

MEMORANDUM OF AGREEMENT

between

SANTA FE RAILWAY

and

UNITED TRANSPORTATION UNION (CT&Y)

Coast Lines

The Santa Fe Railway (hereinafter "Carrier") and the United Transportation Union representing the former Coast Lines (CT&Y) (hereinafter "UTU") recognizes the need to expedite the opportunity for conductor and foreman promotion and establish a formal training program for brakeman/helper. All agreement provisions in conflict with this agreement are superseded by this Agreement which will be referred to as the Brakeman/Helper Training Program and Conductor/Foreman Promotion Program.

BRAKEMAN/HELPER TRAINING PROGRAM

AND

CONDUCTOR/FOREMAN PROMOTION PROGRAM

The training program content will consist of orientation, classroom instruction and on the job training. The Carrier will provide classrooms, supply books and develop training instruction materials as needed. Examinations will be prepared and administered by the Carrier.

The training program and any intended substantial changes therein will be reviewed with Labor Relations at the request of the UTU general chairman.

1. Attendance and Training Schedule

A. The Carrier will establish a training program schedule consisting of a maximum of six (6) days per week of training in orientation (week 1) and five (5) days per week of training in each week of classroom instruction. If, however, the schedule does not require attendance on a day or days of a calendar week, trainees at other than their home point will be permitted to return to their home point and back to the training point at their own expense.

Training days will be arranged as follows:

1. Orientation training days (week 1) will be scheduled by the instructor.
2. Classroom instruction training days will be scheduled not to exceed nine

hours, including one hour for lunch.

Except in cases of bonafide illness or injury, which must be verified by acceptable medical documentation, or other documented serious emergency situation, trainees must complete all scheduled days of training in each week of orientation and classroom instruction in order to meet the requirements of the training program and be eligible to establish seniority.

A trainee who, after starting the training program, is unable to continue due to a bonafide illness or injury, verified by acceptable medical documentation; proper leave of absence; or other documented serious emergency situation will not be regarded as having failed.

1. A trainee's failure to continue, will not serve to delay the establishment of seniority by other trainees in the class.
2. If a trainee in the Conductor/Foreman Promotion Program is unable to continue, the employee, upon return to active service, will mark up and work as a brakeman/helper until such time as classroom instruction is available.

Except in the case of extreme emergency if any qualified regular or extra train/yard service employee is available, trainees will not be used in other service prior to completion of the training program.

II. Expenses

If lodging and/or meals are not provided by the Carrier, trainees will be reimbursed for reasonable and necessary travel, lodging and meal expenses incurred while engaged in orientation and classroom training as follows:

Lodging - Trainees will be eligible for lodging provided the employee's home point exceeds a thirty (30) mile radius from the location where the training program is conducted.

2. Meals

Trainees entitled to lodging will be allowed \$18.00 per day meal allowance for each day in attendance in the orientation and classroom portions of the training program unless lunch is provided by the Carrier. If lunch is provided, meal allowance will be \$12.00/day.

Trainees not entitled to lodging will be entitled to a meal allowance of \$6.00 per day for each day in attendance in the training program unless lunch is provided by the Carrier.

Meal allowances are subject to future general wages increases.

3. Travel

a. Trainees entitled to lodging will be allowed the same rate per mile generally allowed operating employees calculated by the most direct route to and from the lodging facility from the employee's home point to the location where the orientation or classroom training program is conducted.

During the one the job training portion of the training program, following the establishment of brakeman and helper seniority, trainees will be allowed expenses as provided for in the applicable UTU agreements.

III. Compensation

Employees hired after the effective date of this agreement will be compensated based on the following weekly rates subject to future wage increases:

\$400.00 per week for Field Orientation (1 week) and Classroom New Hire Instruction (1 week);

\$600.00 per week for On-the-Job Training as a Brakeman/Helper (6 weeks);

\$700.00 per week for all weeks in the Conductor/Foreman Promotion Program.

The weekly rate of pay will cover all time consumed in the training program. To receive the full rate, the trainee must be available a full six (6) days per week in orientation training and five (5) days in classroom instruction training. A trainee may not be absent without permission from the designated local supervisor or classroom instructor. One seventh (1/7th) of the weekly training rate will be deducted for each day in the calendar week a trainee is not available (including lay off from the brakeman/helper or conductor/foreman trainee boards), provided that no deduction will be made for days on which training is not scheduled.

