
8. WELDING CURRENT SHALL BE DIRECT CURRENT.
9. POLARITY SHALL BE REVERSE.
10. WELDING PROCEDURE

<u>PASS</u>	<u>SIZE</u>
1	3/32" OR 1/8" OR 5/32"
2	1/8" OR 5/32"
REMAINING	1/8" OR 5/32" OR 3/16"

<u>WELDING CURRENT</u>		
<u>SIZE</u>	<u>AMPS</u>	<u>VOLTS</u>
3/32"	70-100	18-24
1/8"	90-140	20-24
5/32"	120-190	22-25

11. ELECTRODES ARE TO BE STORED IN HEATER OVEN SET AT 300 DEGREES FAHRENHEIT PRIOR TO USE.
12. BASE METAL PREPARATION
SHALL BE CLEANED PRIOR TO WELDING AND IF TEMPERATURE IS BELOW 32 DEGREES FAHRENHEIT, SHALL BE PREHEATED.
13. CLEANING OF WELD AREA SHALL BE DONE BETWEEN PASSES BY MEANS OF WIRE BRUSH, GRINDING AND CHIPPING HAMMER. COMPLETED WELDS SHALL BE BRUSHED CLEAN AND VISUALLY INSPECTED.
14. PLATE THICKNESS SHALL BE 3/8".
QUALIFICATION RANGE .187 THROUGH .750.
BACKING SHALL BE 3" WIDE X .250"-.375" THICK.
15. JOINT DESIGN: B-U2a.

M O F E

SIX-WEEK EVALUATION/QUALIFICATION PROGRAM

GENERAL:

Employee will be evaluated based on their performance on a weekly basis should any employee fail any part of this program he will be allowed to return to his or her previous position.

The employee may at a later date upon notification, be allowed to return during the next selection date for re-evaluation and certification.

The 30-day evaluation/certification program will consist of following major topics:

WEEK 1.

General Principles of Shielded Metal Arc Welding and Safety

WEEK 2

Shielded Metal Arc Welding Flat position 1G

WEEK 3

Shielded Metal Arc Welding vertical position 3G

WEEK 4

Shielded Metal Arc Welding Overhead position 4G

WEEK 5

Performance review any pre-certification week

WEEK 6

Certification test/certification by outside concern.

March 4, 1999

Mr. Michael A. Hill
General Chairman
International Association of Machinists
and Aerospace Workers
38 Sentry Hill, Lexington Square
Newark, DE 19711

Dear Mr. Hill:

File: L-147.6 Meal Allowance

This refers to our discussion on overtime meal allowances which are currently payable to employees pursuant to the applicable provision of the collective Bargaining Agreement

As discussed, all employees have been advised of our Finance Department's determination that such meal allowances are taxable commencing January 1997.

In full and final resolution of all issues relative to meal allowances, the parties are in agreement as follows:

- In lieu of each meal which the Carrier is required to provide under existing agreement, employees will receive a ten (\$10.00) dollar taxable allowance.
- At Carrier's discretion, any required meal may be provided by the Carrier, in which case meal allowances will not be payable to affected employees.

Should the above represent our full understanding with respect to meal allowances, please indicate your concurrence.

Very truly yours,
(original signed by)
Phillip B. Charles
Director Labor Relations

I Concur:
(original signed by)
Michael A. Hill
General Chairman, IAM

I Approve:
(original signed by)
William B. Murphy
Assistant General Manager
Labor Relations/Administration

cc: C. Prehm

MEMORANDUM OF UNDERSTANDING
BETWEEN
INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE
WORKERS
REPRESENTING
Machinist
AND
NEW JERSEY TRANSIT RAIL OPERATIONS

The parties hereby agree to the following terms and conditions of employment for a new labor agreement (“Agreement”) for the period July 1, 1996 through June 30, 2001.

This Memorandum of Understanding is subject to ratification by the membership of the International Association of Machinist And Aerospace Workers Union and final approval by the New Jersey Transit Board of Directors.

This Agreement amends the current Collective Bargaining Agreement between the parties. The rules of the IAM-NJTRO Collective Bargaining Agreement are changed only to the extent indicated herein and remain otherwise unchanged and in full force until changed in accordance with the Railway Labor Act as amended. The rule changes set forth in this Memorandum of Understanding shall be effective upon the date of ratification unless otherwise specified.

1. WAGES

Effective July 1, 1996, a one (1%) percent general wage increase and a two (2%) lump sum payment based upon an employee's actual yearly gross earnings July 1, 1996, through June 30, 1997.

Effective July 1, 1997, all current wage rates shall be increased by three and one half (3½%) percent.

Effective July 1, 1998, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 1999, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2000, all current wage rates shall be increased by three and one half (3½%) percent.

The wages payable due to the one (1%) general wage increase and the two (2%) percent lump sum effective July 1, 1996, through June 30, 1997, the three and one half (3½%) percent general wage increase effective July 1, 1997, the three (3%) wage increase effective July 1, 1998 and the three (3%) wage increase effective July 1, 1999 through February 16, 2000, will be paid in a lump sum on or before March 16, 2000. The new hourly rate effective July 1, 1999, will go into effect February 17, 2000. (Payable on March 2, 2000).

As regards the one (1%) general wage increase and the two (2%) percent lump sum payment due for the period July 1, 1996, through June 30, 1997, the three and one half (3½%) percent general wage increase effective July 1, 1997, the three (3%) wage increase effective July 1, 1998 and the three (3%) wage increase effective July 1, 1999, it is agreed that retired employees and employees who otherwise left the service (except for dismissal for cause, who, if reinstated will receive the increase due) will receive such payments due for all hours compensated during such periods.

