NATIONAL AGREEMENT

between

RAILROADS REPRESENTED BY THE
NATIONAL CARRIERS' CONFERENCE COMMITTEE

and

EMPLOYEES OF SUCH RAILROADS

represented by the

RAILROAD YARDMASTERS OF AMERICA

OCTOBER 31, 1978
AGREEMENT

THIS AGREEMENT, made this 31st day of October, 1978, by and between the participating carriers listed in Exhibit A attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Railroad Yardmasters of America, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I—GENERAL WAGE INCREASES

Section 1—First General Wage Increase

Effective April 1, 1978, each basic monthly rate of pay in effect on March 31, 1978, for employees covered by this Agreement shall be increased by 3 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The amount of cost-of-living allowance which remained in effect after a portion of the allowance was incorporated into basic rates pursuant to Article II, Section 1(d) of the Agreement of September 16, 1975 will not be included with basic rates in computing the amount of this increase.

Section 2—Second General Wage Increase

Effective October 1, 1978, each basic monthly rate of pay in effect on September 30, 1978, for employees covered by this Agreement shall be increased by 2 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The amount of cost-of-living allowance which remains in effect after a portion of the allowance was incorporated into basic rates pursuant to Article II, Section 1(f) hereof will not be included with basic rates in computing the amount of this increase.

Section 3—Third General Wage Increase

Effective July 1, 1979, each basic monthly rate of pay in effect on June 30, 1979, for employees covered by this Agreement shall be increased by 4 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The amount of any cost-of-living allowance may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section 1(f) hereof, will not be included with basic rates in computing the amount of this increase.

Section 4—Fourth General Wage Increase

Effective July 1, 1980, each basic monthly rate of pay in effect on June 30, 1980, for employees covered by this Agreement shall be increased by 5 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The amount of any cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section 1(f) hereof, will not be included with basic rates in computing the amount of this increase.

Section 5—

Rates of pay resulting from the increases provided for in this Article I, and in Section 1(f) of Article II, will not be reduced under Article II.

ARTICLE II—COST-OF-LIVING ADJUSTMENT

Section 1—Amount and Effective Dates of Cost-of-Living Adjustments

(a) A cost-of-living adjustment increase of 19 cents per hour, based upon the increase in the Consumer Price Index (old series) between March 1977 and September 1977, will be made effective as of January 1, 1978. The amount of such adjustment will be added to the cost-of-living allowance of 15 cents per hour which became effective December 31, 1977 resulting from incorporation into basic rates of 16 cents per hour effective that date, as provided in Article II, Section 1(d) (iii) of the 1975 General Wage Increase Agreement. As result of such adjustment, the cost-of-living allowance effective January 1, 1978 will be 34 cents per hour.

(b) A further cost-of-living adjustment increase of 19 cents per hour, based upon the increase in the Consumer Price Index between September 1977 (old series) and March 1978 (using the old series CPI for September-December 1977 and the new CPI-W identified in paragraph (c) below for January-March 1978), will be made effective as of July 1, 1978. The amount of such adjustment will be added to the cost-of-living allowance of 17 cents per hour which will become effective as of June 30, 1978 resulting from incorporation into basic rates of 17 cents per hour of the cost-of-living allowance effective that date, as provided in paragraph (f) (i) below. As result of such adjustment, the cost-of-living allowance effective July 1, 1978 will be 36 cents per hour.

(c) The cost-of-living allowance resulting from the adjustments provided for in paragraphs (a) and (b) above will subsequently be adjusted, in the manner set forth in and subject to all the provisions of paragraphs (g) and (h) below, on the basis of the “Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised series) (CPI-W)” (1967=100), U.S. Index, all items—unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS Consumer Price Index. The first such cost-of-living adjustment shall be made effective January 1, 1979, based (subject to paragraph (g) (i) below) on the BLS Consumer Price Index for
September 1978 as compared with the index of 189.7 for March 1978. Such adjustment and further cost-of-living adjustments will be made effective the first day of each sixth month thereafter based on the change in the BLS Consumer Price Index during the respective measurement periods shown in the following table subject to the exception in paragraph (g) (ii) below, according to the formula set forth in paragraph (h) below:

<table>
<thead>
<tr>
<th>Base Month</th>
<th>Measurement Periods</th>
<th>Effective Date of Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1978</td>
<td>September 1978</td>
<td>January 1, 1979</td>
</tr>
<tr>
<td>September 1978</td>
<td>March 1979</td>
<td>July 1, 1979</td>
</tr>
<tr>
<td>March 1979</td>
<td>September 1979</td>
<td>January 1, 1980</td>
</tr>
<tr>
<td>September 1979</td>
<td>March 1980</td>
<td>July 1, 1980</td>
</tr>
</tbody>
</table>

(d) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight-time, overtime, vacations, holidays and to special allowances and arbitrarians in the same manner as basic wage adjustments have been applied in the past.

