

REPORT TO THE PRESIDENT

BY

EMERGENCY BOARD NO. 179

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APPOINTED BY EXECUTIVE ORDER 11585 DATED  
MARCH 4, 1971, PURSUANT TO SECTION 10  
OF THE RAILWAY LABOR ACT, AS AMENDED.

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To investigate a dispute between carriers represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees and certain of their employees represented by the Brotherhood of Railroad Signalmen.

(National Mediation Board Case Nos. A-8811 and A-8811 Sub 1)

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Washington, D. C.  
April 14, 1971

LETTER OF TRANSMITTAL

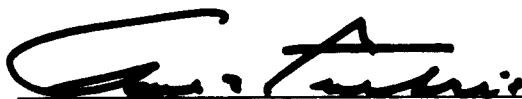
Washington, D. C.  
April 14, 1971

The President  
The White House  
Washington, D. C.

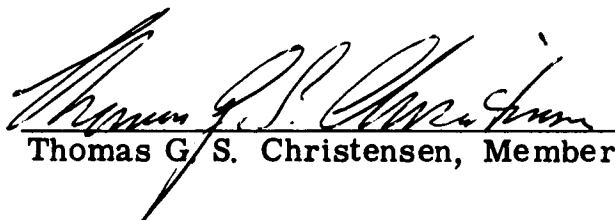
Mr. President:

The Emergency Board created by you on March 4, 1971, by Executive Order 11585, pursuant to Section 10 of the Railway Labor Act, as amended, to investigate a dispute between carriers represented by the National Railway Labor Conference and certain of their employees represented by the Brotherhood of Railroad Signalmen has the honor herewith to submit its report and recommendations based upon its investigation of the issues in dispute.

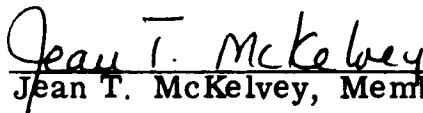
Respectfully submitted,



Paul N. Guthrie, Chairman



Thomas G. S. Christensen, Member



Jean T. McKelvey, Member

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## HISTORY OF THE DISPUTE

The Brotherhood of Railroad Signalmen (hereinafter referred to as the Brotherhood) represents approximately 10,000 nonoperating employees engaged in the installation, inspection, maintenance and repair of railroad signal devices and related equipment. Its members constitute about 2 percent of total railroad employees and 3 percent of the nonoperating employees.

On October 1, 1969, the Brotherhood served a uniform Section 6 notice on substantially all of the nation's railroads (hereinafter referred to as the Carriers) requesting wage increases to be effective on January 1, 1970. In addition to general wage increases, the October 1, 1969 notice contained a number of other wage-related demands. On or about October 7 and November 3, 1969, the carriers served counter Section 6 notices on the Brotherhood requesting changes in various existing contractual arrangements.

Conferences between the individual carriers and the Brotherhood failed to produce agreement and thereupon both parties authorized national handling of the dispute. The parties jointly invoked the services of the National Mediation Board by application dated April 9, 1970. On April 13, 1970, the National Mediation Board docketed the dispute as NMB Case No. A-8811.

On May 18, 1970, the Brotherhood served a second Section 6 notice on the carriers requesting certain changes in fringe benefits.

The application of the carriers for the services of the National Mediation Board in connection with the Brotherhood's notice of May 18, 1970, was docketed on August 27, 1970, as NMB Case No. A-8811, Sub. 1. Subsequently, it was handled concurrently with Case No. A-8811.

Mediation commenced July 28, 1970, and continued intermittently until January 22, 1971, when the National Mediation Board in accordance with Section 5, First, of the Railway Labor Act, advised the parties that its mediation efforts had been unsuccessful and proffered arbitration. The carriers accepted the National Mediation Board's proffer of arbitration; the Brotherhood declined. On January 28, 1971, the National Mediation Board notified the parties that it was formally terminating its mediatory efforts. The Brotherhood subsequently set a strike date for March 5, 1971. On March 4, 1971, the President created this Emergency Board.

### CREATION OF THE EMERGENCY BOARD

Emergency Board No. 179 was created by Executive Order No. 11585, issued on March 4, 1971 (Appendix A) pursuant to Section 10 of the Railway Labor Act, as amended. The Board was appointed to investigate and report on the dispute between the Carriers represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees and their employees represented by the Brotherhood of Railroad Signalmen.

President Nixon appointed the following as members of the Board: Paul N. Guthrie, Professor of Economics, University of North Carolina, chairman; Thomas G. S. Christensen, Professor of Law, New York University, member; Jean T. McKelvey, Professor of Industrial and Labor Relations, Cornell University, member.

The Board convened in Washington, D. C. , on March 15, 1971. Public hearings were held on six days between March 15 and March 26 in Washington, D. C. During the course of the hearings, the parties, by stipulation approved by the President, agreed to extend the period of time within which the Board must report its findings to the President until April 14, 1971.

Following the hearings, the Board explored with the parties the possibility of a mediated settlement. While these efforts proved unsuccessful, these discussions were useful in further identifying and clarifying the issues in dispute. The Board commends the parties for the expeditious manner in which they presented their respective positions during the formal hearings. It appreciates the courtesies and the co-operation extended by the parties during both the hearings and the subsequent informal discussions.

The Board would also like to acknowledge the highly valuable efforts and assistance so consistently extended on its behalf by Mr. Lary Yud, Industrial Relations Specialist of the Department of Labor,

in the conduct of its hearings and the preparation of this Report. We are likewise grateful for the untiring services of Helen Rossi in the same regard.

## THE ISSUES

The Brotherhood's wage notice of October 1, 1969 (Appendix B) included 10 demands. The following is a summary:

A. General increase of wage rates:

12% effective January 1, 1970

10% effective January 1, 1971

8% effective January 1, 1972

B. Skill differential for mechanics and higher rated positions:

4% January 1, 1970

4% July 1, 1970

4% January 1, 1971

4% July 1, 1971

4% January 1, 1972

4% July 1, 1972

C. Special adjustment for semi-skilled employees:

1 1/2% January 1, 1970

1 1/2% July 1, 1970

1 1/2% January 1, 1971

1 1/2% July 1, 1971

1 1/2% January 1, 1972

1 1/2% July 1, 1972



- D. Cost of living adjustments effective April 1, 1970, and each quarter thereafter
- E. Establish uniform minimum rates and eliminate substandard wage rates
- F. Provide compensation for signal employees who are subject to call of 1) four hours at pro rata rate for each regular work day and 2) four hours at overtime rates on rest days and holidays
- G. Change overtime rules to provide 1) for payment at the double time rate for overtime and 2) for minimum payment of six hours at overtime rates for calls for service outside regular working hours
- H. Provide for a shift differential of 20 cents per hour for shifts starting between 2:00 p. m. and 6:00 a. m.
- I. Provide for longevity pay of two cents per hour per year of service up to a maximum of 50 cents per hour
- J. Provide for interest at six percent on retroactive pay increases

The Brotherhood's fringe benefit notice of May 18, 1970 (Appendix C) included eight proposals, summarized as follows:

- A. Increase number of paid holidays to 11 by adding Columbus Day, Veterans Day and the day after Thanksgiving, effective July 1, 1970

- B. Increase paid vacation to provide for four weeks' vacation after 15 years of service and five weeks' vacation after 20 years of service, effective January 1, 1971
- C. Provide for jury duty leave with pay
- D. Provide for bereavement leave with pay for four days in event of a death in the employee's immediate family
- E. Provide for paid sick leave based on the employee's length of service and provide from 10 to 90 days of sick leave
- F. Provide for paid transportation for signal employees required to live away from home during their work week for weekend trips to and from their homes, and provide for actual expenses for meals and lodging for employees required to live away from their headquarters point
- G. Provide for payment of actual moving expenses when a signal employee is required to change his headquarters point and residence
- H. Establish a formal signalman apprenticeship training program

The carriers' notices served on or about October 7, 1969 (Appendix D) and November 3, 1969 (Appendix E) proposed a number of changes in various rules in existing contracts. During the course of the hearings, the Carriers informed the Board that they were not asking for

any recommendations concerning these proposals. The Carriers introduced no evidence relating to their requested rule changes.

In their opening statement, the Carriers requested that the Board recommend a moratorium on all notices, whether local or national, for changes in rates of pay, rules or working conditions. The Board has devoted attention to this subject and has included a recommendation concerning a moratorium.

### GENERAL OBSERVATIONS

It is appropriate at the outset to make some general observations concerning the economic issues involved in this case before we enter into a detailed discussion of the wage, and wage-related, proposals before the Board.

In the course of their presentation, the Carriers placed considerable emphasis upon the current financial plight of many of the railroads of the country. It is a matter of public knowledge that a number of railroads are in a near-crisis situation in this respect, and we are well aware of this important matter. We find ourselves, however, in essentially the same position as did Emergency Board 178 when it observed in its Report (p. 3):

"However, it should be frankly stated that it is simply not within our province to afford the kind of relief which would meet the basis financial problem of the railroads . . . .

We do not believe that the needed financial relief for the Carriers can fairly be expected to come from the employees, by asking them to forego the financial relief which they need in the form of wage increases."

This is even more pertinent to the instant situation because the employees in this dispute constitute such a small percentage of railroad employees, and because the great majority of employees in the industry have already received substantial wage increases. It should be noted that while the Carriers have placed emphasis on their financial problems, they have not requested this Board to recommend against any increases for the Brotherhood. For the Board not to recommend any increases, in view of the record, would be to create a gross inequity. The problem is to recommend wage adjustments which in our judgment appear to be fair and equitable under all the circumstances.

In the course of the hearing, numerous references were also made to the problems of inflation in the current state of the economy. Here again we have a situation which cannot be effectively influenced by a very small minority of the employees in one industry, no matter how limited their wage adjustments might be. Moreover, these employees are the victims of the substantial increases in the cost of living just as are other citizens. The problems of inflation are essentially problems of the whole economy which cannot be solved by such actions as might be within our province here.