2. HEALTH & WELFARE

- Effective March 2000 the Traditional plan, Blue Select (PPO), and NJ Blue Cross Horizon HMO will be offered to all employees. Effective July 1, 2000 HMO's, as well as Traditional and Blue Select, will be offered to all employees and each July 1 thereafter all employees will have the opportunity to select coverage from the available plans. (See Attachment 1a through 1d reference Blue Select)
 - No in network deductibles
 - In network 90%/10% co-insurance
 - Out of network 70%/30% co-insurance of eligible expenses
 - Catastrophic coverage in-network after out of pocket co-insurance max \$500.00
 - Catastrophic coverage out of network after out of pocket co-insurance max \$1,500.00 of eligible expenses.
- HMO's offered July 1st of each year
- Prescription Drug Card (Attachment 2)
- Improved Dental Plan
 - Basic plan for new hires (Attachment 3a)
 - For current employees (Attachment 3b)
 - Annual limit raised from \$1,000.00 to \$1,500.00 per year.
 - Annual deductibles reduced from \$50.00 to \$35.00.
- Orthodontia limit raised from \$750.00 lifetime to \$1,000.00 lifetime maximum.
- Eligibility for Health and Life Insurance Benefits

Disabled Employees: Employees hired on or after date of ratification with less than one year of service shall be eligible for continuation of health and life insurance benefits under the terms of the Agreement until the first **month after three (3) full months of disability. After one (1) year of service, such employees shall have the**

same

eligibility for these benefits as all other employees. It is understood that this provision does not apply nor change the current eligibility requirements for benefits due employees who are injured while on duty.

Rx: Employees and dependents eligible only if enrolled in the Medical Plan.

Dental:

(A) Basic 1st of month after 3 full months of service.

(B) Standard One (1) full year of enrollment in the Basic Plan.

Dependent Children: End of year age 19; full-time students end of year age 23.

Life Insurance:

(A) Age and Smoker 1st of month after one full year until retirement.

/Non-Smoker
Health Rated Subsequently only upon birth of a child or closing on the

Supplemental Life Purchase of a principal residence

(B) Supplement Same as A
Accidental Death

- Improved Retiree Medical Provision - All plans (Attachment 4)
 - Age reduced from 61 to 60
 - No lifetime maximum
- Opportunity to purchase Life Insurance by payroll deduction in amounts of \$25,000 or \$50,000 - All plans (Attachment 5)

- Health/Welfare contribution:
 -

	Traditional Weekly Contribution		Select Weekly Contribution	
	Before Tax	After Tax	Before Tax	After Tax
Single	\$2.00	\$1.20	\$1.25	\$0.75
Parent & Child	\$4.00	\$2.40	\$2.50	\$1.50
Husband & Wife	\$7.50	\$4.50	\$5.00	\$3.00
Family	\$9.00	\$5.40	\$7.50	\$4.50

Contributions will start March 2000, and will be based on 48 weeks in each subsequent calendar year.

Contributions for HMO Blue Subscribers are waived.

3. Direct Deposit (Attachment 6)

4. Rule 1-A-1(b) Employment and Promotion:

The application of new employees for employment, shall be approved or disapproved within 120 days after applicants begin work. In the event of applicants giving false information this time limit shall be extended to one (1) year.

5. Revise Rule 2-A-1 (e):

Change thirty (30) miles to fifty (50) miles.

6. Revise Rule 3 - Seniority:

a. Rule 3-A-1 (b) to read: if two or more employees start to work on the same day, their seniority rank on the roster of their respective classes will be in alphabetical order.

b. Rule 3-C-3 (c) change thirty (30) miles to fifty (50) miles

7. Modify the provision of Rule 4-L-1 as follows:

"When a regularly assigned employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his/her position for each day lost subject to the following qualification requirements and limitations."

8. Modify the provision of the first paragraph of Rule 4-B-3(b) to read:

A regularly assigned employee shall qualify for the holiday pay provided in paragraph (a) hereof if compensation paid him by the Company is credited for four (4) hours or more of his/her assignment on the workday immediately preceding and following such holiday. If the holiday falls on the last day of a regularly assigned employee's work week, the first workday following the rest days shall be considered the workday immediately following the holiday. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday.

9. Modify the provisions of Rule 4-C-1, Bereavement Leave, to change three (3) calendar days to three (3) consecutive working days, not to include rest days.

10. Revise Rule 2-A-4(b)

Change three (3) hours to one (1) hour.

11. Personal Days:

Effective January 1, 2000 the personal leave days referenced in Rule No. H will be amended as follows:

1. An employee with ten (10) but less than fifteen (15) years of continuous service shall be entitled to one (1) additional day. (Total of four days)

2. An employee with fifteen (15) or more years of continuous service shall be entitled to two (2) additional days. (Total of five days)
 3. Continuous years of service shall be calculated the same as vacation entitlements.
12. Modify the Technician's Agreement dated May 6, 1996 as follows.
7. Employees awarded a Technician position cannot voluntarily bid to another position within twelve (12) months from the effective date of award except in case of change of hours, rest days and work location. Technicians may voluntarily bid to another position that pays a higher rate of pay. Technicians may be displaced in case of reduction of forces or by another qualified Technician.
13. Sick Leave Plan:
1. Sick Leave Plan:
 - (1) Commencing January 1, 2000 each employee who has been full-time for six (6) months will be provided an annual allowance of five (5) sick days. Sick days may be accumulated and carried over from year to year. Sick banks are not subject to any maximum accumulation.
 - (2) Employees will be able to utilize any and all sick days in their bank for personal illness or injury, or to care for any sick or injured family member provided that the employee is primarily responsible for the care of such family member.
 - (3) There is no waiting period or exclusionary period prior to payment. Sick leave shall be paid at one hundred (100%) percent of the daily rate based on an eight (8) hour work day.

b. Sick Leave Reimbursement

Any employee who leaves New Jersey Transit service for any reason, other than termination for cause, with a minimum of ten years of continuous service at the time of separation shall be entitled to a cash severance payment of fifty (50%) percent of the daily rate of pay of all accumulated

but unused sick days, to a maximum of \$15,000, provided that the number of accumulated but unused sick days is at least fifty (50%) percent of the total number eligible.