(e) The amount of the cost-of-living allowance, if any, which will be effective from one adjustment to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(f) (i) Effective as of June 30 and December 31 of each year, 50% of the cost-of-living allowance then in effect will be incorporated into basic rates of pay for all purposes, and the cost-of-living allowance will be reduced by 50%.

(ii) If as of June 30 or December 31 of any year prior to the incorporation referred to in subparagraph (i) the amount of the cost-of-living allowance in effect should be an odd number of cents, the amount which will be rolled into basic rates of pay will be the number of whole cents next above 50% of the amount of the cost-of-living allowance then in effect, and the cost-of-living allowance will be reduced by that amount.

(iii) The provisions of this paragraph (f) will have no effect on the amount of cost-of-living allowance in effect as of March 31, 1981. Disposition of that allowance or any portion thereof will remain for handling in connection with notices which may be served on or after January 1, 1981.

(g) Cap. (i) In calculations under paragraph (h) below, the maximum increase in the BLS Consumer Price Index (C.P.I.) which will be taken into account will be as follows:

<table>
<thead>
<tr>
<th>Effective Date of Adjustment</th>
<th>Maximum C.P.I. Increase Which May Be Taken into Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1979</td>
<td>4% of March 1978 CPI</td>
</tr>
<tr>
<td>July 1, 1979</td>
<td>8% of March 1978 CPI, less increase from March to September 1978</td>
</tr>
<tr>
<td>January 1, 1980</td>
<td>4% of March 1979 CPI</td>
</tr>
<tr>
<td>July 1, 1980</td>
<td>8% of March 1979 CPI, less increase from March to September 1979</td>
</tr>
<tr>
<td>January 1, 1981</td>
<td>4% of March 1980 CPI</td>
</tr>
</tbody>
</table>

(ii) If the increase in the BLS Consumer Price Index from the base month of March 1978 to the measurement month of September 1978, or from the base month of March 1979 to the measurement month of September 1979, exceeds 4% of the March base index, the measurement period which will be used for determining the cost-of-living adjustment to be effective the following July 1 will be the twelve-month period from such base month of March; the increase in the index which will be taken into account will be limited to that portion of increase which is in excess of 4% of such March base index, and the maximum increase in that portion of the index which may be taken into account will be 8% of such March base index less the 4% mentioned in the preceding clause, to which will be added any residual tenths of points which had been dropped under paragraph (h) below in calculation of the cost-of-living adjustment which will have become effective the January 1 during such measurement period.

(iii) Any increase in the BLS Consumer Price Index from the base month of March 1978 to the measurement month of March 1979 in excess of 8% of the March 1978 base index, or from the base month of March 1979 to the measurement month of March 1980 in excess of 8% of the March 1979 base index, will not be taken into account in the determination of subsequent cost-of-living adjustments.

(h) Formula. The number of points change in the BLS Consumer Price Index during a measurement period, as limited by paragraph (g) above, will be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion will not be counted.)

The cost-of-living allowance of 18 cents per hour which will become effective December 31, 1978 as result of application of paragraph (f) (i) will be adjusted (increased or decreased) effective January 1, 1979 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (g) above, in the BLS Consumer Price Index during the measurement period from the base month of March 1978 to the
measurement month of September 1978. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount of the allowance which will have become effective December 31, 1978 if the Consumer Price Index will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index will have been lower at the end than at the beginning of the measurement period.

The same procedure will be followed in applying subsequent adjustments.

(i) Continuance of the cost-of-living adjustments is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor, should during the effective period of this Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W Index during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W Index during such measurement period.

Section 2—Application of Cost-of-Living Adjustments

In application of the cost-of-living adjustments provided for by Section 1 of this Article II, the cost-of-living allowance will not become part of basic rates of pay except as provided in Section 1(f). Each one cent per hour of cost-of-living allowance will be applied to basic monthly rates of pay produced by application of Sections 1, 2, 3 and 4 of Article I and by Section 1(f) of this Article II on each railroad in the same manner as used in applying the cost-of-living adjustment provisions of the September 16, 1975 National Agreement except where subsequent agreements on individual properties provide otherwise.

