AGREEMENT

DATED JUNE 15, 1987

between railroads represented by the
NATIONAL CARRIERS' CONFERENCE COMMITTEE

and

employees of such railroads represented by the
YARDMASTERS DEPARTMENT
UNITED TRANSPORTATION UNION
AGREEMENT

THIS AGREEMENT, made this 15th day of June, 1987, by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers represented by the Yardmasters Department – United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - Lump Sum Payment

A lump sum payment, calculated as described below, will be paid to each employee subject to this Agreement who established an employment relationship prior to the date of this Agreement and has retained that relationship or has retired or died. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

Employees with 2,150 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce Commission as constructive allowances except vacations and holidays) during the period July 1, 1984 through July 31, 1985 will be paid $565.00. Those employees with fewer straight time hours paid for will be paid an amount derived by multiplying $565.00 by the number of straight time hours (including vacations and holidays, as described above) paid for during that period divided by 2,150.

Section 2 - First General Wage Increase

Effective November 1, 1985, each basic monthly rate of pay in effect on October 31, 1985, for employees covered by this Agreement, shall be increased by 1 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The cost-of-living allowance of 11 cents per hour in effect on October 31, 1985 will not be included with basic rates in computing the amount of this increase.

Section 3 - Second General Wage Increase

Effective January 1, 1986, each basic monthly rate of pay in effect on December 31, 1985, 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 cost-of-living allowance of 11 cents per hour in
effect on December 31, 1985 will not be included with the basic rates in computing the amount of this increase.

Section 4 - Third General Wage Increase

Effective July 1, 1986, each basic monthly rate of pay in effect on June 30, 1986, for employees covered by this Agreement, shall be increased by 1.5 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The cost-of-living allowance of 11 cents per hour in effect on June 30, 1986, will not be included with the basic rates in computing the amount of this increase.

Section 5 - Fourth General Wage Increase

Effective January 1, 1987, each basic monthly rate of pay in effect on December 31, 1986, for employees covered by this Agreement, shall be increased by 2.25 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The cost-of-living allowance of 11 cents per hour in effect on December 31, 1986 will not be included with the basic rates in computing the amount of this increase.

Section 6 - Fifth General Wage Increase

Effective July 1, 1987, each basic monthly rate of pay in effect on June 30, 1987, for employees covered by this Agreement, shall be increased by 1.5 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The cost-of-living allowance of 11 cents per hour in effect on June 30, 1987 will not be included with the basic rates in computing the amount of this increase.

Section 7 - Sixth General Wage Increase

Effective January 1, 1988, each basic monthly rate of pay in effect on December 31, 1987, for employees covered by this Agreement, shall be increased by 2.25 percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made. The cost-of-living allowance of 11 cents per hour in effect on December 31, 1987 will not be included with the basic rates in computing the amount of this increase.

Section 8 - Reduction

Wage rates resulting from the increases provided in this Article will not be reduced under Article II.

Section 9 - Application of Wage Increase

Special allowances not included in fixed daily, weekly or monthly rates of pay for all services rendered, and arbitreries representing duplicate time payments will not be increased.
Section 10 - Coverage

The general increases in wages provided for in this Article shall be applied only to employees who have a current employment relationship under an agreement with the organization signatory hereto or who have retired or died subsequent to December 1, 1985.

ARTICLE II - COST-OF-LIVING ADJUSTMENTS

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

(a) The cost-of-living allowance which, on December 31, 1987 will be 11 cents per hour, will subsequently be adjusted, in the manner set forth in and subject to all the provisions of paragraphs (e) and (g) 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. A cost-of-living adjustment may be made effective January 1, 1988, based (subject to paragraph (e) below) on the BLS Consumer Price Index for September 1987 as compared with the index for March 1987. If such an adjustment is made, it will be made effective according to the formula set forth in paragraph (f) below as limited by paragraph (g) below.

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that any part of such allowance generated after December 31, 1987 shall not apply to special allowances and arbitraries representing duplicate time payments.

(c) The amount of the cost-of-living allowance, if any, may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(d) On June 30, 1988 all of the cost-of-living allowance then in effect shall be rolled into basic rates of pay and the cost-of-living allowance in effect will be reduced to zero. Accordingly, the amount rolled in will not apply to special allowances and arbitraries representing duplicate time payments except to the extent it includes part or all of the 11 cents per hour in effect on December 31, 1987.