If a trainee is used in the case of emergency service as a brakeman/helper prior to completion of the Brakeman/Helper Training Program or Conductor/Foreman Promotion Program, the trainee will be compensated for service and deadhead performed in addition to the weekly rate set forth in this Agreement at the rate payable to a pre-November 1, 1985 employee. In no case can trainee be used as Conductor/Foreman prior to promotion to Conductor/Foreman.

IV. Conductors and Foremen Participating in On-The-Job Training

When trainee(s) is on-the-job training are called to work, the trainee's ground service crew (conductor and brakeman if not conductor only or foreman and helper) will act as field instructors training the trainee in the proper performance of the duties of a brakeman or helper when involved

in the initial six (6) weeks of on-the-job training and as a conductor/foreman when involved in the three week on-the-job training for conductor under actual working conditions. The conductor or foreman will permit the trainee to perform the functions and duties of the job, including the preparation of the required reports.

Conductor and foreman field instructors will be required to complete trainee progress reports as directed.

The presence of a trainee in on-the-job training on a conductor only crew will not effect the conditions and restrictions of conductor only service.

A conductor/foreman instructing an on-the-job trainee will receive \$15.00 in addition to other earnings. A brakeman/helper or a ground crew instructing an on-the-job trainee will receive \$12.00 in addition to other earnings.

Instructor pay will not be considered a duplicate time payment and is subject to future wage increases.

Instructor pay will not be used to offset guarantee.

V. Training Program Format (Employees hired after the effective date of this agreement)

A. Brakeman/Helper Training Program:

1 week: Field Orientation: Conducted by a craft instructor. Craft instructors will be selected from applications submitted by active ground service employees to the superintendents. In the selection process for locations where there are yards, due consideration will be given to the senior engine foreman.

1 week: Classroom New Hire Instruction: To include half a day session with local chairman.

6 weeks: On-The-Job Training: Working as a brakeman/helper off of the brakeman/helper trainee board.

B. Conductor/Foreman Promotion Program:

1 week: Classroom Conductor Instruction: Practice conductor's promotion examination (no pass/fail) at end of this week.

3 weeks: On-The-Job Training: Working as a conductor off of the conductor trainee board.

1 week: Classroom: Promotion examination at the end of week 1. An employee who passes establish conductor and foreman seniority in his relative standing as a brakeman/helper.

An employee who fails will receive 1 additional week of classroom instruction.

1 week: Classroom: Second week immediately following the first week for an employee who failed the first attempt at the promotion examination. An employee who fails the second attempt to pass promotion will automatically forfeit all seniority rights in train and yard service with the carrier and be removed from train and yard service.

The following provisions will apply to employees hired after the effective date of this agreement:

A brakeman/helper trainee board will be established at the home terminal where trainees are in the first six (6) weeks segment of on-the-job training as brakemen/helpers. Trainees will rotate first-in, first-out subject to the provisions of V.C.3 below amongst themselves on a continuous basis during weeks of on-the-job training with a minimum of sixteen (16) hours off when tied up at their home terminal between trips in through freight. A minimum of sixteen (16) hours off will not apply when in on-the-job training in yard or assigned service, e.g., road switcher or local.

A conductor trainee board will be established at the home terminal where trainees are in the three (3) week segment of on-the-job training as conductors. Trainees will rotate first-in, first-out amongst themselves on a continuous basis during weeks of on-the-job training with a minimum of sixteen (16) hours off when tied up at their home terminal between trips in through freight. A minimum of sixteen (16) hours off will not apply when in on-the-job training in yard or assigned service, e.g., road switcher or local.

In order to insure that an employee in on-the-job training as a brakeman, helper, or conductor has an opportunity to train in various positions on the seniority district, board and yard runaround provisions will not apply to employees involved in the training program.

During the on-the-job training portion of the training, an employee called out of the home terminal as a brakeman or conductor trainee in pool freight service may be called to train with a home terminal or away from home terminal conductor and at the away from home terminal may be called to train with the same conductor or with an earlier conductor provided that when tied up at the away from home terminal the trainee has a minimum of 10 hours off between trips before working back with an earlier conductor.