ARTICLE III—VACATIONS

Effective January 1, 1979, Section 1 of the Vacation Agreement contained in Article III of the Agreement of January 29, 1965 is further amended by substituting the following sections for the corresponding sections contained in Section 2 of Article III of the Agreement of April 23, 1971:

On carriers where Agreement “A”, dated November 2, 1950, as amended, or its equivalent is in effect:

Section 1 (a) (2)

An annual vacation of three weeks (15 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has nine or more years of continuous service with the employing carrier.

Section 1 (a) (3)

An annual vacation of four weeks (20 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has eighteen or more years of continuous service with the employing carrier.

On Carriers where Agreement “A”, dated November 1, 1950, as amended, or its equivalent is not in effect:

Section 1 (b) (2)

An annual vacation of three weeks (18 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred twenty (120) days during the preceding calendar year and who at the beginning of the vacation year has nine or more years of continuous service with the employing carrier.

Section 1 (b) (3)

An annual vacation of four weeks (24 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred twenty (120) days during the preceding calendar year and who at the beginning of the vacation year has eighteen or more years of continuous service with the employing carrier.

ARTICLE IV—HEALTH AND WELFARE BENEFITS; EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFITS; AND DENTAL BENEFITS.

PART A. HEALTH AND WELFARE BENEFITS

Section 1. Continuation of Plan. The benefits now provided under The Railroad Employees National Health and Welfare Plan, modified as provided in Sections 2 and 3 below, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to the Plan will be offset by the expeditious use of such amounts as may at any time be in Special Account A or in one or more special accounts or funds maintained by the insurer in connection with Group Policy Contract GA-23000, and by the use of funds held in trust that are not otherwise needed to pay claims.
premiums or administrative expenses which are payable from trust. Detailed contract language specifying the new benefits and the changes in existing benefit and eligibility provisions is to be worked out by the Joint Policyholder Committee with the insurer.

Section 2. Benefit Changes. The following benefit changes will be made effective as of January 1, 1979:

a. Alcoholism Treatment. For treatment of alcoholism of an employee which has been diagnosed as such by the employee's attending physician, as a result of which the employee is confined at an approved treatment center which provides medical and therapeutic treatment for alcoholism under a program approved by both the attending physician and the insurer, on an in-patient basis requiring full-time participation by the patient, and certain evaluation, diagnostic and counseling services; a benefit will be provided to cover charges by the treatment center for room and board, care and treatment, exclusive of custodial care, up to $50 per day for not more than 31 days per calendar year with a lifetime maximum of $3,000.

b. Ambulatory Surgical Centers. Charges incurred by an employee or dependent for services rendered and supplies furnished by an approved ambulatory surgical center within the time limits and for the purposes specified in the out-patient expense provisions of the plan shall be treated as if they were hospital out-patient expenses.

c. Second Surgical Opinion. A benefit will be provided to pay reasonable charges incurred by an employee or dependent for consultations (including the reasonable charges for laboratory and X-ray examinations and other diagnostic procedures in connection therewith) with one or more qualified specialist surgeons for additional opinions as to the medical necessity for the performance of a recommended surgical procedure for which benefits are payable under the surgical expense benefits provisions of the Plan, provided the consultant surgeon examines the patient and furnishes the insurer either copy of his written report to the patient or a written report setting forth his opinion.

d. Pre-Admission Testing. Charges incurred by an employee or dependent in connection with pre-admission testing ordered by a physician will be covered as hospital in-patient expenses provided such tests are related to the performance of scheduled surgery in connection with a confirmed hospital admission, and (i) the person involved is subsequently admitted to the hospital as a resident in-patient unless the scheduled confinement is cancelled or postponed because of the unavailability of a bed or a change in his condition which precludes surgery or (ii) the surgery is performed in an out-patient facility (which may be an ambulatory surgical center) unless there is a change in the patient's condition which precludes surgery.

e. Surgical Expense Benefit. The maximum basic benefit for a surgical procedure will be increased from $650 to $1,000; the maximum allowance for administration of anesthetics will be increased from $162.50 to $250; and the $650 E Surgical Schedule will be replaced by a $1,000 E Surgical Schedule.

f. Hospital Miscellaneous Benefit. The provision for reimbursement for hospital charges for medical care and treatment (other than charges for room and board, nurses', and physicians' and surgeons' fees), and the excess of charges for intensive care in an intensive care unit over the amount payable otherwise, shall be increased from "not more than $1,000 plus 80% of the excess over $1,000,” to “not more than $2,000 plus 80% of the excess over $2,000.”

g. Out-Patient Expense Benefit, and Supplemental Out-Patient Medical Expense Benefit. The provision for reimbursement for hospital out-patient expenses, and the supplemental out-patient medical expense benefit provision, covering certain emergency medical care and treatment on account of accidental bodily injuries and additional subsequent medical care and treatment in connection with such emergency care, and medical care and treatment in connection with surgical operations, will be increased to provide for reimbursement for such expenses in full on a reasonable and customary basis (an increase from the maximum of $100 plus 80% of the excess over $100).

h. Ambulance Benefit. Necessary ambulance charges for transportation to and from hospital for an employee or dependent who is confined as a hospital in-patient, or who receives out-patient care of a nature referred to in g. above in a hospital, will be provided in full on a reasonable and customary basis (an increase from the maximum of $25 for such benefit).

i. Physician's Fee Benefit.