(e) Cap. In calculations under paragraph (f) below, the maximum increase in the BLS Consumer Price Index (C.P.I.) which will be taken into account will be as follows:
Effective Date of Adjustment

January 1, 1988

Maximum C.P.I. Increase Which May Be Taken Into Account

8% of September 1986 CPI, less the increase from September 1986 to March 1987

(f) Formula. The number of points change in the BLS Consumer Price Index during the measurement period, as limited by paragraph (e) 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 in effect on December 31, 1987 will be adjusted (increased or decreased) effective January 1, 1988 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 (e) above, in the BLS Consumer Price Index during the measurement period from the base month of March 1987 to the measurement month of September 1987. 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 cost-of-living allowance in effect on December 31, 1987 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 and then, only, to the extent that the allowance remains above zero.

(g) Offsets. The cost-of-living increase, if any, to be paid effective January 1, 1988 is limited to that in excess of 51 cents per hour.

(h) 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(d). Each one cent per hour of cost-of-living allowance will be applied to basic monthly rates of pay produced by application of the general wage increase provisions of Article I and by Section 1(d) of this Article II on each railroad in the same manner as used in applying the cost-of-living adjustment provisions of the June 16, 1982 National Agreement.

ARTICLE III - RATE PROGRESSION

Section 1 - Service First 60-Months

Employees entering service on and after the date of this Agreement on positions covered by an agreement with the organization signatory hereto shall be paid as follows for all service performed within the first sixty (60) calendar months of service:

(a) For the first twelve (12) calendar months of employment, new employees shall be paid 75% of the applicable rates of pay (including COLA).

(b) For the second twelve (12) calendar months of employment, such employees shall be paid 80% of the applicable rates of pay (including COLA).

(c) For the third twelve (12) calendar months of employment, such employees shall be paid 85% of the applicable rates of pay (including COLA).

(d) For the fourth twelve (12) calendar months of employment, such employees shall be paid 90% of the applicable rates of pay (including COLA).

(e) For the fifth twelve (12) calendar months of employment, such employees shall be paid 95% of the applicable rates of pay (including COLA).

(f) Employees who have had an employment relationship with the carrier and are rehired will be paid at established rates after completion of a total of sixty (60) months' combined service.

(g) Service with the carrier in a craft represented by another organization shall also be included in determining periods of employment under this rule.
(h) An employee who has had a previous employment relationship as a yardmaster with a carrier and is subsequently hired by another carrier shall be covered by this Article. However, such employee will receive credit toward completion of the sixty (60) month period for any month in which compensated service was performed as a yardmaster provided that such compensated service last occurred within one year from the date of subsequent employment.

(1) Any calendar month in which an employee does not render compensated service due to furlough, voluntary absence, suspension, or dismissal shall not count toward completion of the sixty (60) month period.

Section 2 - Preservation of Lower Rates

Agreements which provide for rates that are lower than those provided for in Section 1 are preserved. If such agreements provide for payment at the lower rate for less than the first sixty (60) months of actual service, Section 1 of this Article will be applicable during any portion of that period in which such lower rate is not applicable.

ARTICLE IV - TERMINATION OF SENIORITY

The seniority of any employee whose seniority under an agreement with the organization signatory hereto is established after the date of this Agreement and who is furloughed for 365 consecutive days will be terminated if such employee has less than three (3) years of seniority.

The "365 consecutive days" shall exclude any period during which a furloughed employee receives compensation pursuant to an I.C.C. employee protection order or an employee protection agreement or arrangement.

ARTICLE V - BENEFITS PROVIDED UNDER THE RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLAN

Section 1 - Continuation of Plan

Except as provided in this Article, the benefits and other provisions under the Railroad Employees National Health and Welfare Plan 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 effectuating all changes in the Plan called for by this Agreement will be worked out by the Joint Policyholder Committee with the insurer.

