

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

Brotherhood of Maintenance of Way Employees
Affiliated with the A.F.L.-C.I.O. and C.L.C.

March 4, 1994

3231 Agr
7/29/91
SelCmte-WFS

ALL BN, CSX AND N&W
GENERAL CHAIRMEN

Re: Work Force Stabilization

Dear Sirs and Brothers:

Attached hereto is the Work Force Stabilization Program established in accordance with the provisions of Articles XIV and XV of the Imposed Agreement of February 6, 1992, implementing the provisions of Public Law 102-29 (July 29, 1991).

If you should have any questions concerning the attached, please contact your respective regional Vice President.

In solidarity,

President

Attachment

cc: U.S. Vice Presidents
Mr. S. V. Powers
Mr. J. Myron

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WORK FORCE STABILIZATION

In accordance with the provisions of Articles XIV and XV of the Imposed Agreement of February 6, 1992, implementing the provisions of Public Law 102-29 (July 29, 1991), the following Work Force Stabilization program is established and implemented.

I. COVERAGE

A. Initial Coverage

The Work Force Stabilization program (WFS program) shall cover employees assigned to any gang established under Article XIII of the February 6, 1992 Imposed Agreement during the relevant calendar year (WFS gang). An employee initially assigned to such gang when it first commences work during the production season for the calendar year shall be considered an eligible employee and entitled to a six month period of work (WFS work benefit) or unemployment benefits in lieu thereof (WFS unemployment benefit), subject to the terms and conditions specified herein.

B. Transfer of Coverage

1. When an employee is assigned to fill a vacant position on a WFS gang formerly held by an eligible employee, such employee shall be entitled to the remainder of the predecessor's WFS benefit; i.e., the six month period less the sum of the time worked on the gang by the predecessor (or predecessors) plus the period during which the position was vacant.

2. If an eligible employee is cut off from a WFS gang by carrier action and, through displacement onto another position, triggers a chain of displacements that directly causes a junior employee to be furloughed, such furloughed employee (subject to the terms and conditions specified herein) shall assume the remainder of the WFS benefit of the eligible employee who initiated the chain of displacements; i.e., the six month benefit period less the sum of the time worked on the gang by the eligible employee who initiated the chain of displacements plus the period of time elapsed before the affected employee is furloughed.¹

¹ If such displacements are initiated by an employee who filled a vacancy on a WFS gang formerly held by an eligible employee ("replacement"), the WFS benefit period for the furloughed junior employee shall be six months less the sum of (a) the time worked on the gang by the replacement and his or her predecessor, plus (b) the period of time elapsed before the junior employee is furloughed.

II. BENEFITS

A. Levels

1. An eligible employee assigned to a WFS gang will be provided the WFS work benefit in the calendar year or, if laid off by action of the carrier, paid the WFS unemployment benefit for the remainder of the six month period. The WFS unemployment benefit level(s) will equal the sum of the basic monthly benefit for Class I, II or III, as applicable, provided by the BMW Supplemental Sickness Benefit Plan, plus the monthly RUIA benefit. The RUIA waiting period and other provisions will not be applicable. While such WFS unemployment benefits are being paid to an eligible employee by the carrier, the employee will not be deemed unemployed for purposes of RUIA and, therefore, will be ineligible to apply for RUIA benefits for such period. Upon exhaustion of the WFS unemployment benefit, an employee who remains unemployed and otherwise qualified for RUIA benefits shall be eligible to apply for same.

2. WFS unemployment benefits provided an eligible employee shall be considered the same as BMW Supplemental Sickness benefit payments with respect to entitlement to other fringe benefits such as qualifications for holidays, vacations, health and welfare coverage, etc.

B. Conditions

1. WFS unemployment benefits are payable only in the event an eligible employee is laid off by action of the carrier. Therefore, in order to qualify for benefits, an eligible employee on a covered gang whose job is abolished must exercise all work opportunities afforded by seniority.

2. An eligible employee on a WFS gang who leaves that gang for any reason other than by carrier action shall not be entitled to any WFS benefits. Such departures will include, for example, voluntary departures due to bidding, sickness, injury, death, retirement, disciplinary action, displacement or disqualification under applicable collective bargaining agreements.