(i) The maximum amount payable on behalf of an employee or dependent for physician charges for visits while the employee or dependent is confined as a hospital in-patient will be increased from $6.00 to $10.00 per day of such confinement, and the maximum so payable during any one period of hospital confinement will be increased from $2.190 to $3,650.

(ii) The maximum amount for physicians' office visits by an employee shall be increased from $6.00 to $10.00, and for home visits from $7.50 to $12.00, per visit limited as at present to one home or office visit per day and a maximum of 180 such visits in a 12-month period; no benefit payable for the first visit on account of injury or the first three visits on account of sickness.
j. **Major Medical Expense Limit Benefit.** A provision will be added to the major medical expense benefit section of the Plan to the effect that if in a calendar year a covered employee or dependent has incurred expenses not otherwise reimbursed under the Plan which aggregate $2,000 including (i) the individual's cash deductible and (ii) the individual's 20% share of coinsurance under the hospital miscellaneous benefits and major medical expense benefit provisions, all further "covered expenses" of that individual in that calendar year which would otherwise come under the 80%/20% coinsurance provisions will instead be reimbursed under the major medical expense benefit provisions on a 100% basis. The four exclusions in the major medical expense benefit section will apply to this benefit.

k. **Living Tissue Donor Benefit.** Benefit will be provided for the living donor of an organ or tissue to an employee or dependent covered by The Railroad Employees National Health and Welfare Plan, with respect to the donation involved, on the same basis as if the donor were himself an employee covered by the Policy Contract to the extent such donor is not covered under any other health insurance program.

**Section 3. Eligibility:** The provision under which a new employee becomes a Qualifying Employee, and may become insured and eligible for benefits, on the first day of the first calendar month starting after such employee has completed 30 continuous days during which he has maintained an employment relationship, will be changed to provide that a new employee (employed on or after August 1, 1978) will become a qualifying employee on the first day of the first calendar month starting after such employee has completed 60 continuous days during which he has maintained an employment relationship.

**Section 4. Restructuring.** The parties of this Agreement will seek to work out with the insurer reasonable and practicable arrangements designed to decrease federal income taxes payable by the insurer in connection with the Plan, to decrease the insurer's reserves for its liabilities under the Plan, or otherwise to lessen the cost of maintaining the Plan without decreasing the benefits or services that the Plan provides.

**PART B. EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFIT**

**Section 1. Establishment and Effective Date.** The railroads will establish an Early Retirement Major Medical Benefit Plan to provide specified major medical expense benefits for certain retired or disabled railroad employees and their dependents, to become effective November 1, 1978 and to continue subject to the provisions of the Railway Labor Act, as amended, according to the following provisions:

a. **Employees Eligible:**

   (i) **Age.** An employee who, on or after July 1, 1978, retires at or after 61 years of age under the 60/30 provisions of the Railroad Retirement Act of 1974, if immediately prior to the date he retired he was covered for employee or dependent health benefits under The Railroad Employees National Health and Welfare Plan and had a current connection with the railroad industry.

   (ii) **Disability.**

   (a) An employee of a non-hospital association railroad who on or after July 1, 1978 and at or after age 61 was receiving employee health benefits (or still eligible for such benefits under the disability waiver provisions) under The Railroad Employees National Health and Welfare Plan, and who meets the requirements of subparagraph (c) below.

   (b) An employee of a hospital association railroad who would have met the requirements of subparagraph (a) above in full if he had been an employee of a non-hospital association railroad, and who meets the requirements of subparagraph (c) below.