Therefore, while we do not believe that our recommendations for wage adjustments will add fuel to the fires of inflation, they are designed to meet the income needs of the employees and to enable them to continue their wage progress along with other groups of employees in the railroad industry.

Extensive data have been presented to the Board with respect to increases in per man-hour productivity in the railroad industry as a factor to be considered in wage adjustments. We have no doubt that there have been substantial increases in such productivity. We have not attempted, however, to give this factor a specific weight in framing our recommendations. We have proceeded in this fashion for two reasons. First, there are too many speculative hazards in using the kind of data we have. Second, the factor of productivity as a consideration in wage determination is more generally regarded as an appropriate one in relation to productivity gains in the economy as a whole. It is a matter of common knowledge that the economy as a whole has not experienced substantial increases in per man-hour productivity in the last two years. Therefore, our utilization of productivity data has been conditioned by these considerations.

### THE WAGE ISSUE

The Brotherhood seeks general wage increases of 12 percent, 10 percent, and 8 percent effective January 1 of 1970, 1971, and 1972

respectively. In addition, it proposes skill adjustments for signalmen and maintainers and higher classifications of four percent increments successively applied at half-year intervals starting on January 1, 1970, and ending July 1, 1972. Similarly timed adjustments of one and one-half percent would be provided for semi-skilled classes. Thus, for the skilled signalmen now earning \$3.81 per hour, the cumulative hourly increase as a result of these proposals would amount to \$2.61 per hour over the three-year period, January 1, 1970, to December 31, 1972, or a percentage increase in hourly rates for this period of 68 1/2 percent.<sup>1/</sup>

During the formal hearings, the Carriers put the following wage proposals in the record: five percent retroactive to January 1, 1970; 21 cents per hour for skilled classifications and 18 cents per hour for assistants and helpers retroactive to November 1, 1970, followed by successive increments of four percent on April 1, 1971, October 1, 1971, April 1, 1972, and October 1, 1972, plus an additional increase of 25 cents per hour on April 1, 1973. For the same skilled signalmen this would represent an hourly increase of \$1.37 over a three and one-half year period, or an increase of 36 percent. Thus, the resulting

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<sup>1/</sup> Individual rates and, indeed, precise job titles vary to some degree from carrier to carrier. For purposes of illustration in this Report of the impact of various proposals or offers, we have used the term "signalmen" as designating the journeyman level of skills in the craft and the rate of \$3.81 per hour for that skill, a figure which from the data presented to us would appear to be the appropriate wage benchmark for that position.

hourly wage rate for the signalmen under the Brotherhood's proposal would be \$6.42 on July 1, 1972, whereas the Carriers' counterproposal would yield \$5.18 on April 1, 1973.

In support of their respective wage proposals each side presented us with detailed statistical analyses, economic data, voluminous wage comparisons and extensive survey material, explained and supplemented by the testimony of expert witnesses and summarized in closing briefs. We appreciate the effort expended by both parties in preparation of their exhibits and we have studied the evidence and record as thoroughly as our limited time schedule has permitted.

#### BROTHERHOOD'S RATIONALE

The Brotherhood's basic arguments in support of its wage proposal may be summarized as follows:

- (1) Signalmen are highly skilled composite mechanics whose skills and responsibilities, measured by the increasing number and complexity of signal devices installed on the railroads in recent years, have not received adequate recognition in the pay structure presently prevailing. These skill inequities are partly responsible for the current shortage of skilled signalmen available for railroad employment.

- (2) Output per man-hour for all employees of Class I railroads and switching and terminal companies has increased more than twice as fast during the 1957-1969 period as it has in the private non-farm sector of the economy (6.4 percent as against 3.0 percent). During this period the productivity of signal force employees increased at an annual rate of 4.5 percent, somewhat below the overall railroad productivity increase, because the carriers' heavy reliance on signal devices slowed the decline in signal force employment at a time when other classes of railroad employees were experiencing a rapid drop in employment.
- (3) Because of the increasing number and complexity of signal devices and the "electronic revolution" which has resulted in major technological changes in signal equipment, the workload of signal employees has become more onerous and difficult.
- (4) Despite these increases in workload and productivity, the wages of signalmen and maintainers have not kept pace, rising at an annual rate of only 4 percent from 1957 to 1969. When adjusted for increases in the cost of living the annual rate of increase in real wages was only a little over 1 1/2 percent.



- (5) Recent accelerated increases in the cost of living at an annual rate of 6 percent, and projected increases for 1971 of 4 1/2 to 5 percent require at a minimum that annual wage increases for the period from January 1970 to 1972 must exceed 6 percent a year.
- (6) Wage comparisons with similar jobs in outside industry highlight the gross inequity of current pay for signalmen and indicate the gap which exists between the pay of railroad signalmen and maintainers and mechanics of equal or comparable skills employed elsewhere. Thus the average hourly rate of \$3.81 in effect on December 31, 1969, for railroad signalmen compares unfavorably with the \$4.29 rate for maintenance electricians in all metropolitan areas, the rate of \$4.50 for signal maintainers employed by the New York City Transit Authority and the \$5.45 rate for signalmen working for the Chicago Transit Authority.
- (7) Average annual increases negotiated for 1970 show first year increases in nonmanufacturing industries of 15.4 percent and 11.9 percent in all industries.

The Carriers, on the other hand, assert that the Brotherhood's criteria of increasing job content, outside wage comparisons and increasing productivity are either irrelevant or speculative, and

unsupported by the evidence. Moreover, they point out that their desperate financial plight, marked by increasing bankruptcies and a rapidly diminishing rate of return on capital investment, is so self-evident that it cannot escape the attention of this Board.

The Carriers' principal affirmative arguments in support of their counterproposal on wages are based upon the settlements already reached in the railroad industry and will be analyzed more thoroughly in the discussion below.

#### CARRIERS' RATIONALE

The Carriers express the rationale used in formulating their wage offer as follows:

"The most fruitful approach to a settlement of the Signalmen's case, we submit, is to achieve a rational blending of the last shopcraft's settlement and the principles enunciated by Emergency Board 178 " (Carriers' Brief, pp. 2-3). "

The ingredients used in this blend are put together in a two-step sequence.

Starting with the assumption (used by Emergency Board 175 in the prior Signalmen's case in 1969) that the most comparable group to signalmen are the first-class shopcraft electricians, the Carriers note that the shopcraft mechanics for the period from January 1, 1967,

through December 31, 1970, received a total of 21 percent in general wage increases which they contend is the identical percentage currently being offered to the signalmen for the same period — as the following table indicates.

	<u>Signalmen</u>	<u>Shopcrafts</u>
January 1, 1967	5.0%	6.0%
January 1, 1968	2.5%	-
July 1, 1968	3.5%	5.0%
January 1, 1969	2.0%	2.0%
July 1, 1969	3.0%	3.0%
January 1, 1970	<u>5.0%*</u>	<u>5.0%</u>
	21.0%	21.0%

\*Current Carrier offer.

Similarly, the Carriers calculate that for the four-year period ending December 31, 1970, the electricians received a cumulative total of 43 cents per hour in skill adjustments which they assert is the identical amount being offered to the signalmen in total skill adjustments for the same period.

According to the Carriers, the prevailing hourly rate for electricians on August 1, 1970, was \$4.28, whereas the hourly rate for signalmen as of November 1, 1970, would be \$4.1829 under their proposal (based upon prevailing rates in the Western and Southeastern

regions). The approximately 10 cents an hour excess of the electricians' rates over that of signalmen, according to the Carriers, reflects the following factors:

- (1) 1 cent an hour for "rounding off" to the nearest whole cent.
- (2) 2 cents an hour to offset the extra 2 cents granted the signalmen on July 1, 1968, in addition to the "five nickels" awarded as a result of the Morse Board Award.
- (3) 7 cents an hour which was granted to the shopcrafts on February 19, 1970, in return for their agreement to the "incidental work rule" which promised savings to the Carriers in their shopcraft operations. Since the Carriers in this case do not seek and the Brotherhood does not offer any work rule relief, the Carriers argue that this special 7 cent adjustment should not in equity be granted to the signalmen.

The second stage of the Carriers' "blending" involves their proposal for wage adjustments for the signal employees from April 1, 1971, through April 1, 1973. Here their offer is patterned on the settlements recently reached by the Brotherhood of Railway and Airline Clerks (BRAC), Brotherhood of Maintenance of Way Employees (BMWE), and Hotel and Restaurant Employees International Union (HREU) on the basis of the recommendations of Emergency Board 178, as modified by the parties' subsequent agreements to incorporate adjustments for the first half of

1973. The Carriers' offer to the Brotherhood, however, for the reasons noted below, is adjusted downward from the 5 percent increases agreed to by the BRAC, BMWF and HREU effective October 1, 1971, April 1, 1972, and October 1, 1972, to 4 percent for the signal employees on each of these three dates.

The Carriers base the lesser percentages offered the Brotherhood as justified by the restrictive work rule relief negotiated with the Non-Ops — relief which they are not presently seeking from this Brotherhood. Hence they urge that "Board 178's recommendations should be adjusted in this case to reflect the absence of offsetting recommendations as to rules" (Carriers' Brief, p. 13).