Section 2 - Benefit Changes

The following changes in benefits provided under the Plan and in matters related to such benefits will be made:

(a) Hospital Pre-Admission & Utilization Review Program - This program shall include a comprehensive guidance and support structure for employees and other beneficiaries covered by the Plan and their physicians beginning prior to planned hospitalization and continuing through recovery period. The program shall include, among other things, review of the propriety of hospital admission (including the feasibility of ambulatory center or out-patient treatment), the plan of treatment including the length of confinement, the appropriateness of a second surgical opinion, discharge planning and the use of effective alternative facilities during convalescence. This program shall become effective as soon as practicable in order to provide adequate time to set up and communicate the program.

(b) Extension of Benefits - Effective as of the date of this Agreement, vacation pay received by a furloughed employee shall qualify such employee for benefits under the Plan and will generate premium payments on his behalf. This provision will be cancelled effective January 1, 1988.

(c) Reinsurance - Reinsurance will be discontinued effective January 1, 1987.

Section 3 - Special Committee

(a) A Special Committee selected by the parties will be established for the purpose of reviewing and making recommendations concerning ways to contain health care costs consistent with maintaining the quality of medical care; and reviewing the existing Plan structure and financing and making recommendations in connection therewith. In addition, the Committee may review and make recommendations with respect to any other matter included in the parties' notices with respect to the health care plan.

(b) The Committee shall retain the services of a recognized expert on health care systems to serve as a neutral chairman. The fees and expenses of the chairman shall be paid by the parties.

(c) The Committee shall be convened as promptly as possible and meet periodically until all of the matters that it considers are resolved. However, if the Committee has not resolved all issues by July 1, 1987, the neutral chairman will make recommendations on such
unresolved issues no later than August 1, 1987. Upon voluntary resolu-
tion of all issues or upon issuance of recommendations by the neutral 
chairman, whichever is later, the Committee shall be dissolved.

(d) The proposals of the parties concerning health benefits 
(specifically, the organization's proposals dated March 5, 1984, enti-
tled "Revise Contract Policy GA-23000" and "Revise Contract Policy 
GA-46000", and the carriers' proposals dated on or about March 7, 1984, 
entitled "Insured Benefits") shall be held in abeyance pending efforts 
to resolve these issues through the procedure established above. If, 
after 60 days from the date the neutral chairman makes his recommenda-
tions, the parties have not reached agreement on all unresolved issues, 
the notices may be progressed under the procedures of the Railway Labor 
Act, as amended.

(e) Agreement reached by the parties on these issues will 
provide for a contract duration consistent with the provisions of Arti-
cle VI of the Agreement, regardless of whether such agreement occurs 
during the time that the proposals of the parties are held in abeyance 
or subsequent to the time that they may be progressed in accordance 
with the procedures of the Railway Labor Act as provided for above.

ARTICLE VI - GENERAL PROVISIONS

Section 1 - Court Approval

This Agreement is subject to approval of the courts with re-
spect 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 
March 5, 1984 and May 14, 1984 covering wages, rules, health and wel-
fare, and supplemental sickness benefits and proposals served by the 
carriers for concurrent handling therewith. This Agreement shall be 
construed as a separate Agreement by and on behalf of each of said car-
rriers and their employees represented by the organization signatory 
ereto, and shall remain in effect through June 30, 1988 and thereafter 
until changed or modified in accordance with the provisions of the 
Railway Labor Act, as amended.

(b) Except as provided in Section 2(c) of this Article, the 
parties to this Agreement shall not serve, prior to April 1, 1988 (not
to become effective before July 1, 1988), any notice or proposal for the purpose of changing the provisions of this Agreement or which proposes matters covered by the proposals of the parties cited in paragraph (a) of this Section and any pending notices which propose such matters are hereby withdrawn.

(c) The notices of the parties referred to in Article V of this Agreement may be progressed in accordance with the provisions of Section 3(d) of that Article.

(d) During the term of this Agreement, pending proposals covering subject matters not specifically dealt with in paragraphs (a), (b) and (c) 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.