   (c) To be eligible as a disabled employee, an employee must, in addition to fulfilling the requirements of subparagraph (a) or subparagraph (b) above,—

   (1) solely because of his disability be prevented from working in his regular occupation;

   (2) be entitled to an annuity by reason of disability under the Railroad Retirement Act of 1974; however, he need not have filed application for disability annuity under the Railroad Retirement Act if he is receiving sickness-benefits under the Railroad Unemployment Insurance Act, but when he is no longer receiving such sickness benefits if he does not apply for such disability annuity his eligibility under the Plan will terminate;

   (3) have had a current connection with the railroad industry on the date immediately prior to the date on which he became entitled to such disability annuity; and

   (4) have had by his eligibility date a total period, consisting of his railroad service prior to the onset of such disability plus the period of such disability itself, totaling not less than 30 years.

b. **Dependents Eligible:** Spouse and dependent children of eligible employees who are within definition of "dependent" in The Railroad Employees National Health and Welfare Plan.
c. Scope of Coverage:

(i) Eligible employees of non-hospital association railroads, and, to the extent provided in Section 3, of hospital association railroads.

(ii) Dependents of eligible employees of either hospital association or non-hospital association railroads.

d. Duration of Coverage:

(i) Coverage for all covered employees and dependents will begin when the employee becomes eligible under paragraph a., but not earlier than the effective date, and except that an employee's or dependent's coverage will not begin earlier than such employee's or dependent's eligibility for benefits under The Railroad Employees National Health and Welfare Plan ceases.

(ii) Coverage for covered employees will terminate on the earlier of—

(a) The date the employee becomes eligible for Medicare (even though his coverage may not yet have begun, e.g., if a disabled employee becomes eligible for Medicare before he becomes eligible under paragraph a.), or

(b) The date the employee's Railroad Retirement annuity terminates.

(iii) Coverage for all dependents of an employee will terminate on the earlier of—

(a) The date the employee's coverage terminates for any cause other than (1) death or (2) eligibility for Medicare by reason of disability, or

(b) If the employee predeceases dependent(s), or becomes eligible for Medicare by reason of disability, the date the employee would have become eligible for Medicare by reason of age if he had not died.

(iv) Coverage for any dependent will terminate if such individual dependent, while covered,—

(a) becomes eligible for Medicare, or

(b) is no longer within the above-referred-to definition of dependent, or

(c) is the widow or widower of a covered employee and remarries.

Note: As used in this paragraph d. Duration of Coverage, "Medicare" means the full measure of benefits under the Health Insurance for The Aged and Disabled Program under Title XVIII of the Social Security Act, as amended and as it may be further amended, which are normally available to an individual at age 65 or on general disability. Benefits under the Plan will be so adjusted to avoid duplication between Plan benefits and any other Medicare benefits.

e. Plan:

(i) Elements:

(a) Deductible: $100 per calendar year for each individual

(b) Coinsurance proportions: 80/20, except 65/35 for out-of-hospital mental-nervous treatments.

(c) Lifetime benefit limit: $50,000 for each individual.

(ii) Benefits: Covered benefits will be benefits of the same categories as are covered major medical expense benefits under The Railroad Employees National Health and Welfare Plan.

(iii) The same Coordination of Benefits provisions as in Group Policy Contract GA-23000 will be included.

Section 2. Administration.

a. The railroads, which will be sole policyholder, will work out arrangements for the Plan to be administered and insurance thereunder to be provided by the same insurer as is handling those functions under The Railroad Employees National Health and Welfare Plan.

b. The railroads will work out with the insurer detailed contract language setting forth the eligibility and benefit provisions.

c. The insurer will furnish financial data, statistical and actuarial reports, and claim experience information to the organizations in the same detail and at the same time that it furnishes such data to the railroads.

d. Any dividends or retroactive rate refunds or credits will be paid into a special fund or account held by the insurer or into a trust established in connection with the Plan. Withdrawals may be made from such fund, account or trust only to provide or finance benefits.
Section 3. Employees of Hospital Association Railroads.
Hospital association railroads will pay the respective hospital associations such portion of the cost of the plan as is attributable to coverage for retired employees (but not for their dependents) contingent on commitments* from the hospital associations to provide benefits similar to those provided by the plan to such retired employees of the respective railroads as meet the above eligibility requirements and were members of the hospital association. In absence of such a commitment, no payment such as provided for in this paragraph shall be made to the hospital association involved, and the employees involved will be regarded as employees of a hospital association railroad for purposes of eligibility for early retirement medical benefits but shall be provided such benefits under the national plan the same as employees of non-hospital association railroads. On a railroad on which the hospital association has furnished such a commitment, individual retired or disabled employees who had not been members of the hospital association or who had been such members but elected to leave the association on discontinuing active railroad service, or who forego association benefits, will not have an option of electing coverage under the national plan; nor on a railroad on which there has been no such commitment from the hospital association will individual employees have an option of electing hospital association coverage in place of coverage under the national plan.