## RECENT WAGE SETTLEMENTS

The foregoing patterns of wage settlements are illustrated in the table which follows:

# Wage Adjustments in Recent Railroad Settlements: A Comparative Table

Effective Date	BRS		SHOPCRAFT		BRAC
	Increase	Wage Rate Signalmen (East)	Increase	Wage Rate Electricians (A)	Increase
1967					
January 1	5%	3.2054	6%	3.2304	
April 1			(5¢)	3.2804	
October 1			(5¢)	3.3304	
1968					
January 1	2.5%	3.2855			
April 1			(5¢)	3.3804	
July 1	(22¢) + 0.5%	3.6282	5%	3.5494	
October 1			(5¢)	3.5994	
1969					
January 1	2%	3.7008	2%	3.67	
July 1	3%	3.8118	3% + (5¢)	3.83	
September 1			10¢	3.93	
1970					
January 1			5%	4.13	5%
February 19			(7¢)	4.20	
April 1			4¢	4.24	
August 1			4¢	4.28	
November 1					32¢
1971					
April 1					4%
October 1					5%
1972					
April 1					5%
October 1					5%
1973					
January 1					15¢
April 1					10¢

NOTES: - Agreement periods are enclosed by dashed lines.  
 - Increases applicable only to mechanics are enclosed in parentheses.

## DISCUSSION

Although we have carefully examined the comparisons of the signalmen's rates with those of similar crafts in outside industry, we note the enormous variations and wide range among rates in such crafts in outside industries. We are therefore forced to conclude, as did Emergency Board 175, that the relevant wage comparisons we must use are intra-railroad industry comparisons. Hence, we believe that the wage adjustments in this case should reflect the shopcraft pattern through 1970 and the recent settlements with the Non-Ops for 1971 through the first half of 1973.

In this respect we have examined the evidence presented by the Brotherhood as to the skills of its members, but we are not persuaded upon the record before us that these skills are measurably superior to those possessed by shopcraft mechanics. Only two years ago, in a similar proceeding involving the same parties, Emergency Board 175 concluded that the most appropriate yardstick for measuring skills was the parity relationship between signalmen and electricians (Report of Emergency Board 175, pp. 4 and 5).

The Carriers, however, now propose to upset this parity by offering the signalmen an hourly rate adjustment for 1970 which is approximately 10 cents below the rate already enjoyed by the electricians. We note from Carriers' Exhibit No. 5 that the last date on which the two groups enjoyed parity of prevailing minimum rates was January 1, 1969.

Thereafter, in 1969, the electricians pushed ahead of the signalmen as a result of a 5 cent hourly increase effective July 1, 1969, and a 10 cent hourly increase effective September 1, 1969, which created a differential of 15 cents an hour in favor of the electricians.

Leaving aside the 5 percent adjustment effective January 1, 1970, for the electricians which has been offered retroactively by the Carriers to the signalmen, the electricians received a series of cents per hour adjustments during the remainder of 1970 totalling 15 cents (including the 7 cent "rule relief" adjustment mentioned above). This gap of 30 cents between the two groups will be partially narrowed by the Carriers' offer of 21 cents to the signalmen effective November 1, 1970.

We do not agree with the Carriers' reasoning that this differential is justified in terms of recapturing the 2 cents added to the Morse Board Award and the 7 cents paid for the relaxation of restrictive shopcraft work rules.

The Carriers themselves explain the 2 cents as compensation for the fact that the signalmen received the skill adjustment later than did the shopcraft employees, but argue that "By now, however, the difference in amount has presumably offset the difference in timing, and it is therefore time to restore parity lest perpetual leap-frogging result" (Carriers' Brief, p. 9, fn. 3). What this argument overlooks, however, is that the lag in timing is even more severe now than it was in July 1968, as a result of the differential of up to 30 cents enjoyed by the electricians as a result of the shopcraft agreement covering 1969 and 1970.



So far as the 7 cent payment for the incidental work rule is concerned, we respectfully disagree with the Carriers' theory that because restrictive work rules are not at issue in this proceeding the signalmen should not receive this additional payment. To pursue such an argument to its logical conclusion would amount to endorsing what could be construed as a system of tradeoffs which would reward the inefficient craft and penalize the more efficient.

We recommend, therefore, that the Carriers' offer effective November 1, 1970, should be increased by 9 cents to bring it to 30 cents an hour. If our recommendation for "rounding off" discussed below is adopted, this will actually result in an effective increase of 31 cents an hour for the majority of signal employees.

In accordance with our reasoning above as to the undesirability of withholding increases here, where restrictive work practices are not at issue, we also recommend that the 4 percent increases offered to the Brotherhood on October 1, 1971, April 1, 1972, and October 1, 1972, be increased to 5 percent in accordance with the pattern established by the recommendations of Emergency Board 178. As the Carriers themselves conceded in their Brief, "the substantial rules relief recommended by Emergency Board 178 did not flow evenly from the union parties to that proceeding, but rather had a somewhat varying effect" (Carriers' Brief, p. 12, fn. 5). In fact, it would appear that

one of the unions in that proceeding was unaffected by the restrictive practices relief, but it also received the same percentage increases as were recommended for the others.

To the Brotherhood we should point out that we recognize that our recommendation of a 30 cent increase effective November 1, 1970, falls short of the 32 cents granted the BRAC, BMW and HREU, but part of this differential should be eliminated by our recommendation below for "rounding off", and the balance should be more than offset by our recommendation for establishing uniform national minimum rates. Finally, we observe that we have carefully reviewed the Brotherhood's arguments in support of their proposed adjustments for skill differentials, but we believe that these general increases we are recommending subsume and comprehend recognition of their skills for this contract period.

We are also recommending that the general increase in hourly rates effective November 1, 1970, for assistants and helpers be 18 cents per hour in accordance with the identical adjustment given to these classifications in the shopcraft agreements for 1969 and 1970.

Although the matter of "rounding off" wage rates, now carried to the fourth decimal point, was not literally pressed by the Brotherhood, nor discussed by the Carriers, in the interest of a more rational wage structure which should be of benefit to both sides, we make the further

recommendation that the parties adopt the same rounding off procedure agreed to by the shopcrafts and the Carriers in their last negotiations. This should be a time- and money-saving procedure for the Carriers, and should simplify the task of future Emergency Board members in "comprehending" wage rates!

## SUMMARY OF WAGE RECOMMENDATIONS

Based upon the foregoing analysis, we recommend the following wage increases:

### First Year:

January 1, 1970 . . . . .	5 percent
November 1, 1970 . . . . .	30 cents per hour for skilled employees; 18 cents per hour for assistants and helpers.

### Second Year:

April 1, 1971 . . . . .	4 percent
October 1, 1971 . . . . .	5 percent

### Third Year:

April 1, 1972 . . . . .	5 percent
October 1, 1972 . . . . .	5 percent

### Fourth Year — first six months:

January 1, 1973 . . . . .	15 cents
April 1, 1973 . . . . .	10 cents

When agreement is reached, the parties should agree to round off hourly wage rates according to the formula previously adopted by the shopcrafts and the Carriers.

### COST OF LIVING

In addition to — and separate from -- its other proposals as to wage adjustments, the Brotherhood has requested that the rates of pay established be subject to a cost of living adjustment in the amount of one cent per hour for each three-tenths of a point increase in the Bureau of Labor Statistics Consumer Price Index. In its Section 6 demand of October 1, 1969, the base index figure was specified as that of December, 1969, with adjustments to be calculated as of April 1, 1970, and each quarter year thereafter.

Emergency Board 174 rejected such a proposal, noting that "such escalator arrangements" have been tried in the industry but abandoned and that it found no "convincing reasons" for their reintroduction. Board 175, in March, 1969, reiterated and concurred with that conclusion with respect to the wage dispute then pending between this Brotherhood and the Carriers. Emergency Board 178 in its recommendations of November 9, 1970, as to wage provisions to be applicable to the great majority of railroad employees also rejected any recommendation for a cost of living escalator clause "principally because we think the Carriers, not in the same position to proceed with price

increases as are other industries, should have the benefit of firm predictability of wage costs" (Report of Emergency Board 178, p. 10).

The considerations which impelled this consistent rejection by these three Boards of a recommendation for reinstitution of a required periodic cost of living adjustment in rates of pay despite the patent evidence of the impact of inflation in the past several years are, in our judgment, still applicable and controlling. As in the instance of Board 178, however, we wish to make clear the fact that this inflationary trend and its consequent economic erosion of employee "real" compensation, both past and prospective, has been considered and given weight in the recommendations as to wage adjustments made herein. We recommend, therefore, that the demand for adjustments based on increases in the Consumer Price Index be withdrawn.

### UNIFORM MINIMUM RATES

The Brotherhood seeks the elimination of what it regards as substandard wage rates by establishing uniform minimum rates on a national basis, thereby eliminating existing regional rate differentials. In most job classifications, the Eastern region's rates slightly exceed those in the Western and Southeastern regions. In the largest classifications, signalmen and maintainers, whose rates have served as a benchmark in these proceedings, the average hourly rate is \$3.81 (see Footnote 1, above) although the Western and Southeastern average rates

are \$3.79 and the average Eastern rate is \$3.83 (Brotherhood Brief, p. 16). The reasons for these differentials are shrouded in history, perhaps reflecting local labor market conditions and their impact on the regional bargaining structure of the past. The Brotherhood argues that the time has come to correct these regional inequities, particularly since the current practice of negotiating general wage increases on a percentage basis will broaden these differentials over time, thereby making their elimination more costly to the Carriers at some future date.

The uniform minimum rates which the Brotherhood is proposing in this proceeding are as follows:

<u>Job Classifications</u>	<u>Proposed Minimum Hourly Wage Rates</u>
Helpers	\$3.18
Asst. - 1st	3.21
Asst. - Top	3.41
Mechanics	3.81
Leaders	3.88

The Carriers' response to this demand is to characterize the proposal as "simply a disguised demand for additional wages" (Carriers' Brief, p. 20, fn. 8).

We are persuaded that a uniform minimum rate should be established for each classification for the following reasons:

- (1) No convincing reason has been expressed by the Carriers for perpetuating these inter-regional differentials in minimum rates.
- (2) The elimination of these differentials in minimum rates in the current round of negotiations will prevent their further spread or widening in the future, thereby reducing the costs of such adjustment at a later date.
- (3) The average cost to the carriers who are currently below the proposed minimum rates would not appear to be a major cost item.