VI. Conductor/Engine Foreman Promotion & Establishment of Seniority

Following the effective date of this Agreement, train service employees will be assigned brakeman, helper, foreman and conductor seniority as follows:

1 At the end of the second (2nd) week of the Brakeman/helper Training Program, employees from the Carrier's nonoperating crafts will be ranked highest in potential seniority in a class of trainees based on the employees' number of years of continuous service with the
(See Next Page)

Carriers, followed by new employees from outside the Carrier with previous railroad experience in train and/or engine service who will be ranked amongst themselves based on each one's cumulative number of years of experience in train and/or engine service, followed by new employees from outside the Carrier with no train and/or engine service experience whose potential seniority order will be determined by drawing numbers, the trainee drawing the highest number will establish seniority ahead of the trainee drawing the next highest number and so on. Upon successfully completing the first 2 weeks of the Brakeman/Helper Training Program, employees will utilize this seniority ranking to establish brakeman and helper division and grand division seniority.

2. Upon successfully completing the Conductor/Foreman Promotion Program and passing the final examination, employees will be ranked in this order and establish division and grand division conductor and foreman seniority on the date of the final examination.

3. If two or more classes of trainees on the grand division commence training on the same day of the week, the craft instructors will draw numbers to establish each classes' relative standing on the grand division roster with one entire class ranked ahead of the other(s).

The UTU general chairman will be provided with the name, address, social security number, home point and seniority date when an employee establishes brakeman/helper seniority. The UTU general chairman will also be provided with the name, home point and conductor's seniority date when an employee is promoted to a conductor/foreman.

An employee who fails to pass the conductor/foreman promotion examination on the second (2nd) attempt as provided in the Conductor/Foreman Promotion Program will automatically forfeit all seniority rights in train and yard service with the carrier and be removed from train and yard service.

Questions & Answers

If the employee is in classroom or orientation training at other than the home point and there is no training on a given day, what expenses will the employee receive?
The employee will be provided lodging and meal allowances.

If a trainee is in a classroom portion of the instruction, can he be used in an emergency?
No.

August 29, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 1

Dear Sir:

In our meetings concerning the Memorandum of Agreement for the Brakeman/Helper Training Program and Conductor/Foreman Promotion Program we discussed the particular circumstances of employees who are in service on the effective date of this agreement who were hired after October 31, 1985 who have never had the opportunity to be promoted to conductor and who are not promoted to a locomotive engineer or currently in locomotive engineer training. In order to promote these employees to conductor/foremen the following training and promotion program is agreed

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upon.

TRAINING PROGRAM FORMAT

2 weeks On-the-Job Training: Working as a conductor.

1 week Classroom: Promotion examination at the end of week 1. An employee who passes establish division and grand division conductor and foreman seniority in his relative standing on the brakeman/helper seniority roster. An employee who fails will receive 1 additional week of classroom instruction.

1 week Classroom: Second week immediately following the first week for an employee who failed the first attempt at the promotion examination. An employee who passes on the second attempt establish division and grand division conductor and foreman seniority in his relative standing as brakeman/helper as though he had passed on the first attempt. An employee who fails the second attempt to pass promotion automatically forfeits all seniority in train and yard service.

The following provisions will apply to this training and promotion program:

1. Employees will be notified at least thirty (30) days in advance of the first day of the training program.
2. Study guides will be furnished at the time of notification.

3. Employees participating in this training and promotion program will be compensated at a weekly rate of \$725.00 subject to future general wage increase. The weekly rate of pay will cover all time consumed in the training program. To receive the full rate, the trainee must be available a full five days per week in the classroom instruction training. A trainee may not be absent without permission from the designated local supervisor or classroom instructor. One-seventh of the weekly training rate will be deducted for each day in the calendar week a trainee is not available (including lay off from the conductor trainee board), provided that no deduction will be made for days on which training is not scheduled.

4. If lodging and/or meals are not provided by the Carrier, trainees will be reimbursed for reasonable and necessary travel, lodging and meal expenses incurred while engaged in classroom training as follows:

- a. Lodging: Trainees will be eligible for lodging provided:

The home point of a regular employee's assignment or
The location of the extra board, for an extra board employee exceeds a thirty (30) mile radius from the location where the training program is conducted.

- b. Meals

(1) Trainees entitled to lodging will be allowed \$18.00 per day meal allowance for each day in attendance in classroom training unless lunch is provided by the Carrier. If lunch is provided, meal allowance will be \$12.00/day.