Sick Leave Reimbursement Example:

An employee hired April 1990, voluntarily leaves the company in December 2015. The maximum sick days she/he could have accumulated in 25 years is 80 days (five (5) days each year for 16 years). At the time of separation she/he has a total of 40 unused sick days (at least 50% of the total number eligible). She/he is eligible for a cash severance payment of 20 days (50% of the accumulated but unused sick days) at her/his daily rate of pay at the time of separation.

c. Sick Benefits

An employee who is eligible to receive Supplemental Sick Plan Benefits during his initial RUIA registration period shall receive from the Plan, for the fifth through the fourteenth days of disability in that period, the Basic Benefit specified in the Plan plus an amount equal to the total RUIA benefit that would have been payable to him for days of sickness in that period but for application of the initial waiting period mandated by existing law.

4. Every application for sick leave for a period over five (5) days, whether with or without pay, must be accompanied by Medical proof satisfactory to New Jersey Transit and on a form to be furnished by New Jersey Transit setting forth the nature of the employee's illness and certifying that by reason of such illness the employee was unable to perform his duties for the period of absence.

Memorandum of Understanding
International Association of
Machinists & Aerospace Workers
Page 9

The first five (5) paid sick days in a calendar year will not be counted as absence under the Carrier's Attendance Policy.

14. Tool Allowance

Modify current tool maintenance allowance of \$100.00 as provided for in item 6 of the Memorandum of Understanding dated May 20, 1987, for an additional \$50.00 to be effective July 2000.

15. Moratorium

There shall be a moratorium on the serving of Section 6 Notices through June 30, 2001.

This Memorandum of Understanding constitutes the complete agreement of the parties with respect to changes in the Collective Bargaining Agreement reached between the undersigned on December 7, 1999

For the Organization:

International Association of Machinist
and Aerospace Workers

(original signed by)
General Chairman
International Association of Machinists
and Aerospace Workers

(original signed by)
Paul Krawczun
Local Chairman
International Association of Machinists
and Aerospace Workers

For the Company:

NJ Transit Rail Operations

(original signed by)
Assistant General Manager
Labor Relations/Administration

(original signed by)
Frederick T. Danser III, Esq.
Special Counsel

December 7, 1999

Mr. Michael Hill
General Chairman
International Association of Machinists
and Aerospace Workers
38 Sentry Hill, Lexington Square
Newark, DE 19711

Dear Mr. Hill,

In the event NJ Transit Rail executes an agreement for the period commencing July 1, 1996 through June 30, 2001 with any of the other union(s) representing its employees that contains improvements in the area of general wage increases, (including configuration of wage increases) vacations, holidays, pension, health insurance, bereavement leave, jury duty or other changes that have the effect of increasing the compensation package that are greater than those set forth in this Memorandum of Understanding, it is agreed that such improvements will be incorporated into the International Association of Machinists and Aerospace Worker' Union Agreement with NJ Transit Rail, unless such improvement(s) was made in consideration for a modification(s) in the Company's agreement(s) with the other Union(s) which benefits NJ Transit Rail.

Very truly yours,

(original signed by)
William B. Murphy
Assistant General Manager
Labor Relations/Administration

December 7, 1999

Mr. Michael Hill
General Chairman
International Association of Machinists
and Aerospace Workers
38 Sentry Hill, Lexington Square
Newark, DE 19711

Dear Mr. Hill,

This will serve to confirm that the Pre Tax contributions required under the terms of the contract to be paid effective March 1, 2000 for coverage under Traditional and Blue Select shall have no adverse consequences in the determination of gross wages for purposes of calculating vacation pay and contributions due under the 401A Plan.

Very truly yours,

(original signed by)
William B. Murphy
Assistant General Manager
Labor Relations/Administration

December 7, 1999

Mr. Michael Hill
General Chairman
International Association of Machinists
and Aerospace Workers
38 Sentry Hill, Lexington Square
Newark, DE 19711

Dear Mr. Hill,

This will serve to confirm that effective March 1, 2000 married couples working for New Jersey Transit Rail must elect health insurance coverage under one of the available plans (Traditional, Blue Select or NJ Blue Cross Horizon HMO) and shall be required to pay the designated contribution for only one spouse. Effective July 1, 2000 and thereafter married couples working for New Jersey Transit Rail must elect health insurance coverage under one of the available plans (Traditional, Blue Select, HMOs) and where appropriate shall be required to pay the designated contribution for only one spouse.

Very truly yours,

(original signed by)
William B. Murphy
Assistant General Manager
Labor Relations/Administration

**New Jersey Transit/Rail Agreement
BENEFIT COMPARISON**

	BLUE SELECT		CURRENT TRADITIONAL
	In-Network	Out-of-Network	
GENERAL PROVISIONS			
Deductible Major Medical Each Person Three Person Basic Hospital	None None None	None None \$500 each non-emergency admission	\$100 \$300 \$0 for Room & Board
Employee Coinsurance Basic Hospital Basic Plan Benefits Professional Major Medical	0% N/A 10% N/A	30% N/A 30% N/A	N/A 0% N/A 20%
Catastrophic Coverage (Plan Pays 100%)	N/A (In-patient Hospital) After \$5,000 of eligible claims for all Outpatient Hospital, Professional, and Supplemental.	After \$5,000 of eligible claims for all Hospital. Professional, and Supplemental (after in-patient deductible).	Major Medical, after deductible and \$5,000 of eligible claims
Maximum Payment Level	PACE: Schedule	Usual, Customary & Reasonable (UCR)	PACE: Schedule/UCR
Benefit Period Maximum	None: Unless otherwise specified	None. Unless otherwise specified	None, Unless otherwise specified
Lifetime Maximum	None: Unless otherwise specified	None. Unless otherwise specified	\$500,000 Major medical
Pre-Existing Conditions	12 Months (New Hires Only)	12 Months (New Hires Only)	12 Months (New Hires Only)
Infertility Treatment	None	None	None
PHYSICIAN SERVICES			
Doctors Office Visits	100% after \$5 copay	70%	Deductible: then 80%
Preventive Care	100% up to \$300/year/person	No benefit	No benefit except mammography
Second Surgical Opinion Program (Plan Pays 100% if applicable)	Optional elective second opinion available (Not Mandatory)	No benefit	Mandatory: 50% benefit reduction of surgeon's fee for non-compliance.