We therefore recommend that the parties negotiate a national minimum hourly wage rate for each job classification to be instituted as soon as practicable.

#### COMPENSATION FOR EMPLOYEES "SUBJECT-TO-CALL"

In its Section 6 notice dated October 1, 1969, the Brotherhood advanced a claim which, because of the factors noted hereinafter, deserves quotation from the original (Appendix B, Item F):

"Where an agreement, rule, regulation, interpretation, or practice, however established, exists requiring an employe to notify management where he can be reached after regularly scheduled working hours and hold himself

available for work subject-to-call, it shall be amended, effective January 1, 1970, to provide that such employee will be paid four (4) hours at the pro rata rate for each regular working day and four (4) hours at the time and one-half rate for each rest day or holiday that he is assigned to a position which requires him to be subject-to-call. These allowances are to be paid to all employees covered by the agreement irrespective of whether they are hourly, daily, weekly, or monthly rated in addition to any compensation they would receive under other rules of the agreement for working, traveling, waiting, etc."

Both the Brotherhood and the Carriers devoted a considerable amount of their testimony and argument to this proposal in the course of the formal hearing before this Board. The fact remains that the existence and dimensions of the actual problem which is the target of the proposal remain more obfuscated than clear on the record before us.

That record would indicate that most, if not all, of the carriers require that an employee be available (absent special consideration) for work outside his normal shift hours where such work is required by emergency or other conditions. Evidence was submitted by the Brotherhood (although somewhat lacking in specificity) that employees — whether paid on a daily or other basis — are called in for such work with some



consistency. While there was some initial confusion in the record, it also appears established that such employees are guaranteed a minimum of four hours of straight-time pay (two hours and 40 minutes at time and one-half) and that monthly rated employees have compensation which "comprehends" a certain amount of work outside basic work schedules. What is far from clear in this record is the evidence pertinent to three further questions. First, what obligation exists as to signal employees on most carriers regarding required notification to their supervision as to where they may be reached in their nonwork hours? Second, what penalties are attached to nonavailability when such employees are called? Third, what payment, if any, should be made to employees required to be "subject-to-call"?

The problem thus presented is, in the Board's consideration, best met by the application of two basis principles. First, it is a general and accepted concomitant of employment in the railroad industry, as in other industries, that emergency or other exceptional circumstances may make it necessary for employees to perform labor at times other than during their scheduled work hours. This principle, we assume, underlies such general, unilaterally imposed rules as that of the Santa Fe which requires that an employee "must report for duty as required." Application of this principle does not, of itself, require specific (as contrasted with a general notice of address and telephone number)

notification to a carrier as to where the employee may be reached at any particular moment in his off-duty hours. Nonobservance of calls in such situations are and have been dealt with as a matter of general discipline subject, plainly, to the individual circumstances of each case and the applicable rules of each carrier.

The second principle is that an employee who is subject to a limited freedom as to his off-duty time should have clear knowledge that he is so restricted in the use of his leisure hours. We consider that, at a minimum, such employees should be notified in plain and unmistakable fashion of their responsibilities as to availability during normal off-duty hours.

Applying these principles to the proposal advanced by the Brotherhood we reach the following conclusions. To grant a premium in the form advocated by the Brotherhood to each employee who could possibly be requested to appear for work in his off-duty hours would not only be unjustified by this record but would also constitute an item of enormous cost (estimated by the Carriers as amounting to as much as \$1.65 per hour if covering not only signalmen but also foremen, lead maintainers and maintainers). We are not disposed to so recommend.

We are convinced, however, and so recommend, that signal employees who are required by a carrier to be available and to notify supervision as to where they may be reached on a daily, rather than a

general, basis should be given adequate and published notice of that restriction as constituting an intrinsic part of their job duties. We recommend, accordingly, that a rule be negotiated which, in essence, would match that already voluntarily incorporated in the agreement between the Brotherhood and the Chicago and North Western Railway which reads in pertinent part:

"Employees assigned to regular maintenance duties . . . will notify the person designated by management that they will be absent, about when they will return and when possible where they may be found. Unless registered absent regular assignee will be called."

We recommend, further, that the specific positions subject to such rule be so designated and their occupants so notified, and that all other employees be considered subject only to the more generalized obligation of appearing for work when they are contacted and when they are not unavailable for reasons beyond their control.

There remains the question of what payment, if any, should be made to employees who are subject-to-call under the rule recommended above. We have already noted that premium pay and minimum guarantees are payable to signal employees who perform work outside normal working hours. Further, it is also clear that work performed by signal employees who are not paid on a daily basis "comprehends" performance

of work outside normal shifts. Finally, it would seem clear that most if not all of the positions affected by the "on call" restrictions are subject to bid and their occupancy is thus a result of employee choice. For this reason, we recommend that the proposal for special payments for "on call" employees be withdrawn.

### OVERTIME

In the Section 6 notice of October 1, 1969, the Brotherhood requested a series of changes with respect to overtime payments. In general, it proposed that the existing overtime rate be increased to double time, and that where present rules require double time, such shall be increased to triple time. Further, it proposed that a rule be established to provide that an employee called to perform service outside his regular working hours should be paid a minimum allowance of six hours at the double time rate.

It appears that present overtime rules provide for a rate of time and one-half from the 9th through the 16th hour, and a rate of double time for work in excess of 16 hours in some instances.

The record indicates that service performed on rest days, holidays and during vacation periods, is presently paid for in most instances under the call rule with a minimum of two hours and 40 minutes at time and one-half. In the present proposal the Brotherhood seeks to increase the minimum time to six hours to be paid for at the double time rate.

These proposals obviously are of considerable significance in terms of cost (estimated by the Carriers at about 36 cents per hour). The accuracy of this estimate is concededly in doubt. There is no question, however, that the cost would be substantial.

The record before us does not demonstrate the merit of these requests at this time, nor has it been shown that there is any comparative inequity imposed upon the employees as a result of the existing rules providing for overtime payments. Neither the practice in industry, generally, or on the railroads in particular, supports these requests. Emergency Board 178 had a similar series of requests before it from the BRAC, BMWE, and HREU. After a review of the proposals, that Board recommended the withdrawal of the requests.

After a full consideration of the matter, we reach the same conclusion and recommend that the requests be withdrawn.

### SHIFT DIFFERENTIALS

The Brotherhood further proposes that employees assigned to work on a shift which starts between the hours of 2:00 p. m. and 6:00 a. m. be granted an additional 20 cents per hour differential for such hours of work. While we recognize, as the Brotherhood asserts, that such shift differentials have gained considerable acceptance in collective bargaining agreements in many industries, the record before us also establishes that less than three percent of the signal employees work

such shifts and that the concept of a premium based on "clock" starting times, despite many years of intensive negotiations between these parties, has never gained more than isolated acceptance.

We recommend that this demand be withdrawn.

### LONGEVITY PAY

The Brotherhood proposes that all employees covered by this agreement receive longevity pay of two cents per hour per year to a maximum of 50 cents per hour for employees with 25 years of service.

As the Brotherhood itself notes, longevity pay clauses are comparatively rare in private industry. They are unknown in the railroad industry. Such clauses have been utilized in public employment and in the civil service where they have provided some recompense for long-service workers whose chances of advancement are limited by patronage or by civil service regulations. On the railroads, on the other hand, the pay structure has always been based upon rates for positions, rather than upon rates for individual employees. Moreover, the seniority system on the railroads, which allows individuals to select the more desirable jobs according to length of service, rewards the long service employee.

We recommend that this proposal be withdrawn.

## INTEREST ON RETROACTIVE PAY INCREASES

The Brotherhood requests that the Carriers be required to pay interest (3 percent per month) on retroactive pay increases from the effective date until they are actually paid. The Carriers strongly oppose such a demand.

The reason for this request is that many carriers allegedly do not make such payments within a reasonable time. The record supports the fact that in some instances, carriers have been unable or unwilling to make such payments promptly. Plainly, there is injustice in withholding sums from employees which the parties have agreed will be paid and which represent recompense for services already rendered. We are also cognizant of the fact that ordinary accounting procedures would require some delay in making payments. Finally, we recognize the unfortunate fact that, in the case of some carriers, money is not always immediately available for such payments.

Although we are not prepared to recommend the Brotherhood's proposal for interest payments, we do recommend that the parties negotiate a rule which would provide that a reasonable period, following the effective date of their agreement, be allowed for payment of amounts attributable to retroactive adjustments, and that such rule include provision for a penalty when such payments, in the absence of extraordinary reasons, or by mutual agreement, are not made within such period.

## PAID HOLIDAYS

The Brotherhood asks that the rule governing paid holidays be amended to add Columbus Day, Veterans Day and the day after Thanksgiving to the eight holidays now observed. It further requests that the rule be administered in accordance with The Federal Uniform Monday Holiday Act of 1968 and, as an item in its proposal for increases in premium rates, proposes that work on a holiday be compensated for at twice the straight time rate in addition to holiday pay. The Carriers have offered to add one additional day, Veterans Day, in 1973 with no change in the present premium rate of one and one-half times the straight time rate.

The data presented to the Board do not indicate that the present number of eight holidays is substandard, although sustaining the proposition that there has been some upward movement in industry generally. This movement is recognized in the Carriers' offer and is consistent with the recent settlements reached by them with BMW, HREU and BRAC. Moreover, we have not been presented in this record with convincing evidence that application of the Federal Uniform Monday Holiday Act would be practical or necessary as to the schedule of holidays proposed. Nor do we find justification in the evidence before us for any increase in the applicable premium rate, an increase which would not only be a considerable cost item but would also be in excess of general industry patterns of premium compensation.



Therefore, we recommend that, effective in 1973, Veterans Day be added as a ninth paid holiday. At such time, monthly rates of pay, consistent with this recommendation, should be recomputed according to the parties' customary formula for making such adjustments.