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


FOR THE PARTICIPATING CARRIERS
LIST IN EXHIBIT A:

Chairman

Assistant to President

FOR THE EMPLOYEES REPRESENTED BY THE YARDMASTERS DEPARTMENT, UNITED TRANSPORTATION UNION

J. B. Daumon

J. L. Irish

John P. Kettel

E. R. Levi

R. B. Richter

J. C. Thomas

R. L. Thamonton

R. G. Kraft

R. W. Olson

R. C. Arthur
FOR THE PARTICIPATING CARRIERS
LIST IN EXHIBIT A: (cont'd)

Robert
J. A. Miller
R. C. Steele, Jr.
R. S. Swett
Robert E. White
H. Watts
June 15, 1987

Mr. James L. Roy  
Assistant to President  
Yardmasters Department  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107-4250

Dear Mr. Roy:

It is understood that the lump sum payment provided in Article I of the Agreement of this date will not be used to offset, construct or increase guarantees in protective agreements or arrangements.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I agree:

J. L. Roy
June 15, 1987

Mr. James L. Roy  
Assistant to President  
Yardmasters Department  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107-4250

Dear Mr. Roy:

This confirms our understanding that the provisions of rules or practices pertaining to Rate Progression shall continue to apply to employees covered by such rules hired before the date of this Agreement.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I agree

J. L. Roy
June 15, 1987

Mr. James L. Roy
Assistant to President
Yardmasters Department
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Dear Mr. Roy:

This confirms our understanding with respect to incorporating a Hospital Pre-Admission and Utilization Review Program as part of the benefits provided under the Railroad Employees National Health and Welfare Plan in accordance with Article V, Section 2(a) of the Agreement of this date.

By agreeing to this benefit program, our principal objectives are to reduce in-patient hospital utilization thereby minimizing exposure to risks of hospitalization or unduly prolonged hospitalization and the risks of unnecessary surgery by encouraging both employee and physician to make the most patient-sensitive and at the same time cost-effective decisions about treatment alternatives.

The program accomplishes these objectives by providing to employees and other beneficiaries ready access to knowledgeable professional personnel when making decisions about their health care. A number of patient-centered services are provided and designed in a manner so as not to impose significant added burdens on individual employees. The comprehensive guidance and support structure begins prior to planned hospitalization and continues through any recovery period.

Specifically, the program shall include review of the propriety of hospital admission (including consideration of health care alternatives such as the use of ambulatory centers or out-patient treatment) benefit counseling, the plan of treatment including the length of confinement, the appropriateness of a second surgical opinion, discharge planning and the use of effective alternative facilities during convalescence.
We have attached to this letter descriptions of programs currently offered by three leaders in this field that describe in greater detail the operations of these programs and what specifically is involved. These attachments are intended as informational only, describing the kind of program we will establish, and do not suggest that the program we ultimately adopt is limited to what is described or is to be administered by these particular parties.

In order that the program achieves its intended objectives, we have agreed to institute appropriate incentives. For those employees who use the program, plan benefits will be paid as provided and the employee and family will receive the full protection and security of professionals managing their hospital confinement and recovery. For employees who do not use the program, plan benefits will be paid only under the Major Medical Expense Benefit portion of the Plan with the Plan paying 65% of covered expenses. However, a maximum total employee expense limitation — "stop-loss" — will be maintained.

We recognize that the program described cannot be implemented overnight but will require careful review and examination on the part of us all and will include, as well, time to inform the employees and other beneficiaries covered under the Plan. The Joint Policyholder will develop and implement an educational program for the purpose of fully informing plan participants of the pre-certification program and their responsibilities thereunder. Furthermore, it is anticipated that the program will include use of alternative facilities, such as home health care options, hospices, office surgery, ambulatory surgi-centers and birthing centers, some of which are either not covered under the Plan now or are not available in the manner envisioned under this new program. Thus, for these reasons we have agreed that implementation of the program will not occur until practicable and that the intervening time will be used to assure that its adoption shall be a constructive and useful addition to the benefits currently provided under the Plan.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

Attachments (Descriptive material furnished Yardmasters Department — United Transportation Union)

I agree:

J. L. Roy
June 15, 1987

Mr. Charles I. Hopkins, Jr.
Chairman
National Railway Labor Conference
1901 L Street, N.W., Suite 500
Washington, DC 20036

Dear Mr. Hopkins:

This is to advise you that I am agreeable to the provisions of Article V, Health and Welfare Plan except that in Section 2(a), "Hospital Pre-Admission and Utilization Review Program", I will agree to the concept of the "Pre-Admission and Utilization Review Program" and will agree to its implementation after the Policyholders have met jointly with representatives of Travelers and have agreed on the changes and understandings that will be necessary to implement the program. There must be ample lead time to insure that all covered employees can be notified of the implementation date and will have adequate information about the plan so that they can comply with their responsibilities in the event they qualify for benefits under the plan.