*Including acceptance of the following obligation: If a hospital association having furnished the commitment referred to in Section 3 should subsequently withdraw such commitment, the employees involved will thereafter be provided their benefits under the national plan as provided in the second sentence of Section 3. If any special contribution to the national plan is required to cover any liability which the hospital association may have incurred during the period it covered the employees involved (and while it was receiving the contribution identified in the first sentence of Section 3), which liability the national plan assumes by reason of the employees' coverage being transferred from the hospital association to the national plan, such special contribution will be made by the hospital association.

PART C. DENTAL BENEFITS

Section 1. Continuation of Plan. The benefits now provided under The Railroad Employees National Dental Plan, modified as provided in Sections 2 and 3 below, will be continued subject to the provisions of the Railway Labor Act, as amended. Detailed contract language specifying the changes in existing benefit and eligibility provisions is to be worked out by the Policyholder with the insurer.

Section 2. Benefit Changes. The following changes in the benefit area will be made effective as of January 1, 1979:

a. The maximum benefit (exclusive of any benefits for orthodontia) which may be paid with respect to a covered employee or dependent in any calendar year will be increased from $500 to $750 for all expenses incurred.

b. A limit of $100 will be placed on the amount of the deductible per calendar year to be paid by all members of an employee's family, to apply as follows:
   
i. Any covered individual who has incurred and paid $50 of covered dental expenses in a calendar year has met the deductible with respect to himself.
   
   ii. When a covered employee and/or any one or more of his defined dependents have collectively incurred and paid $100 of covered dental expenses, counting not more than $50 with respect to any individual, in a calendar year, the deductible has been met with respect to such employee and all his defined dependents.

   c. Extended coverage will be provided for disabled, pregnant, furloughed and discharged or dismissed employees on exactly the same basis as under The Railroad Employees National Health and Welfare Plan.

Section 3. Orthodontia. No change will be made with respect to benefits for orthodontia, except for the extended coverage provision described in paragraph c. of Section 2 above.

PART D. GENERAL

National Health Legislation. In the event that national health legislation should be enacted, benefits provided under The Railroad Employees National Health and Welfare Plan, The Early Retirement Major Medical Benefit Plan, and The Railroad Employees National Dental Plan with respect to a type of expense which is a covered expense under such legislation will be integrated so as to avoid duplication, and the parties will agree upon the disposition of any resulting savings.

ARTICLE V—JURY DUTY

Article IV—Jury Duty of the Agreement of April 23, 1971 is hereby amended to read as follows:

When a regularly assigned yardmaster is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

1. A yardmaster must furnish the carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.
(2) The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.

(3) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.

(4) When a yardmaster is excused from railroad service account of jury duty the carrier shall have the option of determining whether or not the yardmaster's regular position shall be blanked, notwithstanding the provisions of any other rules.

This Article shall become effective thirty (30) days after the date of this Agreement.

ARTICLE VI—OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article IV(b) of the Agreement of September 20, 1968 is hereby amended to read as follows:

(b) Payments to be Made:

In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs (1), (2) and (3) below, the carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or any other medical or insurance policy or plan paid for in its entirety by the carrier, the following benefits:

(1) Accidental Death or Dismemberment

The carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

<table>
<thead>
<tr>
<th>Loss Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of Life</td>
<td>$150,000</td>
</tr>
<tr>
<td>Loss of Both Hands</td>
<td>$150,000</td>
</tr>
<tr>
<td>Loss of Both Feet</td>
<td>$150,000</td>
</tr>
<tr>
<td>Loss of Sight of Both Eyes</td>
<td>$150,000</td>
</tr>
<tr>
<td>Loss of One Hand and One Foot</td>
<td>$150,000</td>
</tr>
<tr>
<td>Loss of One Hand and Sight of One Eye</td>
<td>$150,000</td>
</tr>
<tr>
<td>Loss of One Foot and Sight of One Eye</td>
<td>$150,000</td>
</tr>
<tr>
<td>Loss of One Hand or One Foot or Sight of One Eye</td>
<td>$75,000</td>
</tr>
</tbody>
</table>

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than $150,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

(2) Medical and Hospital Care

The carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries incurred as a result of such accident, subject to limitation of $3,000 for any employee for any one accident, less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or under any other medical or insurance policy or plan paid for in its entirety by the carrier.

(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) hereof and who is unable to work as a result thereof commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of $150.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act.

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to $1,000,000 for any one accident and the carrier shall not be liable for any amount in excess of $1,000,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the carrier shall not be required to pay as respects each separate employee a greater proportion of such payments than the aggregate limit set forth herein bears to the aggregate amount of all such payments.