III. EXERCISE OF SENIORITY BY AFFECTED EMPLOYEES

A. If an employee assigned to or displaced by an employee assigned to a WFS gang becomes eligible to receive a WFS unemployment benefit as a result of such a gang being discontinued in whole or in part for reasons other than an emergency condition, and such employee is unable in the exercise of his or her seniority rights under existing agreement rules and practices to obtain a position, the employee shall, during his or her protective period, be paid a monthly allowance as provided in Article II hereof.

B. An employee assigned to or displaced by an employee assigned to a WFS gang who becomes eligible to receive a WFS unemployment benefit may be offered the opportunity to fill a vacant position² on any gang within the territory in which that employee's initial WFS gang was programmed to work, provided the members of such gang are covered by an away-from-home expense reimbursement rule as provided in the applicable collective bargaining agreement. If the carrier offers such a position to the employee eligible to receive a WFS unemployment benefit and the employee elects not to accept such position, the carrier's obligation to continue to pay the WFS unemployment benefits to the employee will cease unless 30 days or less remain in the duration of the employee's protective period; provided, the employee may still accept the position in lieu of receiving WFS benefits.

1. If the employee accepts the carrier's offer of such position, the carrier shall pay the employee for both travel time and mileage reimbursement at the applicable rate of that carrier for travel from the employee's home to the carrier's designated lodging facility for the vacancy in question for the initial reporting.

2. At the conclusion of the employee's protective period, the employee shall have the option of remaining on the position in question or being allowed to exercise the options available to the employee under the terms of that individual's local agreement as if that position were abolished. On the return trip, mileage reimbursement will be provided.

IV. NOTICE

A. Pursuant to Article XIII, each carrier is required to provide at least ninety (90) days written notice of its intention to establish regional or system-wide production gangs. To encourage and facilitate timely and full discussion of relevant issues, each carrier shall provide notice to the appropriate organization representative of its tentative plans to establish WFS gangs no later than 75 days preceding the beginning of the calendar year for which the programmed work is scheduled.

B. This notice requirement will be effective for the 1994 work season and beyond but will not be applicable on a carrier on which an arbitration award or voluntary agreement has already set forth notice requirements. However, a carrier not required to provide notice pursuant to Article XIII will, prior to the beginning of each production season beginning with the 1994 work season, provide notice pursuant to Article XIV of the number and staffing of the regional or system-wide production gangs to be established for such season.

² Vacant position as used herein is intended to mean a position which the carrier is unable to fill from within the existing Maintenance of Way work force under the applicable agreement and would otherwise only be filled by employment of a new hire.

V. EMERGENCY CONDITION

A. An emergency condition shall include, for example: (i) flood, hurricane, tornado, snow storm, earthquake, fire; (ii) a labor dispute; (iii) occasions of economic adversity; or (iv) situations in which necessary materials are unavailable because of an unanticipated event beyond the carrier's control.

B. In determining whether an emergency condition exists, all relevant factors should be considered; i.e., the kind of weather condition, location, time of year, etc. It is intended that the rule of reason apply; i.e., was the event reasonably foreseeable or unforeseeable; ordinary or extraordinary.

C. Work force changes due to budget adjustments, standing alone, shall not automatically qualify as an emergency condition.

D. In the event a carrier claims an emergency condition exists, the appropriate General Chairman, if he or she so requests, shall be advised as to the nature of the emergency and other relevant information as to its character that is available to the carrier. If the General Chairman disagrees as to whether an emergency condition exists, the dispute shall be submitted to the Select Committee for its consideration as soon as possible.

VI. EMPLOYEE UTILIZATION DURING AN EMERGENCY CONDITION

A. If an emergency condition occurs that causes suspension of a WFS gang's work but does not preclude completion of at least six months of such work through gang operations during the remainder of the calendar year, WFS benefits for such gang members shall be suspended for the duration of an emergency.