### VACATIONS

The present structure of vacation benefits in the Brotherhood's agreement is as follows:

<u>Years of Service</u>	<u>Weeks of Vacation</u>
1	1
2	2
10	3
20	4

The Brotherhood proposes a liberalization of this schedule effective January 1, 1971, to provide four weeks' vacation after 15 years of service and five weeks' vacation after 20 years of service. In addition, it requests that all employees required to perform work during their vacation shall be paid at the double-time rate in addition to their regular vacation pay.

The Carriers are offering a fifth week of vacation after 25 years of service effective January 1, 1973, which is the settlement recently negotiated with three of the Non-Ops.

The record indicates that vacations of four weeks are provided after 15 years of service in only 15 percent of BNA's sampling of contracts in February, 1970, whereas 20 years of service is the requirement in 36 percent of all contracts analyzed in the same survey. More importantly, the practice in the railroad industry among comparable crafts is to grant a four week vacation after 20 years of service. Accordingly, because we believe that the Carriers' offer of five weeks of vacation after 25 years of service is a reasonable one, we are not prepared to recommend a reduction of length of service requirements for eligibility for a four week vacation.

Among other reasons, because we do not find that it is common practice to require signal employees to work during their vacations, we recommend that the demand for double-time pay for work performed during a vacation period be withdrawn.

### JURY DUTY LEAVE

The Brotherhood is requesting full pay for jury duty leave with a minimum of eight hours to be paid at the pro rata rate of the employee's position for each such day. The Carriers have countered with an offer of full straight time pay to a maximum of 60 days less any amount received for jury duty. This was the provision included in the last shop-crafts' settlement, and more recently in the BRAC, BMW and HREU agreements.

Since the Carriers' offer is in line with current practice, while the Brotherhood's demand for full pay without deduction of jury duty allowances is found in only a small number of current collective bargaining contracts and could result in "windfall" payments to many employees called for jury duty, we recommend that the Carriers' offer on this issue be accepted.

### BEREAVEMENT LEAVE

The Brotherhood requests establishment of a rule that, effective July 1, 1970, an employee shall be granted four days' leave with pay in the event of a death in the immediate family. The Carriers oppose the demand as introducing a new cost item and a benefit "unknown" in the railroad industry.

There is no question that bereavement leave has achieved a high degree of acceptance in industries other than railroads. The Bureau of Labor Statistics, in its 1970 analysis of major union agreements, found that more than half of such agreements contain provision for such leave although, in most cases, on less generous terms than those requested by the Brotherhood.

While we are not unsympathetic to the Brotherhood's request, we do not believe that this is the moment for introduction of a cost item regarding what is, for this industry, an entirely new fringe benefit.

We recommend withdrawal of this proposal.

## PAID SICK LEAVE

The Brotherhood requests that a system of supplemental paid sick leave be established. A review of this item in the notice reveals that the proposal has several aspects. The Brotherhood summarizes these in its brief as follows (Brotherhood Brief, p. 27):

"(1) that the employee be paid on the basis of his regular earnings with a maximum of 8 hours at straight-time for each day; (2) that benefits received under the Railroad Unemployment Insurance Act shall be deducted from the employee's paid sick leave benefits; (3) that sick leave will be granted according to the schedule based upon months of service outlined in the request; and (4) that sick leave not used may be accumulated up to 180 days. "

It is the view of the Brotherhood that the paid sick leave provisions of the Railroad Unemployment Insurance Act are clearly inadequate in relation to the needs of the employees. The Brotherhood cites these alleged inadequacies in its brief in justification for the proposal. It states (Brotherhood Brief, p. 27):

"A paid sick leave plan is necessary because the sickness benefits provisions of the Railroad Unemployment Insurance Act are not payable until the eighth day of

sickness 'in the first registration period in a benefit year.' In subsequent illnesses in the same year, payment begins only with the fifth day of illness. . . . The financial burden then of brief illnesses every year falls upon the employee entirely. "

The Carriers oppose the Brotherhood's request for paid sick leave. They contend that the benefits payable for sick leave under the Railroad Unemployment Insurance Act, the costs of which are paid entirely by the Carriers, are adequate, making it unnecessary to establish a supplemental system. The Carriers further contend that the benefits available, especially since the Congress amended the Railroad Unemployment Insurance Act in 1968, are far more generous than most of the paid sick leave plans in other industries. The Carriers also argue that the proposed paid sick leave plan is inappropriate for railroad workers, such as signal employees, because it is generally necessary to replace them when they are ill. This is due to the fact that most of their work cannot be held to await future performance. Hence, the Carriers would be required to make, in effect, double wage payments under most circumstances.

Obviously, one of the important considerations which must be taken into account in evaluating the request for paid sick leave is the program for paid sick leave provided in the Railroad Unemployment

Insurance Act. As a result, the problem of sick leave has quite a different posture from what it has in other industries. The present system, with later amendments, has been in existence since July 1, 1947, thus providing almost a quarter of a century of experience in the handling of paid sick leave in the railroad industry. In the intervening years, there has not been established any supplemental system of paid sick leave on a national basis by negotiations between the Carriers and the various labor organizations of national scope. The record does indicate a few local sick leave plans, for certain employees, on a small number of railroads, of limited significance in relation to the request currently before this Board.

It is unnecessary, for the purposes of this Report, to discuss in detail the benefits provided under the terms of the Railroad Unemployment Insurance Act. Suffice it to say that the benefits provided are considerably more adequate than those found in paid sick leave plans, where they exist, in most other industries.

It may be noted that similar requests for paid sick leave have been before two recent Emergency Boards, Boards 174 and 178. In each instance, it was recommended that the request be withdrawn. Board 174 said in its Report (p. 13):

"The Board is of the opinion that, desirable as it may be to have a sick leave plan supplementary to RUIA

benefits, the conductors have not shown that its proposal, or any modifications thereof, is warranted at this time under conditions which prevail for railroad employees generally and for operating employees in particular.

The Board recommends that this proposal be withdrawn. "

Upon the whole record and all the evidence, we reach the same conclusion with respect to the request of the Brotherhood. While we recognize that loss of wages due to short term illnesses is a subject of legitimate concern to the Brotherhood, we believe that our recommendations elsewhere in this report with respect to wages and other matters, meet the overall equities here involved. Moreover, we note that the problem, to the extent it exists, is of industry-wide scope and hence would be better handled by multi-union negotiations or by changes in the law.

We recommend that the request with respect to paid sick leave be withdrawn.

### TRAVEL TIME

A complex of proposals is made by the Brotherhood as to changes in travel time, travel expense and other matters concerning work at locations distant from the employees' homes. These are detailed in the Brotherhood's Section 6 notice dated May 18, 1970, and may be summarized as follows:

- (1) That signal employees required to live away from home receive free or reimbursable transportation and straight time pay for travel time on weekend visits to their homes;
- (2) That signal employees who live away from home during their work week be paid actual expenses for meals and lodging, thereby eliminating entirely the use of camp cars; and
- (3) That signal employees be reimbursed for actual expenses, such as meals and lodging, when assigned away from their headquarters point during the week.

The Carriers vigorously oppose each of these proposals. Basically, the position of the Carriers is that the benefits requested are inconsistent with the terms of an Award by Arbitration Board No. 298, in a proceeding to which the Brotherhood was a party. The Carriers assert that the conditions complained of as to camp cars (where they, in fact, exist) are subject to correction through existing grievance procedures and that the request for additional pay and allowances is not only a major cost item but at variance with rules applicable to other crafts working away from home.

It would unduly burden this Report to detail the evidence offered by the parties as to the many issues arising from this set of proposals. Some matters, however, are not only of consequence but also are not



seriously disputed. Approximately 17 percent of the signal employees employed by the Carriers are on assignments which require them to live away from home. This is not a new development in the terms and conditions of employment of the craft; assignments to work at considerable distances from the employee's home have, historically, been a necessary and recognized factor in the employment of signal employees as well as of some other crafts. There is likewise little or no question that these assignments require the expenditure of both time and some expense to signal employees who wish to return to their homes on weekends. This is a condition which has become more critical with the phase-out of passenger service on many lines where, formerly, free and reasonably expeditious transportation was available. Finally, the Brotherhood's extensive and graphic evidence as to the sordid state of some camp cars on some roads is both telling in its impact and not seriously challenged by the Carriers.

Several other considerations, however, cannot be ignored. To the extent that a cost factor can be computed as to the Brotherhood's demands, provision for travel time and expenses for weekend trips would, alone, amount to approximately 15 cents per hour. Provision for "actual expenses" for meals and lodging (assuming elimination of camp cars) would add a considerable but presently incalculable cost burden. Furthermore, most (although not all) of the arguments and

demands here advanced by the Brotherhood were studied in detail by Arbitration Board No. 298 and were the subject of its Award dated September 30, 1967. That Award resulted from a proceeding in which five separate labor organizations, including the Brotherhood, joined in presenting problems jointly shared by their membership as to employment at locations distant from their homes. That Award made specific determinations as to lodging, meals and travel time, determinations which are not currently under challenge by the other four labor organizations. It specifically considered and rejected a proposal that travel time and mileage allowances be paid for trips to and from work locations and their homes by employees of all five organizations. The Arbitration Board noted in its Opinion (p. 9) that:

"The overall cost to the carriers for such allowances would be very substantial and unlike meal and lodging allowances which have an equal per capita impact on all carriers involved these weekend mileage and travel allowances would have a widely varying impact depending upon the geographic location and miles of roadway to be maintained by each individual railroad."

In reaching its conclusions, the Arbitration Board specifically took into consideration practice in other industries.

Upon full consideration of the record before us, we believe the following findings are both evident and properly the basis for our recommendations as to the Brotherhood's travel time proposals.