	BLUE SELECT		CURRENT TRADITIONAL
	In-Network	Out-of-Network	
Surgery	90%	70%	Inpatient - Deductible; then 80% Outpatient - 100% (includes all related services)
Maternity (Pre & Post Natal Care)	90%	70%	Deductible; then 80%
X-Ray and Lab	90%	70%	Deductible; then 80%
Emergency Care	90%	90%	Deductible; then 80%
Short Term Therapies (Physical, Occupational)	90%; 30 visits/year/person	70%; 30 visits/year/person	Deductible; then 80%
Chiropractic Care	90%; 12 visits/year/person	70%; 12 visit/year/person	Deductible; then 80% (Subject to Medical Review)
FACILITY SERVICES			
Pre-Admission Review	Hospital responsible for obtaining approval	Mandatory; \$1,000 benefit reduction for non-compliance	Medical Admissions - Mandatory; 35% (Room & Board Only) benefit reduction for non-compliance Mental Health/Substance Abuse - Mandatory - Approved Benefits Only
Inpatient Care - Medical Non-Emergency - Emergency	240 days/year/person 100% 100%	240 days/year/person Deductible, then 70% 100%	Room & Board - 365 days/year/person 100% Ancillary Services - Deductible; then 80%
Pre-Admission Testing	100%	70%	Deductible; then 80%
Outpatient Surgery	100%	70%	100%
Outpatient Accidental Injury	100%	100%	Deductible; then 80%
Outpatient Medical Emergency	90% after \$50 copay	90% after \$50 copay	Deductible; then 80%
Outpatient X-Ray and Lab	90%	70%	Deductible; then 80%
Skilled Nursing Facility	100%; 120 days/year/person	70%; 120 days/year/person	100% up to 60 days/year/person
Home Health Care	100%; 90 visits up to \$4,500/year/person	70%; 90 visits up to \$4,500/year/person	Deductible; then 80% up to 60 visits/year/person
Hospice Care	100%; \$15,000/Lifetime Maximum	70%; \$15,000 Lifetime Maximum	Deductible; then 80%
Birthing Centers	100%	Deductible; then 70%	100%

	BLUE SELECT		CURRENT TRADITIONAL
	In-Network	Out-of-Network	
Centers of Excellence (Available on Individual Case Management Basis)	100% Facility 90% Professional	100% Facility 90% Professional	Room & Board - 365 days/year/person 100% Ancillary Services - Deductible; then 80%
SUPPLEMENTAL SERVICES			
Durable Medical Equipment	80%		Deductible; then 80%
Blood	80%		Deductible; then 80%
Private Duty Nursing	80% to \$10,000/year/person		No Benefit

NJ TRANSIT Glossary of Terms

Deductible - Each year, you must pay a certain amount toward your medical expenses before the programs start paying benefits. This amount is called the annual deductible. An annual deductible applies each year for each person covered by the program. In addition, under the Blue Select Program, a separate \$500 deductible per admission will apply when you receive non-emergency care at a non-network hospital.

Coinsurance - When the program reimburses less than 100%, you must make up the difference by making "coinsurance payments". The amount of coinsurance will vary depending on the health benefits program you select. Your coinsurance does not include services not covered under the plan.

Catastrophic Coverage - The program sets a limit on how much money you must pay out of your pocket for medical care in a plan year. Once you reach this annual limit for claims subject to coinsurance, the program pays 100% of all covered expenses for the rest of that year. The catastrophic coverage does not include deductible, copayments, precertification penalties or any amounts in excess of reasonable and customary charges.

Reasonable and Customary Charges - In any geographic area, doctors and other health care providers will charge different rates for the same services. Your medical coverages include standard fees for what most doctors in your area charge for each particular type of service. These standard fees are called "reasonable and customary" (R&C) charges.

Preventive Health Care - When you and your family go in-network for your health care, the Blue Select program offers important preventive services to give you and your family the valuable benefit of early detection and treatment of many illnesses. The preventive program includes, routine physical exams, immunizations, diagnostic testing, well-baby care and well-woman care. Preventive care is not covered under other NJ Transit Rail programs (exceptions included a mammogram).

Pre-Existing Conditions (New Hires Only) - For 12 months after your effective date, the health plan will not pay for services relating to any disease, injury or condition which was treated by a health care professional in the 12 months before your effective date.

Basic Hospital Services - This type of service includes all eligible inpatient hospital charges, facility charges for outpatient surgery and pre-admission testing.

Emergency Admission - An unscheduled admission which originated in either the emergency room or outpatient department of a hospital.

Attachment 1d

NJ Transit/Rail Agreement
PRESCRIPTION BENEFIT COMPARISON

	PROPOSED INCENTIVE PLAN		CURRENT PLAN
	LOCAL RETAIL PHARMACY	MAIL ORDER	
GENERAL PROVISIONS			
Employee Co-Pay			
Generic	10%	-0-	\$6.00/\$4.00
Single-Source Brand	20%	20%	\$6.00/\$4.00
Multi-Source Brand	30%	30%	\$6.00/\$4.00
Maintenance Drugs	Available	Voluntary	Mail Order Is Voluntary
Maximum Co-Pay Per Prescription	\$25.00	\$20.00	N/A
ELIGIBILITY	Same Enrollment as Medical Plan		1 st of Month after 3 Months

NJ Transit/Rail Agreement

**DENTAL BENEFIT IMPROVEMENTS
(New Employees Only)**

	BASIC P.P.O. PLAN
	P.P.O.
GENERAL PROVISIONS	
Deductible Preventive and Diagnostic Restorations Only Each Person	NO YES \$25.00
Plan Payment % Class I - Preventive and Diagnostic Class II - Basic Restoration Class III - Major Restoration Class IV - Orthodontics	90 75 -0- -0-
Maximum Payment Level	P.P.O.
Annual Maximum I, II	\$500.00
Lifetime Maximum IV (Orthodontia)	N/A
ELIGIBILITY	1st of Month after 3 Months