(2) Trainees not entitled to lodging will be entitled to a meal allowance of \$6.00 per day for each day in attendance in the training program unless lunch is provided by the Carrier.

(3) Meal allowances are subject to future general wage increases.

c. Travel

(1) Trainees entitled to lodging will be allowed the same rate per mile generally allowed operating employees calculated by the most direct route to and from the lodging facility from the home point of a regular employee's assignment or extra board location to the location where the classroom training program is conducted.

(2) During the on-the-job training portion of the training program trainees will be allowed expenses as provided for in the applicable UTU agreements.

5. A conductor trainee board will be established at the home terminal where trainees are in the two week segment of on-the-job training as conductors. Trainees will rotate first-in, first-out amongst themselves on a continuous basis during weeks of on-the-job training with a minimum of sixteen (16) hours off when tied up at their home terminal between trips in through freight. A minimum of sixteen (16) hours will not apply when in on-the-job training in assigned service, e.g., road switcher or local.

6. In order to insure that an employee in on-the-job training as a conductor has an opportunity to train in various positions on the seniority district, board, and yard runaround provisions will not apply to employees involved in the training program.

7. During the on-the-job training portion of the training, an employee called out of the home terminal as a conductor trainee in pool freight service may be called to train with a home terminal or away from home terminal conductor and at the away from home terminal may be called to train with the same conductor or with an earlier conductor provided that when tied up at the away from home terminal the trainee has a minimum of 10 hours off between trips before working back with an earlier conductor.

8. If a trainee is used in the case of emergency service and a brakeman/helper while participating in this training and promotion program, the employee will be compensated for service and deadhead performed in addition to the weekly rate payable to pre November 1, 1985 employee.

9. Employees not available to go through this training and promotion program due to a bone fide illness, authorized leave of absence, or other serious emergency situation verified by acceptable documentation; or employees who are dismissed and later reinstated, who upon return to active service, successfully pass the promotion at the first opportunity will establish seniority as though they had been available and had passed the examination.

(From Agreement November 1994)

August 29, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 2

Dear Sir:

The following provisions prescribed how conductor/foreman seniority is established for certain employees who are currently in engineer training or have already completed engineer training and have not yet established conductor/foreman seniority.

An employee who became a locomotive engineer after October 31, 1985 or who is currently in engineer training who had not been promoted to a conductor/foreman will be considered as having parsed conductor and foreman promotion but will not be able to exercise conductor or foreman (if not already promoted to an engine foreman) seniority until employees in hire/promotion class are afforded the opportunity to take conductor/foreman training and promotion. At that time, the promoted engineer will not be required to take the conductor promotion examination but will be assigned conductor's seniority in relative standing based on his brakeman's seniority date.

Should a promoted engineer who is assigned conductor's seniority under this side letter return to ground service, he will be required to go through the first three weeks of the training program format for current employees as outlined in Side Letter No. 1 except that he will not be required to take or pass the conductor's promotion examination at the end of the third (3rd) week and will, therefore, will not take the fourth (4th) week of training outlined in Side Letter No. 1. All other provisions of Side Letter No. 1 will apply to employees in this three (3) week conductor training program.

Please signify your agreement by signing below.

Yours truly,
John J. Flops
Vice President Labor Relations

Agreed:
General Chairman, UTU (CT&Y)

August 29, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095
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Side Letter No. 3

Dear Sir:

This is to confirm our understanding in connection with health care benefits for train service employees who are suspended and their dependents.

We agree that when an employee represented by your committee is suspended, the Carrier will continue to pay the premiums normally required of it to the appropriate insurance provider(s) so that the suspended employee and his dependents may retain health care coverage during the period of the suspension to the same extent which would be so if the employee were still in service.

August 29, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 4

Dear Sir:

Without diminishing any existing rules concerning ground service employees requesting additional rest at home terminal, the following provisions will apply in through freight service.

1. A trainmen in through freight tying up at home terminal, who accumulated at least eight (8) consecutive hours chargeable to the Hours of Service Law, including continuous time trips of eight (8) hours or more, may request to have prior to his next trip fourteen (14) hours of rest at home terminal as long as allowing additional rest will not delay trains.
2. A trainman requesting additional rest must do so to the crew technician at the time of tie-up.
3. A tie-up granted by the crew technician under this agreement cannot later be revoked by the employee or taken away by the Carrier and must be for 14 hours.
4. When a tie-up is granted under this agreement following trainmen will without penalty be run around the trainman tying up for rest.
5. A trainman tied up for additional rest under this agreement will not be considered as having missed a call if called outside of the regular calling time for 14 hours rest.