First, the conditions of work away from home are not singular to the signalmen's craft but are shared by other employees of other crafts participating in the proceedings before Arbitration Board No. 298. Second, the impact of inflation has undoubtedly brought into legitimate contest the adequacy of the allowances granted by the Award of that Board. Third, we have no evidence that camp cars could, as a practical matter, be completely eliminated in all instances; we do have graphic evidence that their current use is not always consistent with the Award of Arbitration Board No. 298 (p. 2) that such cars be "adequate . . . and maintained in a clean, healthful and sanitary condition." Fourth, the burden of the impact of excessive distances between home and work location is one of great variance as among carriers and individual employees. These findings have led us to the following recommendations.

We recommend that the Carriers and the Brotherhood establish joint committees with equal representation in each of three conferences, Southeastern, Eastern, and Western, with, in each case, a neutral member also to be appointed. Such committees shall be assigned the following responsibilities. First, to establish penalty payments (and

the underlying criteria for their imposition) as to the continued usage of camp cars or other carrier-owned facilities which do not meet the above-quoted standards of Arbitration Board No. 298. Second, to examine the feasibility of the eventual elimination, in whole or in substantial part, of the use of such camp cars where other board and lodging facilities are available. Third, to examine the adequacy of the allowances for board and lodging made by the 1967 Award in the light of present economic conditions. Fourth, to examine the question of whether standards can be set which will eliminate individual hardship cases as to weekend travel from work to home. In this regard, we look to the establishment of negotiated rules containing standards as to the frequency of such visits and the travel distance beyond which there would be a requirement on the carrier for the payment of such travel time for home visits.

### MOVING EXPENSES

The Brotherhood requests the establishment of a rule that effective July 1, 1970, the carrier will reimburse any employee for all actual moving expenses when he changes his headquarters point and residence.

What the Brotherhood is seeking is an improvement in the existing implementing agreements made pursuant to the Mediation Agreement of February 7, 1965, between the Carriers and the five Non-Ops, including the signalmen. This Agreement provides benefits for protected employees

affected by technological, operational and organizational changes, thereby supplementing and expanding the job protection provisions of the historic Washington Agreement of 1936 which deals with job protection conditions arising out of mergers and consolidations. Article V of the February 7, 1965 Stabilization Agreement covers moving expenses for protected employees and provides that the moving expenses set forth in Sections 10 and 11 of the Washington Agreement shall be supplemented by a transfer allowance of \$400 (commonly referred to as the "lace curtain" allowance to cover the purchase of new home furnishings) and by allowing five, instead of two, working days for time spent in relocation. The Agreement contains its own grievance and arbitration provisions (Article VII - Disputes Committee) which operate outside the framework of the National Railroad Adjustment Board.

In the instant proceeding the Brotherhood is seeking the following changes:

- (1) An expansion of coverage to employees whose headquarters are discontinued or changed, or whose positions are abolished.
- (2) An increase in the number of eligible employees, who are presently limited to those who had not less than 24 months of service on October 1, 1964.

- (3) A decrease in the 30-mile limit for reimbursement for residence relocation, when an employee's point of employment is changed, to a 20-mile limit.
- (4) An increase in the "lace curtain" allowance from \$400 to \$500.

The Carriers oppose all these proposed changes not only as cost items but also on the ground that existing protective provisions are adequate.

We are not persuaded by the data, evidence or arguments submitted by the Brotherhood that its demands have merit at this time, with one exception to be noted below.

The thrust of the Brotherhood's complaint concerns the alleged restrictive interpretations placed by individual carriers on the terms: "technological, operational and organizational changes." Because these issues involve an enormous range of factual situations, they should more properly be pursued through the special arbitration procedures of the Disputes Committee established in the Stabilization Agreement. The enlargement of the "lace curtain" allowance and the reduction of the mileage limit strike us as both minimal and inconsequential as to the benefits. Moreover, to recommend them would involve making minor adjustments to a broadly designed program applicable to all five Non-Ops who were signatories to the original Stabilization Agreement.

We do agree, however, that the eligibility requirements are now outdated, and, therefore, we recommend that the parties negotiate a change in the October 1, 1964 cut-off date set forth in Article I, Section 1 of the February 7, 1965 Stabilization Agreement in view of the passage of time which has elapsed since that Agreement was signed six years ago.

### APPRENTICESHIP PROGRAM

A formal signalman apprenticeship training program, to be registered with the Bureau of Apprenticeship and Training of the U. S. Department of Labor, is also requested by the Brotherhood as a contractual commitment with the Carriers. Under the Brotherhood's proposal, the training program would incorporate standards as to length of and qualification for entry into apprenticeship, ratios of apprentices to journeymen, types of training, working conditions, classroom instruction, the work of "mechanics" and promotion to the latter status.

Past determinations of other Emergency Boards have recognized the skilled character of the signalmen's craft. That major technological developments have, in the past several decades, introduced complex equipment for which signal employees must assume responsibility and learn new skills is not, we believe, seriously disputed. Such training, to date, has been provided by "on the job"

experience, printed courses made available by the Brotherhood for purchase by employees, and in some 12 instances, more or less formalized training programs established with individual carriers.

The Brotherhood stresses not only the basic need for proper training in as skilled an occupation as this but also notes the shortage of skilled members of its craft. The Carriers' response does not directly contradict either of these arguments but rests primarily upon the impracticality of dealing nationally with a problem, training, which must necessarily vary in measure and scope with individual roads.

These are not, however, mutually exclusive considerations. Broad standards can be created on an industry-wide basis, with ample latitude for adjustment to local variations as to details and implementation. Accordingly, we recommend establishment of a committee with equal representation from the Brotherhood and the Carriers to study and enunciate national standards for apprenticeship training to serve as guidance in negotiations with individual roads. We further recommend to the parties that they utilize the services of the Department of Labor's Bureau of Apprenticeship and Training in the development of such a program.

## MORATORIUM

We come finally to a proposal which the Carriers have placed before us in this proceeding. They urge us to recommend that the



parties include in their agreement "a moratorium on all notices, whether local or national, for changes in rates of pay, rules or working conditions" (Statement of J. P. Hiltz, Jr., Chairman, National Railway Labor Conference, Carriers' Exhibit No. 2, pp. 42-43).

Labeling this as an issue of "the utmost importance," the Carriers argue that such a provision is essential for three reasons:

- (1) Because of the large number of unions with which the Carriers negotiate, labor relations would be in a state of turmoil if each union could re-open its own contract at any time in order to "steal a march" on the others.
- (2) Without a guarantee of reasonable wage stability, no carrier could engage in "sensible business planning."
- (3) In the absence of a total moratorium the Brotherhood would be free (subject to the provisions of the Railway Labor Act) at any time to serve notices on individual carriers seeking new fringe benefits or other concessions. The resultant negotiations might produce increases in labor costs more substantial than those incurred through national negotiations on general wage increases, and once established on a few or more individual properties would be spread to all carriers through the process of "whipsawing."

On this issue the Carriers conclude (Carriers' Exhibit No. 2, p. 43):

"There is no reason in justice or equity why the railroad industry should not also be free from unremitting demands for a reasonable period once a bargain has been struck.

With such a moratorium the stability of labor-management relations in the industry will be considerably enhanced and the industry will be able to adopt a policy with respect to pricing its product which will more nearly fit in with the costs and the timing thereof to which it will be subjected."

A similar demand was presented by the Carriers to Emergency Board 178 which labeled it as "one of the most troublesome" issues presented to it (Report of Emergency Board 178, p. 40). Without repeating the excellent and incisive analysis contained in that Report (pp. 40-43), we merely note our own basic agreement with its conclusions that a moratorium should be imposed on those matters which are covered by, or closely related to, the issues included in the agreement, or which have been dropped during negotiations. On the other hand, issues not covered in the agreement, nor bargained out or dropped as demands in the current round of negotiations, should not be subject to a "freeze" during the period of the contract.

Inasmuch as the Carriers and three of the unions involved in the proceedings before Emergency Board 178 have now concluded agreements providing for a moratorium limited to those issues disposed of in the current round of negotiations, and since we, too, are recommending that the parties negotiate an agreement with a fixed expiration date of June 30, 1973, we make the further recommendation that this agreement contain a similar moratorium provision.

## APPENDIX A

### THE WHITE HOUSE

#### EXECUTIVE ORDER

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CREATING AN EMERGENCY BOARD TO INVESTIGATE  
DISPUTES BETWEEN CERTAIN CARRIERS REPRESENTED  
BY THE NATIONAL RAILWAY LABOR CONFERENCE AND  
THE EASTERN, WESTERN AND SOUTHEASTERN CARRIERS'  
CONFERENCE COMMITTEES AND CERTAIN OF THEIR  
EMPLOYEES REPRESENTED BY THE BROTHERHOOD  
OF RAILROAD SIGNALMEN

WHEREAS disputes exist between certain carriers represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees, designated in List A attached hereto and made a part hereof, and certain of their employees represented by the Brotherhood of Railroad Signalmen, a labor organization; and

WHEREAS these disputes have not heretofore been adjusted under the provisions of the Railway Labor Act as amended; and

WHEREAS these disputes, in the judgment of the National Mediation Board, threaten substantially to interrupt commerce to a degree such as to deprive the country of essential transportation service:

NOW, THEREFORE, by virtue of the authority vested in me by section 10 of the Railway Labor Act, as amended (45 U. S. C. 160), I hereby create a board of three members, to be appointed by me, to investigate these disputes. No member of the board shall be pecuniarily or otherwise interested in any organization of railroad employees or any carrier.

The board shall report its findings to the President with respect to the disputes within thirty days from the date of this order.

As provided by section 10 of the Railway Labor Act, as amended, from this date and for thirty days after the Board has made its report to the President, no change, except by agreement, shall be made by the carriers represented by the National Railway Labor Conference and

the Eastern, Western and Southeastern Carriers' Conference Committees, or by their employees represented by the Brotherhood of Railroad Signalmen, in the conditions out of which the disputes arose.