I take no exceptions to the use of surplus funds, the Reinsurance proposal, the Special Committee and/or the moratorium proposals.

Very truly yours,

[Signature]

J. L. Roy
June 15, 1987

Mr. James L. Roy
Assistant to President
Yardmasters Department
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Dear Mr. Roy:

This refers to Article V, concerning health and welfare benefits. This confirms our understanding that the parties will meet as soon as practicable with representatives of Aetna and Travelers as well as knowledgeable professionals to determine an appropriate manner for covering claims involving temporomandibular joint dysfunction (TMJ) on an interim basis.

It is further agreed that this subject is a proper subject for review and recommendation of the Special Committee established under Section 3 of Article V and that the interim arrangement provided for above will continue only until such time as the issues submitted to the Special Committee are fully resolved.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I agree:

J. L. Roy
June 15, 1987

Mr. James L. Roy
Assistant to President
Yardmasters Department
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Dear Mr. Roy:

This confirms our understanding with respect to the appointment of a neutral person to serve as chairman of the Special Committee established pursuant to Article V, Section 3, of the Agreement of this date.

In the event we are unable to agree on such a person, the parties will seek the assistance of an appropriate third party for the purpose of providing assistance in identifying individuals qualified to serve in this capacity.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

[Signature]

C. I. Hopkins, Jr.

I agree:

[Signature]

J. L. Roy
Mr. James L. Roy  
Assistant to President  
Yardmasters Department  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107-4250

Dear Mr. Roy:

This refers to our discussions during the negotiations that led to the Agreement of this date concerning our mutual interest in improving rail efficiency where practicable. Several matters were considered, such as revising existing rules and practices that restrict efficient and economical operations. However, you expressed the view that arrangements designed to improve efficiency have been handled successfully on some properties and that you preferred to encourage such handling.

Therefore, it was agreed that on any individual carrier desiring to pursue efficiency improvements, conferences will be held promptly upon request. You further indicated that to the extent possible the national officers of Yardmasters Department, UTU, will encourage and assist in obtaining a mutually satisfactory resolution to such discussions.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

[Signature]

C. I. Hopkins, Jr.

I agree:

[Signature]  
J. L. Roy
June 15, 1987

Mr. James L. Roy
Assistant to President
Yardmasters Department
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Dear Mr. Roy:

During the course of negotiations leading to the Agreement of this date, we discussed establishing a new rate of pay applicable to yardmasters assigned to intermodal facilities where competitive demands require that costs be as low as is reasonably possible.

At present we are unable to determine if there are any employees represented by the Yardmasters Department, UTU, who are assigned to intermodal facilities. However, you recognized the problems confronting the carriers and, mindful of agreements reached with other organizations, stated that your organization would be willing to confer with local management and negotiate new rates for employees who may be assigned to such facilities in the future.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I agree:

J. L. Roy
June 15, 1987

Mr. James L. Roy
Assistant to President
Yardmasters Department
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Dear Mr. Roy:

During the negotiations of the Agreement of this date we discussed situations where personal leave days are taken either immediately preceding or following a holiday occurring during a vacation period or on a rest day.

This confirms our understanding that the work day immediately preceding or following a personal leave day in cases where the holiday occurs during a rest day or during the vacation period are considered as the qualifying days for holiday purposes.

Please indicate your Agreement by signing your name in the space provided below.

Very truly yours,

[Signature]

C. I. Hopkins, Jr.

I agree:

[Signature]
June 15, 1987

Mr. James L. Roy
Assistant to President
Yardmasters Department
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Dear Mr. Roy:

This confirms our understanding with respect to the Agreement of this date.