August 29, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 5

Dear Sir:

If the following accurately reflects what we agreed to in our discussions in connection with the UTU Brakeman/Helper Training Program and Conductor/Foreman Promotion Program between the parties dated, please signify by signing below.

Bereavement leave will be allowed in case of death of an employee's brother, sister, parent, child, spouse, or spouse's parent.

NOTE: In connection with the above, death of a half-brother, half-sister, stepbrother, stepsister, stepparents, or stepchildren would entitle an employee to bereavement leave. This rule is also applicable to a family relationship through the legal adoption process.

In such cases, three (3) minimum days' pay at the rate of the last service rendered will be allowed for the three (3) days following date of death provided an employee is off on those days. An employee need not have stood to work on one or more of the days in order to receive bereavement leave pay.

NOTE: Bereavement pay will not be applicable during an employee's vacation. Also, if an employee qualified for holiday pay on holiday which occurs on a day the employee also qualifies for bereavement leave pay, he would only be entitled to one basic day's pay for that day.

(c) Employees involved will make provision for taking leave with their supervisor in the usual manner.

August 29, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 6

Dear Sir:

This is to confirm our understanding in connection with jury duty for train service employees.

ARTICLE XIII - Jury Duty
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(a) When a trainman is summoned for jury duty and is required to lose time from his assignment as a result thereof he will be paid for actual time lost with a minimum of basic day's pay at the straight time rate of his position for each calendar 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 trainman 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 will 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 on which the trainman is entitled to vacation or holiday pay.

August 30, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 7

Dear Sir:

The following provisions prescribe how trainmen will be able to float vacations. Conductors, brakemen, and yard men entitled to two (2) or more weeks vacation, whether assigned to take their entire vacation in one period or split in to two (2) periods, may, at any time prior to the assigned starting time of their vacation period(s), request do lay off and count one or two week(s) of such layoff time as the beginning or concluding portion of their assigned vacation. If an employee has scheduled a split vacation, the float will be taken from the beginning or concluding portion of the nearest unobserved split period. Such requests must be in writing and present prior to time of lay off. It will be the responsibility of the individual to notify the crew clerk in writing prior to the start of his assigned vacation that he has previously taken one (1) or two (2) week(s) of his vacation. Such layoff and float will be permitted only when, in the opinion of the Management, relief can be afforded. This will permit an employee to possibly take vacation in five (5) separate week increments.

Also, the Carrier will grant the float of vacations provided that there are sufficient employees to protect the service.

The provisions of this Side Letter will take effect beginning January 1, 1995.

August 30, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 8

Dear Sir:

This will confirm our understanding in connection with the Brakeman/Helper Training Program that upon implementation of the Brakeman/Helper Training Program and Conductor/Foreman Promotion Program Agreement the probationary period for new ground service employees will be eight (8) calendar weeks instead of ninety (90) calendar days in order to be consistent with the format of the training program.

August 30, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 9

Dear Sir:

The following will confirm our understanding in connection with calling employees to attend classes provided for in the Operating Department Mandatory Rules Class Agreement and this Retraining Program Agreement:

The Carrier will schedule classes.

The Carrier's representative will schedule ground service employees no later than 10:00 p.m. the day before the class begins to attend classes on a particular date and the employee will be obligated to attend such class or secure permission to be absent. Employees will not be required to attend rules classes during their assigned vacation period nor will they be required to attend when they are already laying off or on assigned rest day.

Ground service employees may volunteer to attend classes are scheduled by contacting the Crew Technician.

All other provisions of Operating Department Mandatory Rules Class Agreement and the Retraining Program Agreement remain intact.

August 30, 1994

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, CA 92705-4095

Side Letter No. 10

Dear Sir:

This confirms our understanding in connection with anniversary dates for purposes of vacation entitlement.

For purposes of determining an employee's entitlement to vacation under agreement rules, his anniversary date will be January 1 of the year in which he was first employed in the CT&Y craft. For example, an employee with a July 15, 1963 employment date will have an anniversary date for vacation purposes of January 1, 1963.

If the foregoing correctly sets forth our understanding in this regard, please so indicate by signing in the space provided below.