/S/ RICHARD NIXON

THE WHITE HOUSE

March 4, 1971

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LIST A

EASTERN RAILROADS

Akron, Canton & Youngstown Railroads

Ann Arbor Railroad

Baltimore and Ohio Railroad

Baltimore and Ohio Chicago Terminal Railroad

Staten Island Rapid Transit Railway

Bangor and Aroostook Railroad

Bessemer and Lake Erie Railroad

Boston and Maine Corporation

Boston Terminal Corporation

Central Railroad Company of New Jersey

New York and Long Branch Railroad Company

Central Vermont Railway, Inc.

Cincinnati Union Terminal Company

Cleveland Union Terminals Company

Dayton Union Railway

Delaware and Hudson Railway

Detroit and Toledo Shore Line Railroad

Detroit Terminal Railroad

Detroit, Toledo and Ironton Railroad

Erie Lackawanna Railway

Grand Trunk Western Railroad

Indiana Harbor Belt Railroad

Indianapolis Union Railway

Lehigh and Hudson River Railway

EASTERN RAILROADS – Continued

Lehigh and New England Railway

Lehigh Valley Railroad

Maine Central Railroad Company  
Portland Terminal Company

Monongahela Railway

Monon Railroad

New York, Susquehanna and Western Railroad

Norfolk and Western Railway  
(Lines of former New York, Chicago and St. Louis Railroad)  
(Lines of former Pittsburgh and West Virginia Railway)

Penn Central Transportation Company

Pennsylvania-Reading Seashore Lines

Reading Company

Union Railroad Company (Pittsburgh)

Washington Terminal Company

Western Maryland Railway

WESTERN RAILROADS

Alton and Southern Railway

Atchison, Topeka and Santa Fe Railway

Belt Railway Company of Chicago

Burlington Northern, Inc.

(Former Chicago, Burlington & Quincy Railroad)

(Former Great Northern Railway)

(Former Northern Pacific Railway)

(Former Spokane, Portland & Seattle Railway)

Chicago and Eastern Illinois Railroad

Chicago and Illinois Midland Railway

Chicago and North Western Railway

Chicago and Western Indiana Railroad

Chicago, Milwaukee, St. Paul and Pacific Railroad

Chicago, Rock Island and Pacific Railroad

Colorado and Southern Railway

Denver and Rio Grande Western Railroad

Denver Union Terminal Railway

Duluth, Winnipeg and Pacific Railway

Elgin, Joliet and Eastern Railway

Fort Worth and Denver Railway

Galveston, Houston and Henderson Railroad

Green Bay and Western Railroad

Houston Belt and Terminal Railway



WESTERN RAILROADS — Continued

Illinois Central Railroad

(Including the Paducah and Illinois Railroad)

Joint Texas Division of CRI&P - FtW&D Railway

Kansas City Southern Railway

Kansas City Terminal Railway

Louisiana and Arkansas Railway

Missouri-Kansas-Texas Railroad

Missouri Pacific Railroad

Norfolk and Western Railway

(Lines formerly operated by the Wabash Railroad)

Peoria and Pekin Union Railway

St. Louis-San Francisco Railway

St. Louis Southwestern Railway

Soo Line Railroad

Southern Pacific Transportation Company

Pacific Lines

Texas and Louisiana Lines

Former Pacific Electric Railway

Terminal Railroad Association of St. Louis

Texas and Pacific Railway

Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans

Toledo, Peoria and Western Railroad

Union Pacific Railroad

Union Terminal Company (Dallas)

Western Pacific Railroad

SOUTHEASTERN RAILROADS

Atlanta and West Point Railroad Company  
The Western Railway of Alabama

Central of Georgia Railway

Chesapeake and Ohio Railway

Clinchfield Railroad

Georgia Railroad

Gulf, Mobile and Ohio Railroad

Jacksonville Terminal Company

Kentucky and Indiana Terminal Railroad

Louisville and Nashville Railroad

New Orleans Public Belt Railroad

Norfolk and Western Railway  
(Atlantic and Pocahontas Regions)

Richmond, Fredericksburg and Potomac Railroad

Seaboard Coast Line Railroad

Southern Railway  
Alabama Great Southern Railroad  
Cincinnati, New Orleans and Texas Pacific Railway  
Georgia Southern and Florida Railway  
Harriman and Northeastern Railroad  
New Orleans Terminal Company  
St. Johns River Terminal Company

## APPENDIX B

### BROTHERHOOD OF RAILROAD SIGNALMEN

OCTOBER 1, 1969, WAGE NOTICE

#### A. ADJUSTMENT OF STRAIGHT TIME WAGE RATES

Increase all straight time rates of pay for employes covered by the agreement, applied so as to give effect to this increase in pay irrespective of the method of payment, by an amount equal to:

12% effective Jan. 1, 1970,

10% effective Jan. 1, 1971, and

8% effective Jan. 1, 1972.

#### B. ADDITIONAL ADJUSTMENT OF STRAIGHT TIME WAGE RATES PAID TO SKILLED EMPLOYES

Increase all straight time rates of pay provided for in Part A of this notice for Signalmen, Signal Maintainers, and all others occupying generally recognized mechanics' or higher rated positions covered by the agreement, applied so as to give effect to these additional increases in pay irrespective of the method of payment, by an amount equal to:

4% effective Jan. 1, 1970,

4% effective July 1, 1970,

4% effective Jan. 1, 1971,

4% effective July 1, 1971,

4% effective Jan. 1, 1972, and

4% effective July 1, 1972.

C. ADDITIONAL ADJUSTMENT OF STRAIGHT TIME WAGE  
RATES PAID TO SEMI-SKILLED EMPLOYEES

Increase all straight time rates of pay provided for in Part A of this notice for assistant signalmen, assistant maintainers, student signalmen, and all others occupying generally recognized assistant mechanic positions, applied so as to give effect to these additional increases in pay irrespective of the method of payment, by an amount equal to:

- 1 1/2% effective Jan. 1, 1970,
- 1 1/2% effective July 1, 1970,
- 1 1/2% effective Jan. 1, 1971,
- 1 1/2% effective July 1, 1971,
- 1 1/2% effective Jan. 1, 1972, and
- 1 1/2% effective July 1, 1972.

D. COST OF LIVING ADJUSTMENT

Wage rates established in accordance with Parts A, B, and C above shall be subject to a cost of living adjustment effective April 1, 1970, and each quarter year thereafter. Such cost of living adjustment shall be in the amount of one (1) cent per hour for each three-tenths (.3) of a point change in the Bureau of Labor Statistics Consumer Price Index above the base index figure for December 1969, except that it shall not operate to reduce wage rates below those established under Parts A, B and C above.

E. ESTABLISH A UNIFORMITY IN RATES OF PAY

Effective January 1, 1970, the straight time rates of pay for employes covered by the agreement shall be adjusted to eliminate sub-standard wage rates and establish uniform minimum rates which will compare with those being paid by the Eastern Railroads.

F. COMPENSATION FOR EMPLOYES WHO ARE SUBJECT-TO-CALL

Where an agreement, rule, regulation, interpretation, or practice, however established, exists requiring an employe to notify management where he can be reached after regularly scheduled working hours and hold himself available for work subject-to-call, it shall be amended, effective January 1, 1970, to provide that such employe will be paid four (4) hours at the pro rata rate for each regular work day and four (4) hours at the time and one-half rate for each rest day or holiday that he is assigned to a position which requires him to be subject-to-call. These allowances are to be paid to all employes covered by the agreement irrespective of whether they are hourly, daily, weekly, or monthly rated in addition to any compensation they would receive under other rules of the agreement for working, traveling, waiting, etc.

G. INCREASE IN OVERTIME RATES AND ALLOWANCES

1. Effective January 1, 1970, time paid for in excess of eight hours in a calendar day or in any other twenty-four hour period, or in excess of forty hours or on more than five days in a work week, or on rest days, holidays, or vacation days shall be considered overtime and

shall be paid for at twice the straight time rate, except that, where agreements now in effect require payment at twice the straight time rate, the rate shall be increased to three times the straight time rate.

2. Effective January 1, 1970, establish a rule that provides that employees notified or called to perform a service outside of regular working hours will be paid a minimum allowance of six (6) hours at the double time rate for each such service. Time worked in excess of six (6) hours will be paid for on the actual minute basis at the double time rate.

#### H. SHIFT DIFFERENTIAL PAY

Any employee who is assigned to work a shift the starting time of which is established between the hours of 2:00 p. m. and 6:00 a. m. will in addition to all other compensation payable under the agreement be paid an additional 20¢ per hour differential for the hours of such shift.

#### I. LONGEVITY PAY

All employees covered by the agreement shall receive longevity pay of 2¢ per hour per year longevity to a maximum of 50¢ per hour for employees with twenty-five (25) years' longevity. Longevity pay shall be allowed in addition to the applicable rates of an assignment and will be paid for all work performed, including overtime. With respect to employees who on January 1, 1970, will have had a continuous employment relationship with the carrier for one year or more, longevity pay shall become effective on that date based upon the number of years of such

continuous employment relationship then completed. Thereafter, with respect to all employees, rates of pay shall be adjusted on the anniversary date of the beginning of such employee's last continuous employment relationship to include the longevity pay herein provided for.

J. INTEREST ON RETROACTIVE PAY INCREASES

The first wage increases provided for in this notice shall be effective January 1, 1970, and should an agreement therefore not be reached by that date, interest on the retroactive pay increases shall be paid at the rate of three percent (3%) per month until actually paid.