Attachment 3a

**NJ Transit/Rail Agreement
DENTAL BENEFIT IMPROVEMENTS
(Current Employees)**

	TRIPLE OPTION		Out-of-Network	CURRENT PLAN
	P.P.O.	D.D.N.		
GENERAL PROVISIONS				
Deductible	NO	NO	YES	YES
Preventive and Diagnostic Restorations Only	YES	YES	NO	NO
First Person	\$35.00	\$35.00	\$35.00	\$50.00
Second Person	\$35.00	\$35.00	\$35.00	\$50.00
Third Person	\$35.00	\$35.00	\$35.00	N/A
Plan Payment %				
Class I - Preventive and Diagnostic	100	90	80	100
Class II - Basic Restoration	80	75	70	75
Class III - Major Restoration	50	50	50	50
Class IV - Orthodontics	50	50	50	50
Maximum Payment Level	P.P.O.	DDN	UCR (Usual, Customary & Reasonable)	DDN/UCR
Annual Maximum I, II, III	\$1,500.00	\$1,500.00	\$1,500.00	\$1,000.00
Lifetime Maximum IV (Orthodontia)	\$1,000.00	\$1,000.00	\$1,000.00	\$750.00
ELIGIBILITY	12 Months After Enrolling In Basic Plan			12 Months (New Hire Only)

RETIREE MEDICAL

BASIC PLAN

	<u>Proposed</u>	<u>Current</u>
Lifetime Limit	None	\$75,000
Annual Limit	\$100,000	Unused portion of Lifetime limit
Deductible/Person	\$200	\$100
Minimum age for Retirement	60	61
Minimum time spouse is married to retiree prior to retirement	1 Year	1 Day
Contribution if retiree is under age 62	10%	-0-
Contribution for spouse under age 62 when retiree is under 65	25%	-0-
Contribution for spouse under age 62 when retiree is over 65	25%	100%
Contribution for spouse between 62 and 65 when retiree is over 65	-0-	100%

Attachment 4

RAIL BARGAINING

LIFE INSURANCE

**Age/Smoker/Non-Smoker Rated
Supplemental Life Options only.**

\$25,000 or \$50,000 or \$5,000 frozen subscribers

**Supplemental Accidental Death
(Independent Option)**

**\$25,000 or \$50,000 or \$5,000 frozen subscribers
only.**

SUPPLEMENTAL LIFE - MONTHLY PREMIUM

	COMBINED RATE	COMBINED @\$25,000	LIFE ONLY @\$50,000	LIFE ONLY @\$25,000	LIFE ONLY @\$50,000	COMBINED RATEAGE @ \$5000	
Under 30	\$0.105	\$0.53	\$0.06	\$1.50	\$3.00	\$2.63	\$5.25
30-34	\$0.125	\$0.63	\$0.08	\$2.00	\$4.00	\$3.13	\$6.25
35-39	\$0.145	\$0.73	\$0.10	\$2.50	\$5.00	\$3.63	\$7.25
40-44	\$0.165	\$0.83	\$0.12	\$3.00	\$6.00	\$4.13	\$8.25
45-49	\$0.235	\$1.18	\$0.19	\$4.75	\$9.50	\$5.88	\$11.75
50-54	\$0.385	\$1.93	\$0.34	\$8.50	\$17.00	\$9.63	\$19.25
55-59	\$0.625	\$3.13	\$0.58	\$14.50	\$29.00	\$15.63	\$31.25
60-64	\$0.755	\$3.78	\$0.71	\$17.75	\$35.50	\$18.88	\$37.75
65-69	\$1.095	\$5.48	\$1.05	\$26.25	\$52.50	\$27.38	\$54.75
70-74	\$1.655	\$8.28	\$1.61	\$40.25	\$80.50	\$41.38	\$82.75
AD&D				\$1.13	\$2.25		

Attachment 5b

PAYROLL DIRECT DEPOSIT PROGRAM

The Direct Deposit Program is an easy and convenient method of banking, and offers you a variety of ways to achieve your financial goals through regular systematic savings. With direct deposit you may wish to establish an amount for savings, and the net amount of each pay check can be deposited into a checking account of your choice. Instead of a payroll check, you will receive a direct deposit advice as confirmation of the deposits detailing all pay transactions and deductions gross to net. As a participant in the Direct Deposit Program, all regular and supplemental payments (e.g., allowances and overtime) will be made via direct deposit. The guidelines established for NJ TRANSIT's Direct Deposit Program are as follows:

ELIGIBILITY:

Employees are eligible to participate after completion of three months of service.

ENROLLMENT:

For your convenience, a Direct Deposit Application form accompanies this memo. These forms are available from the Payroll Department and can be mailed to you request. Application forms must be received by the Payroll Department at least two pay periods in advance of the pay date that your direct deposit is to be effective, therefore, in order to have direct deposit on _____ 2000 this enrollment form must be returned to the Payroll Department no later than _____ 2000.

Direct deposit is limited to two bank accounts, either checking or savings accounts may be used. Your direct deposit options must cover your total net pay. Employees electing direct deposit may not elect to also receive a paycheck.

TIMING OF DEPOSITS TO YOUR ACCOUNT:

Direct Deposit: Generally, cleared funds for a payroll direct deposit transaction will be credited to your account on the date of the paycheck. Some out of state banks may credit your account on the banking day following the paycheck date.

Regular Payroll Checks: In comparison, deposited payroll checks will normally clear the bank within one or two banking days. This means that you cannot withdraw funds deposited to your account by check and these funds do not earn interest until the check has cleared.

SPECIAL BANKING SERVICES:

Many banks offer an extensive package of special banking services to employees who elect Payroll direct deposit with their bank. Such services frequently include: reduced rates on loans, free checking account, free money market account, free ATM card, bank by phone, no fee VISA or MasterCard credit card, bonus rates on certificates of deposit, savings and investment plans, discount brokerage services, etc. You should ask your bank if they offer such employee banking packages with these services and comparison shop among the financial institutions in your area.