Yours truly,

John J. Fleps
Vice President - Labor Relations

Agreed
J. F. Holden
General Chairman, UTU (CT&Y)

January 4, 1995

File No. BX-0-22

LOCAL CHAIRMEN
AND SECRETARIES
UNITED TRANSPORTATION UNION
ALL LOCALS
SANTA FE, COAST LINES

Dear Sirs and Brothers:

The following Board Codes will be used for the New Hire employees, and the Side Letter No. 1 and Side Letter No. 2 employees for Brakeman/Helper Training Program and Conductor/Foreman Promotion Program.

Board No. 75 will show the location of New Hire brakemen

Board No. 76 will show the location of employees starting conductor training.

Board No. 77 will show the on-the-job training location for Side Letter No. 1 and Side Letter No. 2 employees.

Please let us know if you have any questions.

Fraternally yours
John F. Holden
General Chairman

March 24, 1995

Files Nos. BX-16-T and BX-MGT

LOCAL CHAIRMEN
SECRETARIES AND TREASURERS
UNITED TRANSPORTATION UNION
ALL LOCALS
SANTA FE COAST LINES

Dear Sirs and Brothers:

I am writing to you in regard to Side Letter No. 1 of the Brakeman/Helper Training Program and Conductor/Foreman Promotion Program that was effective November 22, 1994.

A copy of a letter dated March 8, 1995, from Director of Labor Relations Milton H. Siegel is attached for your review and files that further confirms our members who were employed prior to November 22, 1994 and passed the required examination for promotion will establish Division and Grand Division Conductor and Foreman seniority in his/her relative standing on the Brakeman/Helper Seniority Rosters ahead of employees hired after November 22, 1994.

Please contact our office for further assistance if you have any Questions.

Fraternally yours,
John F. Holden
General Chairman

March 8, 199
47-1690
43-2000-70-3

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 E. First Street, Suite 112
Santa Ana, California 92705-4095

Dear Sir:

I am writing to confirm our discussions related to the establishment of seniority as a conductor/foreman for any employee who is promoted under the provisions of Side Letter No. 1 of our November 27, 1994 agreement.

While I believe that Side Letter No. 1 is clear as concerns the establishment of seniority as a conductor/foreman, I will reiterate my understanding. An employee who passes the promotion examination (either the first promotion examination or the second, if necessary) will establish division and grand division conductor and foreman seniority in his relative standing on the brakeman/helper seniority rosters behind all train service employees who were promoted to conductor before November 27, 1994. So it is irrelevant when an employee takes Side Letter No. 1 promotion. If an employee passes the promotion examination, he/she will retain his/her relative standing on the seniority rosters.

Yours truly,
Milton H. Siegele, Jr.
Director - Labor Relations

Subject: New Hire Seniority

File No. 47-2000-40

Following is the manner in which seniority should be established for new train and yard service employees.

First in establishing seniority in a class of new train/yard service employees will go to non-operating department employees currently working on the Santa Fe who have transferred into train service. If there is more than one non-op employee in a class of new train and yard service employees, the non-op employees will establish seniority ranking amongst each other based on each ones total number of years of continuous Santa Fe service.

Second in establishing seniority will be new employees hired off the street who have prior train yard and/or engine service experience on Santa Fe or another railroad. If there is more than one of these employees in a class of new train and yard service employees, they will be ranked amongst each other based on each ones total accumulated time in train, yard, and/or engine service prior to being hired or rehired by Santa Fe.

New employees hired off the street who have no prior railroad experience in train, yard, and/or engine service will draw straws to determine seniority ranking following those new employees with prior railroad experience.

Once their relative standing has been established and the new employees in train and yard service have completed their training they will go to the board based on this relative standing determined as outlined above.

In order to prevent the problems that arise in determining grand division seniority when there is more than one class of trainees on a former grand division, the classes for trainees should be arranged so that they do not graduate and establish seniority on the same day. This will prevent disputes as to which class establishes grand division seniority first.

If you have any questions concerning this process, please contact the Regional Manager - Labor Relations on your territory.