The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,

[Signature]

C. I. Hopkins, Jr.

I agree:

[Signature]
June 15, 1987

Mr. James L. Roy  
Assistant to President  
Yardmasters Department  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107-4250  

Dear Mr. Roy:

This refers to our discussion concerning the various retroactive wage provisions of the Agreement of this date, specifically, Article I, Section 2 to 7, inclusive.

The carriers will make every effort to expedite payments due under these provisions and, to the extent practicable, such payments will be made no later than 60 days from the date of the Agreement. Where a carrier is unable to meet this obligation, it shall advise your office as promptly as possible and explain why it is unable to do so and the date it expects to make such payments.

Very truly yours,

C. I. Hopkins, Jr.
RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES, DATED ON OR ABOUT MARCH 5, 1984, OF DESIRE TO CHANGE EXISTING AGREEMENTS TO THE EXTENT INDICATED IN THE PROPOSITION ATTACHED THERETO (HEALTH AND WELFARE), AND NOTICES, DATED ON OR ABOUT MAY 14, 1984, OF DESIRE TO REVISE, AMEND AND SUPPLEMENT ALL EXISTING AGREEMENTS GOVERNING RATES OF PAY, RULES AND WORKING CONDITIONS (ATTACHMENT "A"), AND TO REVISE AND SUPPLEMENT THE NATIONAL SUPPLEMENTAL SICKNESS BENEFIT AGREEMENT OF OCTOBER 31, 1978, AS SUBSEQUENTLY REVISED (ATTACHMENT "B"), ATTACHED THERETO, SERVED ON RAILROADS GENERALLY BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE UNITED TRANSPORTATION UNION (FORMER RAILROAD YARDMASTERS OF AMERICA), AND PROPOSALS SERVED BY THE CARRIERS FOR CONCURRENT HANDLING THEREWIT.

Alton & Southern Railway Company
Burlington Northern Railroad Company
CSX TRANSPORTATION:
   Baltimore and Ohio Chicago Terminal Railroad Company
   Baltimore and Ohio Railroad Company
   Chesapeake and Ohio Railway Company
   CSX Transportation, Inc.
   Seaboard System Railroad, Inc. which includes the
       former Seaboard Coast Line Railroad and former
       Louisville & Nashville Railroad
   Clinchfield Railroad
   Chicago and North Western Transportation Company
   Consolidated Rail Corporation
   @-Davenport, Rock Island and North Western Railway Company
   Denver and Rio Grande Western Railroad Company
   Des Moines Union Railway Company
   +-Duluth, Winnipeg & Pacific Railway Company
   +-Grand Trunk Western Railroad Company
   Houston Belt and Terminal Railway Company
   Illinois Central Gulf Railroad Company
   Kansas City Southern Railway Company
   Louisiana & Arkansas Railway Company
   Lake Superior Terminal and Transfer
   Missouri-Kansas-Texas Railroad Company
   Missouri Pacific Railroad Company
   #-Monongahela Railway Company
   +-National Railroad Passenger Corporation - Stationmasters only
      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
   #+-Pittsburgh, Chartiers & Youghioheny Railway Company
   @/-Portland Terminal Railroad Company
   Port Terminal Railroad Association
   Richmond, Fredericksburg and Potomac Railroad Company
Soo Line Railroad
Southern Railway Company
Central of Georgia Railroad Company
Cincinnati, New Orleans and Texas Pacific Railway Company
Alabama Great Southern Railroad Company
New Orleans Terminal Company
Carolina & Northwestern Railway Company
Georgia Southern and Florida Railway Company
Terminal Railroad Association of St. Louis

NOTES:

@ - Authorization excludes negotiation of the organization's notice of desire to revise and supplement existing health and welfare agreements, and such proposals as were served by the carrier for concurrent handling therewith.

# - Authorization excludes negotiation of the organization's notice of desire to revise and supplement existing wages and rules agreements, and such proposals as were served by the carrier for concurrent handling therewith.

‡ - Authorization excludes negotiation of the organization's notice of desire to revise and supplement all existing supplemental sickness agreements, and such proposals as were served by the carrier for concurrent handling therewith.

FOR THE EMPLOYEES REPRESENTED BY THE YARDMASTERS DEPARTMENT, UNITED TRANSPORTATION UNION

FOR THE CARRIERS:

June 15, 1987