Attachment 6 pg 1

I encourage you to consider participating in NJ TRANSIT's Payroll Direct Deposit Program and to take advantage of the special banking services that are offered by many of the financial institutions in our area.

DIRECT DEPOSIT...

SAVES TIME - No rush to get to the bank or waiting on long lines in the bank.

FAST - Your net pay is deposited as cash and is immediately accessible.

SURE - Automatically deposited even when you are away.

SAFE - Eliminates lost or stolen checks.

EASY - Simply complete the application form.

Attachment 6 pg 2



ELIGIBILITY: All NJ TRANSIT Rail International Association of Machinist and Aerospace Workers Union (IAM) employees are eligible to participate after completion of three (3) months of service

- INSTRUCTIONS:**
1. Contact your financial institution to obtain their Bank Routing Number.
 2. If you are selecting a credit union or money market account for your direct deposit, ask your financial institution the type of account (checking or savings)
 3. You may have a maximum of two (2) accounts/direct deposit deductions.
 4. Your direct deposit options must cover your total net pay; you may not elect to also receive a paycheck.
 5. Attach a copy of your personal check or deposit form to the top of this form.
 6. Submit the completed and signed form to Payroll Deductions, Room 280, GOB, Maplewood.
 7. Please verify the first direct deposit with your financial institution.
 8. This form must be completed and submitted whenever any changes occur to your bank routing number, account number, or bank of deposit. Any change of this nature will result in an actual paycheck for one pay cycle.

TYPE OF ACTION: NEW CHANGE CANCELLATION

EMPLOYEE NAME:	TELEPHONE EXTENSION:	SOCIAL SECURITY NO:	EMPLOYEE NUMBER:
----------------	----------------------	---------------------	------------------

Bank Information (Main Office):

BANK (1) NAME		ROUTING NUMBER
STREET ADDRESS		ACCOUNT TYPE: <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> MONEY MARKET
CITY	STATE	ACCOUNT NUMBER:
ZIP CODE	PHONE NUMBER	<input type="checkbox"/> PARTIAL FIXED AMOUNT \$ _____ <input type="checkbox"/> BALANCE OF NET PAY (Minimum \$25.00)
BANK (2) NAME		ROUTING NUMBER
STREET ADDRESS		ACCOUNT TYPE: <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> MONEY MARKET
CITY	STATE	ACCOUNT NUMBER:
ZIP CODE	PHONE NUMBER	<input type="checkbox"/> PARTIAL FIXED AMOUNT \$ _____ <input type="checkbox"/> BALANCE OF NET PAY (Minimum \$25.00)

PLEASE VERIFY ACCOUNT NUMBER(S) WITH YOUR BANK

NOTE: This form must be completed and submitted whenever any changes occur to your bank account number or bank of deposit. Please submit two (2) pay periods in advance of date you wish direct deposit to start.

The Federal Banking Commission permits the reversal of Direct Deposit transactions in the event a deposit is made in error. Your signature authorizes NJT to recover any erroneous wages the employee is not entitled to.

EMPLOYEE SIGNATURE	DATE
--------------------	------

PROCESSED BY	DATE
--------------	------

MEMORANDUM OF UNDERSTANDING
BETWEEN
INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE
WORKERS
REPRESENTING
Machinist
AND
NEW JERSEY TRANSIT RAIL OPERATIONS

The parties hereby agree to the following terms and conditions of employment for a new labor agreement ("Agreement") for the period July 1, 2001 through June 30, 2004.

This Memorandum of Understanding is subject to ratification by the membership of the International Association of Machinist And Aerospace Workers Union and final approval by the New Jersey Transit Board of Directors.

This Agreement amends the current Collective Bargaining Agreement between the parties.

The rules of the IAM NJTRO Collective Bargaining Agreement are changed only to the extent indicated herein and remain otherwise unchanged and in full force until changed in accordance with the Railway Labor Act as amended. The rule changes set forth in this Memorandum of Understanding shall be effective upon the date of ratification unless otherwise specified.

Memorandum of Understanding
International Association of
Machinists & Aerospace Workers
Page 2

1. Wages

Effective July 1, 2001, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2002, all current wage rates shall be increased by three and one half (3½%) percent.

Effective July 1, 2003, all current wage rates shall be increased by three and one half (3½%) percent.

2. Moratorium

There shall be a moratorium on the serving of Section 6 Notices until April 1, 2004 any changes not to become effective July 1, 2004.

This Memorandum of Understanding constitutes the complete agreement of the parties with respect to changes in the Collective Bargaining Agreement reached between the undersigned on December 7, 1999.

For the Organization:

International Association of Machinist
and Aerospace Workers

(original signed by)
Michael Hill
General Chairman
International Association of Machinists
and Aerospace Workers

(original signed by)
Paul Krawczun
Local Chairman
International Association of Machinists
and Aerospace Workers

For the Company:

NJ Transit Rail Operations

(original signed by)
William B. Murphy
Assistant General Manager
Labor Relations/Administration

(original signed by)
Frederick T. Danser III, Esq.
Special Counsel

MEMORANDUM OF UNDERSTANDING
BETWEEN
INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE WORKERS
REPRESENTING
MACHINIST
AND
NEW JERSEY TRANSIT RAIL OPERATIONS

The parties hereby agree to the following terms and conditions of employment for a new labor agreement ("Agreement") for the period of July 1, 2004, through June 30, 2011. This Memorandum of Understanding is subject to ratification by the membership of the International Association of Machinist and Aerospace Workers and final approval by the New Jersey Transit Board of Directors.

This agreement amends the agreement between the International Association of Machinist and Aerospace Workers and New Jersey Transit Rail (NJTRO) as amended. The rules in the agreement are changed only to the extent indicated herein and remain otherwise unchanged and in full force until changed in accordance with the provisions of the Railway Labor Act, as amended. The rule changes set forth in this Memorandum of Understanding shall be effective upon date of ratification unless otherwise specified.