John J. Fleps

April 27, 1995
42-2200-60

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
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2110 First Street, Suite 112
Santa Ana, California 92705-4095

Dear Sir:

I write concerning our discussion about train and yard service employees who, rather than be furloughed on their current seniority district exercise their Coast Lines seniority in order to continue to work and, in particular, the predicament caused when a class of locomotive engineer trainees called up on the new seniority district and based on seniority the transferred employee would be required to accept locomotive engineer training. Following is our understanding in this regard:

A Post October 31, 1985 train or yard service employee who has transferred under Coast Lines seniority to a new seniority district for the sole purpose of continuing to work and not be furloughed on the prior seniority district will not be required to accept locomotive engineer training on the new seniority district provided that the employee has a request in to return to the prior seniority district when seniority permits. The employee who would have otherwise been required to accept locomotive training must return to the prior seniority district when seniority permits. If an employee who has transferred under these circumstances chooses to enter the locomotive engineer training program at the new location, the employee may do so.

It is understood that this will only apply to employees who would have otherwise been furloughed and not to employees who under non-furloughed circumstances exercise Coast Lines seniority.

If you are in agreement, please signify by signing in the space provided below.

Respectfully,
Marka L. Hughes
Director - Labor Relations

AGREED:
John F. Holden
General Chairman, CY&Y

April 27, 1995

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 First Street, Suite 112
Santa Ana, California 92705-4095

Dear Sir:

I write to confirm our conversation regarding Article XIII, Section 4(3) of the United Transportation
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Union 1985 National Agreement concerning train service employees establishing seniority after October 31, 1985 taking engine service assignments and specifically how post October 1985 train service employees go into engine service training. The following interpretation of this section of Article XIII will apply to the Old Albuquerque Division seniority district train service employees going into engine service training at Phoenix, Winslow, and Belen west:

When a class of engine service trainees is scheduled for Phoenix, Winslow, or Belen west, post 1985 train service employees working on the Old Albuquerque Division seniority districts will be canvassed in seniority order to fill the class. Once an employee has turned down the scheduled class, he must declare a preference from the other two (2) locations on this trainmen's seniority district. This declaration is irrevocable on this trainmen's seniority district.

After having canvassed all post 1985 train service employees on the seniority district, if there are insufficient post 1985 train service employees to fill the engineer training class, the senior post 1985 train service employee on the district will be required to accept engineer training in the class or forfeit all train service seniority, in line with Article XIII, Section 4(4) of the United Transportation 1985 National Agreement.

If the above correctly outline our understanding in this regard, please signify by signing in the space provided below and it will become effective at 12:01 a.m., April 29, 1995.

April 27, 1995

Mr. J. F. Holden
General Chairman
United Transportation Union
2110 E. First Street, Suite 112
Santa Ana, CA 92705-4095

Dear Sir:

The following questions and answers apply to the letter of understanding effective April 29, 1995 concerning the application of Article XIII, Section 4(30) of the United Transportation Union 1985 National Agreement.

Q1) If a trainman turns down the opportunity to go into engine service class when canvassed, is he required to declare a preference from amongst the remaining locations for engine service training on his trainmen's seniority district?

A1) Yes

Q2) Once a declaration is made by a trainman, will he be canvassed again for engine service training on his trainmen's seniority district?

A2) No. He will either go into engine service training at his declared location of preference when vacancies occur at that location based on his relative seniority standing or be required to accept engineer training at a location other than the one preferred. The later outcome will occur if there are vacancies for engineer training in a class and there are not enough trainmen on the trainmen's seniority district who have elected to go into engineer training at that location, which will result in the senior trainman on the district being required to go into engineer training at that location or forfeit all train service seniority.

Q3) It is possible that a trainman could turn down an opportunity to be in an engine service training class at a location and then be required, based on relative seniority standing, to accept engine service training at that location in a subsequent class, thereby having a lower engineer's seniority date?

A3) Yes. For example: there is an engineer's class called for Winslow and when canvassed the engineer declares himself for Belen west. Other trainmen accept training at Winslow and that particular class is filled. Six months later, another class is called for Winslow, but there are not enough trainmen on the seniority district who accept engine service training to fill

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the class at Winslow. The senior trainman will be required to accept engineer training at Winslow or forfeit all trainmen's seniority. When he completes training in the class which he was required to enter at Winslow, his seniority date will be six (6) months later than it would have been had he gone into the previous class at Winslow when first canvassed.

Q4) Does this understanding effect the stay at home provisions of the Coast Lines Seniority Agreement? In other words, will a trainman be canvassed to go into engine service training off of