This Article will become effective 90 days after the date of this Agreement.
ARTICLE VII—BEREAVEMENT LEAVE

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

This Article shall become effective thirty (30) days after the date of this Agreement except on such carriers where the organization representative may elect to preserve existing rules or practices and so notify the authorized carrier representative on or before such effective date.

ARTICLE VIII—GENERAL PROVISIONS

Section 1—Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2—Effect of This Agreement

(a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement, and to settle the disputes growing out of the notices served upon the carriers listed in Exhibit A by the organization signatory hereto dated on or about February 15, 1977 and August 15, 1977 (Health and Welfare) and February 1, 1978 (Wage-Fringe Benefit). This Agreement shall remain in effect through March 31, 1981, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(b) Except as provided in paragraphs (c) and (e), no party to this Agreement shall serve, prior to January 1, 1981 (not to become effective before April 1, 1981), any proposal which relates to the subject matter of the provisions of this Agreement, which proposes matters covered by the organization's notices specified in paragraph (a) above, or which relates to subjects that are traditionally handled on a national basis, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

(c) Any pending proposals relating to inequity wage adjustments are hereby withdrawn and no such proposals will be served prior to January 1, 1981 (not to become effective before April 1, 1981) with the exception that if a carrier party hereto proposes a merger or coordination or a major technological change, the organization may, in relation thereto, serve and progress proposals for changes in rates of pay on an individual position basis based upon increased duties and/or responsibilities by reason of such contemplated merger, coordination or major technological change.

Note: For purposes of this Agreement a “major technological change” is one involving 5 or more employees subject to the pay provisions of the collective bargaining agreement between an individual railroad and the organization party to this Agreement.

(d) During the term of this Agreement, pending proposals covering subject matters not specifically dealt with in paragraphs (a), (b), (c) and (e) of this Section 2 need not be withdrawn and new proposals covering such subject matters may be served, and such pending or new proposals may be progressed within, but not beyond, the specific procedures for peacefully resolving disputes which are provided for in the Railway Labor Act, as amended.

(e) (i) During the term of this Agreement new proposals covering the subject matter of a Training Program may be served on a local (but not on a regional or national) basis, and such new proposals may be handled on a local basis within, but not beyond, the specific procedures for peacefully resolving disputes which are provided for in the Railway Labor Act.

(e) (ii) Where a notice is properly served pursuant to paragraph (e)(i) of this Section 2 and arbitration is proffered by the National Mediation Board, such arbitration shall be held at the request of the organization on the notice provided it does not involve or present any jurisdictional issue involving any other labor organization, and is not a significant cost item to the carrier, and on any reasonable (but not necessarily related) counter proposal served by the carrier for concurrent handling.

(e) (iii) If a carrier on which a notice is served pursuant to paragraph (e)(i) of this Section 2 advises the General Chairman that such notice involves or presents a jurisdictional issue involving another labor organization, the notice may not be further progressed until the jurisdictional issue is resolved to the satisfaction of the carrier.

(e) (iv) Where the organization has requested arbitration and there is a dispute as to whether a proposal or a counter proposal is properly served or meets the applicable foregoing criteria (other than the jurisdictional criterion) for arbitration, such dispute shall be referred to a committee comprised of an equal number of representatives appointed by the National Carriers' Conference Committee and the Organization, plus a neutral member if needed, which will determine the matters in dispute.
If the parties are unable to select a neutral member to serve with the committee, either party may request the National Mediation Board to appoint such neutral member. The salary and expenses of the neutral will be paid in accordance with existing law.

If the committee determines the proposal and counter proposal, if any, to be arbitrable, such proposal or proposals will be disposed of on the property of the particular carrier under the arbitration provisions of the Railway Labor Act.

(f) This Article will not bar management and committees on individual railroads from agreeing upon any subject of mutual interest.


FOR THE PARTICIPATING CARRIERS
LISTED IN EXHIBIT A:

[Signatures]

FOR THE EMPLOYEES REPRESENTED BY
THE RAILROAD YARDMASTERS OF AMERICA:

[Signatures]
October 31, 1978

Mr. A. T. Otto, Jr.
President
Railroad Yardmasters of America
Schoch Building Room 201-202
1411 Peterson Avenue
Park Ridge, Illinois 60068

Dear Mr. Otto:

This will confirm our understanding reached in current negotiations with respect to application of the provisions of Section 1(d)(iii) of Article II of the September 16, 1975 Agreement, as follows:

The amount of the cost-of-living allowance to be rolled into basic rates effective December 31, 1977 is 16¢ per hour, leaving 15¢ per hour outstanding as a cost-of-living allowance after such roll-in.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