Memorandum of Understanding
International Association of Machinist and Aerospace Workers
Page 2

1. **Wages:**

Effective January 1, 2005, all current wage rates shall be increased as follows:

Effective January 1, 2005 all current wage rates will be increased by one and one half (1.5%) percent

In addition, effective January 1, 2005, all employees represented by the Organization, except those dismissed for cause, will receive a lump sum payment of five hundred dollars (\$500).

Effective July 1, 2005, all current wage rates shall be increased by one and one half (1.5%) percent.

Effective July 1, 2006, all current wage rates shall be increased by one and one half (1.5%) percent.

Effective January 1, 2007, all current wage rates shall be increased by two (2%) percent.

Effective July 1, 2007, all current wage rates shall be increased by two (2%) percent.

Effective January 1, 2008, all current wage rates shall be increased by two (2%) percent.

Effective July 1, 2008, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2009, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2010, all current wage rates shall be increased by three (3%) percent.

The wages payable due to the one and a half (1.5%) percent general wage increase effective January 1, 2005 through June 30, 2005, and the wages payable due to the one and a half (1.5%) percent general wage increase effective July 1, 2005 through June 30, 2006, and one and a half (1.5%) percent general wage increase effective July 1, 2006 through December 31, 2006, and the two (2%) percent wage increase effective January 1, 2007 to July 7, 2007 and the two (2%) percent wage increase effective January 1, 2008 to _____ will be paid on or before _____. As regards to the \$500.00 lump sum payment employees must have worked a minimum of 1,000 hours in calendar year 2004 to receive payment which shall be payable on or before _____. The new hourly rate effective January 1, 2008 will go into effect on _____.

Regarding the one and a half (1.5%) percent general wage increase effective January 1, 2005, and the one and a half (1.5%) percent wages general wage increase effective July 1, 2005, the one and a half (1.5%) percent effective July 1, 2006, and the two (2.0%) percent wage increase effective January 1, 2007, and the two (2%) percent wage increase effective January 1, 2008, it is agreed that retired employees and employees who otherwise left service (except for those dismissed for cause, who if reinstated will receive the increase due) will receive such payments for all hours compensated during such periods.

2. Health and Welfare Modification:

The provisions of this Section 2 shall apply effective sixty (60) days following ratification, unless a different effective date is expressly set forth in the paragraphs below, with respect to hospital, surgical and medical benefits, and life and accidental death and dismemberment insurance benefits for active employees covered by this agreement as of the date of ratification:

- a. Modify COBRA entitlement of surviving spouse of active employee who is not eligible for retirement to provide six (6) months of free coverage, and thirty (30) months of COBRA coverage.
- b. Surviving spouse of active employee with at least thirty (30) years of service and at least (sixty) 60 years of age prior to death will be eligible for retiree health plan benefits.
- c. Choice of Supplemental Life Insurance of \$25,000 or \$50,000 may be made at any time when proof of insurability is provided.
- d. Effective the first month following the implementation of the new hourly wage rates, employee contribution towards health care premium will be \$75.00 per month.

\$75 Per Month

Weekly Contribution

Before Tax \$18.75

After Tax \$11.25 (for illustration purposes only)

The increase in the employee contribution toward individual health insurance contributions shall be as reflected in the chart below:

<u>Effective Date</u>	<u>Employee Contribution Per Month</u>	<u>Weekly Before Tax</u>	<u>Weekly After Tax*</u>
July 1, 2008	\$77.25	\$19.31	\$11.59
July 1, 2009	\$79.57	\$19.89	\$11.94
July 1, 2010	\$81.95	\$20.49	\$12.29

* for illustration purposes only

- e. Effective with the date of ratification, the traditional health plan will not be available for enrollment to new hires. Effective July 2008, current employees will have one last opportunity to enroll in the traditional health plan. Upon completion of the 2008 enrollment period, the traditional health plan will not be available for any future enrollment(s).

**Memorandum of Understanding
International Association of Machinist and Aerospace Workers**

Page 4

- f. Employees may elect to establish a Health Care Flexible Spending Account (FSA) or a Dependent Care Flexible Spending Account (FSA) with minimum and maximum annual employee contributions as noted below.

	<u>Minimum</u>	<u>Maximum</u>
Health Care FSA	\$240	\$1000
Dependent Care FSA	\$240	\$5000

Funds remaining in a Flexible Spending Account at the end of a calendar year may not be carried into the following year and are not refundable.

- g. Carrier will provide a \$500 annual contribution to a Healthcare Flexible Spending Account (FSA) to those employees that waive all other healthcare coverage and provide proof that they have other healthcare coverage. Such employee shall not be required to pay the contribution set forth in paragraph (d) above.

- h. Dental Benefit:

The annual maximum benefit of the Triple Option PPO Plan will be increased to \$2,000 for the following:

Class I – Preventative and Diagnostic

Class II – Basic Restoration

Class III – Major Restoration

- i. Eye Care:

The eye care provision will be changed as follows:

The maximum allowances set forth will be increased as follows:

\$75.00 for Prescription Eye Glasses or contact lenses

\$100.00 for Bi-focals or more complex prescriptions.

The maximum allowances for an eye examination will be increased to \$75.00.

This payment will be made for an annual eye examination.

Payment referred to in provisions specified above will be made for an annual eye examination.

- j. Oral contraceptives will be covered under the plan for female employees and eligible female dependents.
- k. Effective upon ratification, employees that retire following ratification shall be eligible to receive retiree medical coverage under the Basic Plan, for the employee and his/her spouse, beginning at age 60, at no cost to the retiree or spouse.