An eligible employee on such a gang may:

1. defer exercising seniority to other available positions without forfeiting either seniority or any WFS rights and assume furlough status until the WFS gang resumes work--

(a) if the WFS gang has not resumed work within thirty (30) days after its work was suspended, such employee shall have the right at that time to exercise seniority as provided in paragraph 2 below,

(b) upon resumption of operations by the WFS gang, any such employee who has not exercised the right to exercise seniority set forth in 1(a) above shall return to the WFS gang job to which assigned immediately before the emergency occurred, and if the employee fails to return to such job when the WFS gang resumes operation, the status of such employee shall be governed by the terms of the applicable collective bargaining agreement; or,

2. exercise seniority onto other positions and such exercise waives any preferential right of the employee to return to the WFS gang job held immediately prior to the emergency. An employee awarded a vacated WFS position pursuant to rebulletining would inherit the remainder of the predecessor's WFS rights.

B. If an emergency condition occurs that makes it impossible for a gang to actually perform at least six months of work in a calendar year, the carrier's WFS obligation to an affected eligible employee for the remainder of that calendar year will cease.

VII. FUNCTION OF SELECT COMMITTEE

A. In accordance with its charter, the Select Committee shall continue in existence to help ensure that this program is applied and utilized effectively and evolves to achieve its full potential. Its specific duties shall include:

1. Monitoring WFS Program. The Select Committee shall have the authority to revise and amend the current program in order that it achieve intended results. In light of this, the Select Committee has refrained from addressing many hypothetical issues, choosing rather to reserve its right to make revisions and amendments upon observing actual experience under the program.

2. Dispute Resolution. The Select Committee shall also function as a dispute resolution forum and the Select Committee shall be the forum for resolving disputes arising under the relevant Articles of the February 6, 1992 Imposed Agreement except where it does not have jurisdiction or declines to exercise jurisdiction and designates the appropriate forum. When either party requests the Select Committee to adjudicate a claim or dispute, the Select Committee shall make a threshold determination over whether the Select Committee properly has jurisdiction over the particular dispute or claim.

If the Select Committee asserts jurisdiction over a dispute or claim, it will have full authority to fashion any appropriate remedy. In addition, the Select Committee will exercise its discretion, consistent with due process, as to the appropriate procedure for resolving a dispute or claim.

If the Select Committee determines the dispute or claim is beyond its jurisdiction or declines jurisdiction and designates the appropriate forum, the time limits involved in any associated claims and grievances will be held in abeyance until thirty (30) days after the parties on the property have received the claim or dispute from the Select Committee.

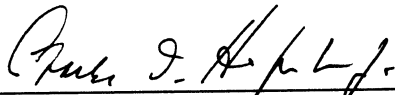
In the event a dispute is returned to the local property, the claim shall be submitted to the highest carrier official assigned to handle such disputes and thereafter progressed in accordance with applicable local rules.

B. Notwithstanding the provisions of Part A of this Article, claims and disputes over the scope and meaning of "emergency" as used in Article V and over the scope and meaning of "economic adversity" as used in Article V are within the jurisdiction of the Select Committee.

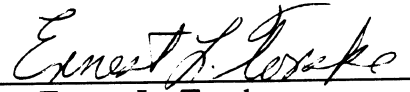
C. Notwithstanding the provisions of Part A of this Article, a claim involving WFS unemployment benefits, as set forth in Article II, shall be filed directly with the Carrier's highest designated officer designated to receive such claims. If such claim is denied in whole or in part by the designated Carrier Officer, such Officer and the General Chairman shall promptly confer on the matter. The General Chairman may submit such claim to the Select Committee which shall assert jurisdiction over such claim.

VIII. EFFECTIVE DATES

A. This WFS Program became effective on January 18, 1994. The WFS Program will be applied retroactively back to July 29, 1991.



Charles I. Hopkins, Jr.
Carrier Member



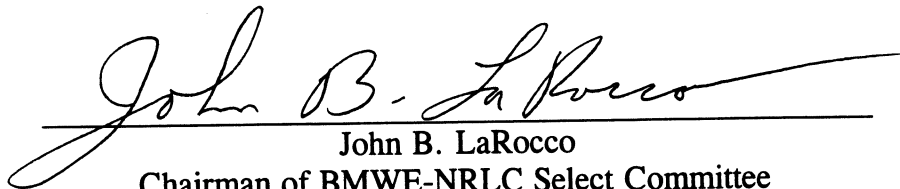
Ernest L. Torske
BMW Member



Kenneth R. Peifer
Carrier Member



Clarence Foote
BMW Member



John B. LaRocco
Chairman of BMW-NRLC Select Committee