## APPENDIX C

### BROTHERHOOD OF RAILROAD SIGNALMEN

#### MAY 18, 1970, FRINGE BENEFIT NOTICE

##### A. Paid Holidays

Amend the rule covering pay for holidays, as set forth in Article II of the Agreement of August 21, 1954, as amended, to provide that effective July 1, 1970:

- 1) The following three holidays shall be added to the enumerated holidays in the rule: Columbus Day, Veterans' Day, and Day after Thanksgiving.
- 2) Effective January 1, 1971, the following holidays referred to in the holiday rule shall be observed in accordance with the Federal Uniform Monday Holiday Act of 1968: Washington's Birthday on the third Monday of February; Decoration Day (Memorial Day) on the last Monday in May; Columbus Day on the second Monday in October; and, Veterans' Day on the fourth Monday in October.
- 3) Monthly rates of pay shall be adjusted by adding 24 pro rata hours to the annual compensation and this sum shall be divided by 12 to establish a new monthly rate. Each monthly rated employe shall receive a day off without reduction in monthly compensation on the enumerated holidays in this rule, or, each such monthly rated employe required to work on an enumerated



holiday shall be compensated therefor at two times the pro rata rate for a minimum of 8 hours in addition to the monthly compensation.

B. Vacations.

Amend the Vacation Agreement of December 17, 1941, as amended, to provide that effective January 1, 1971:

- 1) All employees covered by the agreement shall receive four (4) weeks' vacation after 15 years of service.
- 2) All employees covered by the agreement shall receive five (5) weeks' vacation after 20 years of service.
- 3) All employees required to perform work during their vacation shall be paid at the double-time rate in addition to their regular pay.

C. Jury Duty Leave

Establish a rule to provide that, effective July 1, 1970, an employee called for jury duty shall be relieved of his regular duties and shall be paid on the basis of the earnings he would have received while working during such period, with a minimum of 8 hours at pro rata rate of his position for each day.

D. Bereavement Leave

Establish a rule to provide that, effective July 1, 1970, an employee shall be granted a four day leave with pay in the event of the death of a member of the employee's immediate family, including spouse, father,

mother, sister, brother, child, father-in-law, or mother-in-law. The employe shall be relieved of his regular duties and shall be paid on the basis of the earnings he would have received while working during such period, with a minimum of 8 hours at pro rata rate of his position for each day.

E. Paid Sick Leave.

Establish a rule to provide paid sick leave for all employes, effective July 1, 1970, subject to the following provisions:

- 1) The employe shall be paid on the basis of the regular earnings he would have received while working during such period, with a minimum of 8 hours at pro rata rate of his position for each day;
- 2) Benefits, if any, received by the employe for sick benefits under the Railroad Unemployment Insurance Act, shall be deducted from his paid sick leave benefits.

- 3) Each employe shall be granted paid sick leave in accordance with the following schedule based upon the number of months that the employe has had an employment relationship with the carrier:

Less than 6 months	- None
6 months to 12 months	- 10 days of sick leave
12 months to 24 months	- 20 days of sick leave
24 months to 36 months	- 30 days of sick leave
36 months to 60 months	- 45 days of sick leave
60 months to 120 months	- 60 days of sick leave
Over 120 months	- 90 days of sick leave

- 4) Sick leave with pay not used during any year may be accumulated and available to the employee in subsequent years, but not to exceed 180 days.

F. Travel Time and Travel Expenses.

- 1) Establish a rule to provide that, effective July 1, 1970, employees required to live away from home during their work week will be furnished with transportation by the carrier for week-end trips to and from their homes. Such transportation shall be at no cost to the employee and shall be furnished by the carrier or the employee shall be reimbursed for the actual cost of such transportation. If the employee uses his personal automobile for this transportation, he shall be reimbursed at the rate of eleven cents per mile. Time spent in traveling to and from employee's home shall be paid for at the straight time rate of pay.
- 2) Establish a rule to provide that, effective July 1, 1970, employees required to live away from home during their work week, will be paid actual expenses for meals and lodging.
- 3) Establish a rule to provide that, effective July 1, 1970, employees will be paid actual expenses when away from their headquarters point. Employees will be paid actual meal expense when away from assigned headquarters point during an assigned meal period. Employees will be paid actual lodging expenses when away from their assigned headquarters point over night.

## G. Moving Expenses

Establish a rule to provide that effective July 1, 1970, the carrier will reimburse any employe for all actual moving expenses when he changes his headquarters point and residence, subject to the following provisions:

- 1) Each employe will be compensated for moving expenses when he transfers to a new headquarters point or exercises his seniority because of abolishment of a position, change in an employes headquarters point, or reassignment, reorganization or rearrangement of forces.
- 2) Each employe who transfers to a new point of employment which is a greater distance than 20 highway miles from his point of employment may elect to change his residence and be reimbursed for all moving expenses.
- 3) Changes in an employe's place of residence which results solely from the exercise of seniority rights by an employe bidding for a new position or vacancy shall not be considered as within the provisions of the rule.
- 4) Each employe compensated under this rule shall be reimbursed for all expenses and losses, including real estate losses, in moving his household and other personal effects, for the travel expenses of himself and his immediate family, for actual wage loss not to exceed five (5) working days, and moving allowance of \$500.00.

H. Formal Apprenticeship Training Program.

Establish a formal signalman apprenticeship training program for signal employes, effective July 1, 1970, to be registered with the Department of Labor, Bureau of Apprenticeship and Training, providing Standards of apprenticeship for such matters as: length of apprenticeship, types of training, ratios of apprentices, working conditions, classroom instruction, qualifications for entering apprenticeship, work of apprentices, and promotion to mechanic.

I. Savings Clause.

The Brotherhood of Railroad Signalmen reserves the right to preserve existing rules or practices on any individual carrier or carriers which it considers more favorable than any rule resulting from negotiations on the foregoing proposals.

## APPENDIX D

### CARRIERS' NOTICE SERVED ON OR ABOUT OCTOBER 7, 1969

#### 1. FORTY-HOUR WORK WEEK RULES

A. Eliminate all agreements, rules, regulations, interpretations or practices, however established, applicable to the forty-hour work week which are in conflict with the rules set forth in Paragraph B.

B. Establish a rule to provide that:

1. The normal work week of regularly assigned employees shall be forty hours consisting of five days of eight hours each, with any two consecutive or nonconsecutive days off in each seven. Such work weeks may be staggered in accordance with the carrier's operational requirements.

2. Regular relief assignments may include different starting times, duties and work locations.

3. Nothing in this rule shall constitute a guarantee of any number of hours or days of work or pay.

4. Work performed by a regularly assigned employee on either or both of his assigned rest days shall be paid for at the straight time rates, unless the work performed on either of the assigned rest days would require him to work more than forty straight time hours in the work week, in which event the work performed on either of his rest days in excess of forty straight time hours in the work week shall be paid for at the rate of time and one half.

5. Any overtime worked by the employee will be computed into straight time hours and be used for purposes of determining when he has completed his forty-hour work week but not for the purpose of determining when the time and one-half rate is applicable.

#### 2. ENTERING RATES

Establish a rule, or amend existing rules, to provide that entering rates of pay shall be 80% of the established rates, with increases of four per cent (4%) of the established rate effective on completion of the first and each succeeding year of compensated service until the established rate is reached.

### 3. FORCE REDUCTIONS

Establish a rule, or amend existing rules, to provide that no advance notice shall be necessary to abolish positions or make force reductions.

### 4. MONETARY CLAIMS

Establish a rule to provide that no monetary claim based on the failure of the carrier to use an employee to perform work shall be valid unless the claimant was the employee contractually entitled to perform the work and was available and qualified to do so, and no monetary award based on such a claim shall exceed the equivalent of the time actually required to perform the claimed work on a minute basis at the straight time rate, less amounts earned in any capacity in other railroad employment or outside employment, and less any amounts received as unemployment compensation.

Existing rules, agreements, interpretations or practices, however established, which provide for penalty payments for failure to use an employee contractually entitled to perform work shall be modified to conform with the foregoing, and where there is no rule, agreement, interpretation or practice providing for penalty pay, none shall be established by this rule.

### 5. DISCIPLINE AND INVESTIGATION

Amend all existing rules, agreements, interpretations or practices, however established, dealing with discipline and investigation in such manner so as to make the following effective:

If it is found that an employee has been unjustly suspended or dismissed from service, such employee shall be reinstated with his seniority rights unimpaired and be compensated for wage loss, if any, suffered by him resulting from said suspension or dismissal less any amount earned, or which could have been earned by the exercise of reasonable diligence, during such period of suspension or dismissal.

### 6. HOLIDAY RULES

Eliminate all rules, regulations or practices that provide that when a regularly assigned employee on a position described as a 7-day position has an assigned relief day other than Sunday, and one of the holidays specified in this rule falls on such relief day, the following assigned day will be considered his holiday.

Revise rules with respect to the birthday holiday to provide that an employee may be laid off on his birthday holiday and if the position is one that must be filled for the entire day, the work will be performed by such other employee as may be available at the straight time rate of pay.

7. CONSOLIDATION OF SENIORITY DISTRICTS

Eliminate any restriction, however established, upon the right of the Carrier to consolidate seniority districts, in whole or in part.

8. REVISION OF TERRITORIAL LIMITS OF RESPONSIBILITY OR JURISDICTION

Eliminate any restrictions, however established, upon the right of the Carrier to eliminate, establish or adjust territorial limits of employees' responsibility or jurisdiction.

9. ABSORBING OVERTIME

Revise rules covering "absorbing overtime" so as to permit employees to perform duties of other positions where necessary.

10. GUARANTEE RULES

Revise guarantee rules to eliminate guarantee for positions.

11. TRAVEL TIME

(a) Revise travel time rules to eliminate travel time pay between 10:00 P. M. and 7:00 A. M. where sleeping accommodations are furnished.

(b) Revise travel time rules to stop travel time pay where destination reached instead of paying to starting time of regular tour of duty.

12. GENERAL

All agreements, rules, regulations, interpretations or practices, however established, which conflict with any of the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the Carrier to be more favorable may be retained.