3. Sick Leave Modifications:

Sick Leave Plan, will be modified as follows:

- a. Employees hired after date of ratification will be subject to the following sick leave plan:
 - (1) Employees hired after the date of ratification will be eligible for one (1) sick day after six (6) months of service with one (1) additional sick day each January 1st thereafter, for a maximum allotment of five (5) days.
 - (2) Employees with five (5) or more years of service will receive an annual allotment of five (5) days.
 - (3) Sick days may be accumulated and carried over from year to year.
 - (4) There is no waiting period or exclusionary period prior to payment. Sick leave shall be paid at the employee's current rate of pay based on an eight-hour workday.
- b. Applicable to all employees: Effective date of ratification, all employees will have the option, in December, of each year, of receiving 100% payment for the unused sick days (up to 5 days) from the current year allotment, or placing the unused sick days in his/her sick leave reserve.
- c. Sick Leave Reimbursement (applicable to all employees):

Any employee who leaves NJ Transit service for any reason, other than termination for cause, with a minimum of ten years of continuous service at the time of separation shall be entitled to a cash severance payment of ninety (90%) percent of the daily rate of pay of all accumulated but unused sick days, to a maximum of \$15,000.

4. Supplemental Sickness:

Effective as soon as practicable following ratification, the NJ Transit Supplemental Sickness Benefits Plan will be amended. The "Basic Benefit Amount" provided for under the Plan shall be revised to reflect wage rates in effect as of July 1, 2007. Thereafter, on the first day after the final date of each contract term, the "Basic Benefit Amount" will be revised again to reflect the wage rates in effect as of the final date of the contract term.

Memorandum of Understanding
International Association of Machinist and Aerospace Workers
Page 6

5. **Bereavement:** Rule 4-C-1

Add grandparents and grandchildren to the bereavement leave list of relatives.

6. **Tool Allowance:**

Increase annual tool allowance from \$150.00 will be changed to \$175.00 effective July 2008.

7. **Job Consolidation:**

The parties have agreed to consolidate positions as outline in the attached. The ratified rate of pay will be effective _____.

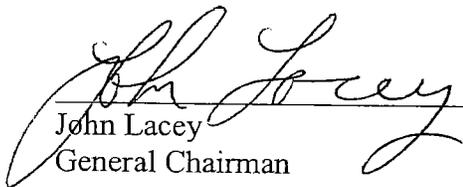
8. **Moratorium:**

There shall be a moratorium on the serving of Section 6 Notices until April 1, 2011 any changes not to become effective before July 1, 2011.

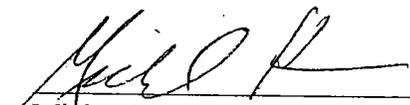
This Memorandum of Understanding constitutes the complete agreement of the parties with respect to changes in the Collective Bargaining Agreement reached between the undersigned on March 28, 2008.

For the Organization:

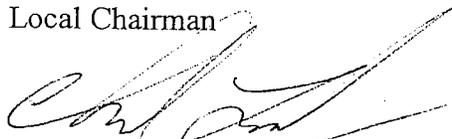
International Association of Machinist
and Aerospace Workers



John Lacey
General Chairman



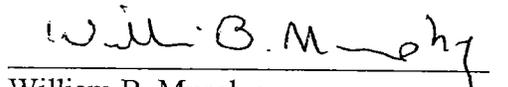
Michael Kerner
Local Chairman



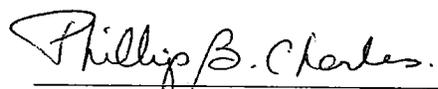
Charles Lombardi
Vice Local Chairman

For the Company:

New Jersey Transit Rail Operations



William B. Murphy
Deputy General Manager



Phillip B. Charles
Director-Labor Relations



Agnes T. Duncan
Manager-Labor Relations



Doug E. Solomon, Esq.
Labor Counsel, NJTRO

ATTACHMENT #1
IAM WAGE RATES WITH CONSOLIDATION
MECHANICAL DEPARTMENT

IAM CLASSIFICATION	CURRENT RATE	1/1/2005 1.50%	7/1/2005 1.50%	7/1/2006 1.50%	1/1/2007 2.00%	7/1/2007 2.00%	1/1/2008 2.00%
LEAD MECH/WELD III	\$23.14	\$23.48	\$23.82	\$24.16	\$24.63	\$25.11	\$25.60
MECH CERT WELD II	\$22.99	\$23.32	\$23.65	\$23.99	\$23.45	\$23.92	\$25.40
MECH CERT WELD I	\$22.49	\$22.82	\$23.15	\$23.49	\$23.90	\$24.42	\$24.90
MACH TECH	\$22.39	\$22.73	\$23.07	\$23.41	\$23.88	\$24.36	\$24.85
MACHINIST A	\$21.99	\$22.32	\$22.65	\$22.99	\$23.45	\$23.92	\$24.40
MACHINIST INST	\$21.89	\$22.21	\$22.54	\$22.88	\$23.34	\$23.81	\$24.29
MACHINIST B	\$21.64	\$21.96	\$22.29	\$22.63	\$23.08	\$23.54	\$24.01
MACHINIST C	\$21.39	\$21.71	\$22.04	\$22.37	\$22.81	\$23.27	\$23.74

IAM CLASSIFICATION	CONSOLIDATED TITLE	RATE TYPE	RATIFIED RATE	7/1/2008 3.00%	7/1/2009 3.00%	7/1/2010 3.00%
LEAD MECH/WELD III	Lead Technician	Incum.	\$25.95	\$26.73	\$27.53	\$28.36
MECH CERT WELD II	Lead Technician	Position	\$25.60	\$26.37	\$27.16	\$27.97
MECH CERT WELD I	Technician	Incum.	\$25.25	\$26.01	\$26.79	\$27.59
MECH TECH	Technician	Incum.	\$25.25	\$26.01	\$26.79	\$27.59
	Technician	Position	\$24.90	\$25.64	\$26.41	\$27.21
MACHINIST INST	Instructor	Incum.	\$24.64	\$25.38	\$26.14	\$26.92
MACHINIST A	Instructor	Position	\$24.40	\$25.13	\$25.89	\$26.66
MACHINIST B	Machinist	Incum.	\$24.36	\$25.09	\$25.84	\$26.62
MACHINIST C	Machinist	Position	\$24.01	\$24.73	\$25.47	\$26.24

Eliminate all differentials