[Signature]
NATIONAL RAILWAY LABOR CONFERENCE
1901 L STREET N.W., WASHINGTON, D.C. 20036/AREA CODE: 202—862-7200
CHARLES I. HOPKINS, Jr.
Chairman
ROBERT BROWN
Vice Chairman
D. P. LEE
General Counsel
J. F. GRIFFIN
Director of Labor Relations

Mr. A. T. Otto, Jr.
President
Railroad Yardmasters of America
Schoch Building Room 201-202
1411 Peterson Avenue
Park Ridge, Illinois 60068

Dear Mr. Otto:

This confirms our understanding reached in current negotiations that notices concerning union shop and use of extra yardmasters are considered as falling within the provisions of Section 2(d) of Article VIII—General Provisions of the Agreement dated October 31, 1978.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

[Signature]
RAILROADS REpresented by the national carriers' conference committee in connection with notices dated on or about February 1, 1978 of desire to revise and amend existing agreements to the extent indicated in attachment “A” thereto, and notices dated on or about February 15, 1977 and August 15, 1977 of desire to revise and supplement existing agreements pertaining to hospital, surgical and medical benefits and group life insurance (group policy contract GA-23000) and dental benefits (group policy contract GP-12000) in accordance with attachment “A” and attachment “B”, respectively, served on railroads generally by the general chairman, or other recognized representatives, of the railroad yardsMasters of America.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Railroad Yardmasters of America.

Alton & Southern Railway Company
Atchison, Topeka and Santa Fe Railway
*-.#Boston & Maine Corporation
    Burlington Northern Inc.
    CamaS PrairIe Railroad Company
    Central of Georgia Railroad Company
THE CHESSIE SYSTEM:
    Baltimore and Ohio Railroad Company
    Baltimore and Ohio Chicago Terminal Railroad Company
    Chesapeake and Ohio Railway Company
    Staten Island Railroad Corporation
    Western Maryland Railway Company
    Chicago and North Western Transportation Company
*-.Chicago, Milwaukee, St. Paul and Pacific Railroad Company
*-.1-Chicago, Rock Island and Pacific Railroad Company
    Chicago, West Pullman & Southern Railroad Company
    Davenport, Rock Island and North Western Railroad Company
    Delaware & Hudson Railway Company
    Denver and Rio Grande Western Railroad Company
2-Des Moines Union Railroad Company
    Detroit and Toledo Shore Line Railroad Company
    Detroit Terminal Railroad Company
@-Duluth, Missabe and Iron Range Railway Company
    Duluth, Winnipeg & Pacific Railway Company
THE FAMILY LINES SYSTEM:
    Seaboard Coast Line Railroad Company
3---Louisville & Nashville Railroad Company
    Clinchfield Railroad Company
    Atlanta Joint Terminals
    Western Railway of Alabama
    Fort Worth and Denver Railway Company
    Grand Trunk Western Railroad Company
    Houston Belt & Terminal Railroad Company
    Illinois Central Gulf Railroad Company
    Indiana Harbor Belt Railroad Company
    Kansas City Southern Railway Company
    Kentucky & Indiana Terminal Railroad Company
    Lake Superior Terminal and Transfer Railroad Company
    Los Angeles Junction Railway Company
    Louisiana & Arkansas Railway Company
    Minnesota Transfer Railway Company
    Missouri-Kansas-Texas Railroad Company
4-Missouri Pacific Railroad Company
    Monongahela Railway Company
    New Orleans Public Belt Railroad
    Norfolk and Western Railway Company
    Ogden Union Railway and Depot Company
    Peoria and Pekin Union Railway Company
Pittsburgh & Lake Erie Railroad Company
The Lake Erie & Eastern Railroad Company
Pittsburgh, Chartiers & Youghiogheny Railroad Company
Portland Terminal Railroad Company
Port Terminal Railroad Association
Richmond, Fredericksburg and Potomac Railroad Company
Soo Line-San Francisco Railway Company
Southern Railway Company
Alabama Great Southern Railroad Company
Cincinnati, New Orleans and Texas Pacific Railway Company
Georgia Southern and Florida Railway Company
New Orleans Terminal Company
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company
Washington Terminal Company
Western Pacific Railroad Company

NOTES:
* - Subject to the approval of the Courts.
3 - Authorization includes the Monon, L&N and NC&StL Districts and Nashville Terminals.
4 - Authorization excludes the former I-GN and SAU&G, however, authorization includes the former T&P and former Union Railway (Memphis).
5 - Authorization excludes the AT&N and NEO Districts.

FOR THE CARRIERS:

[Signature]

Washington, D.C.
October 31, 1978

FOR THE RAILROAD YARDMASTERS OF AMERICA:

[Signature]