

MEDIATION AGREEMENT

THIS AGREEMENT, made this ___ day of _____, 2022 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 shown thereon and represented by the International Association of Machinists and Aerospace Workers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2020, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2021 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

- (a) Hourly Rates -
Add 3 percent to the existing hourly rates of pay.
- (b) Daily Rates -
Add 3 percent to the existing daily rates of pay.
- (c) Weekly Rates -
Add 3 percent to the existing weekly rates of pay.
- (d) Monthly Rates -
Add 3 percent to the existing monthly rates of pay.
- (e) Disposition of Fractions -
Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.
- (f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with

the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2021 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2021 for employees covered by this Agreement shall be increased by three-and-one-half (3.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2022 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2022 for employees covered by this Agreement shall be increased by seven (7) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2023 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2023 for employees covered by this Agreement shall be increased by four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2024 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2024 for employees covered by this Agreement shall be increased by four-and-one-half (4.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II – SERVICE RECOGNITION BONUSES

Section 1 – First Service Recognition Bonus

(a) A lump sum payment in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and November 30, 2020 and who: (1) maintains an active employment relationship with the carrier as of December 1, 2020; or (b) retired or died on or after January 1, 2020.

Section 2 – Second Service Recognition Bonus

(a) A lump sum payment in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and November 30, 2021 and who: (1) maintains an active employment relationship with the carrier as of December 1, 2021; or (b) retired or died on or after January 1, 2021.

Section 3 – Third Service Recognition Bonus

(a) A lump sum payment in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and September 13, 2022 and who: (1) maintains an active employment relationship with the carrier as of September 13, 2022; or (b) retired or died on or after January 1, 2022.

Section 4 – Fourth Service Recognition Bonus

(a) A lump sum payment in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and November 30, 2023 and who: (1) maintains an active employment relationship with the carrier as of December 1, 2023; or (b) retired or died on or after January 1, 2023. The payment will be made no later than December 31, 2023.

Section 5 – Fifth Service Recognition Bonus

(a) A lump sum payment in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and November 30, 2024 and who: (1) maintains an active employment relationship with the carrier as of December 1, 2024; or (b) retired or died on or after January 1, 2024. The payment will be made no later than December 31, 2024.

ARTICLE III - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 – Continuation of Plan

The Railroad Employees National Health and Welfare Plan (“the Plan”), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, shall be continued subject to the provisions of the Railway Labor Act.

Section 2 – Plan Design Changes

(a) Effective January 1, 2023, the Plan’s Managed Medical Care Program (“MMCP”) and its Comprehensive Health Care Benefit (“CHCB”) shall be modified with respect to hearing

benefits to increase the maximum annual payment for tests and examinations, including those by an audiologist or hearing aid dispenser, to diagnose and determine the cause of a hearing loss, and for a hearing aid necessary to restore lost, or help impaired, hearing, to \$2,000.

(b) Effective January 1, 2023, the MMCP, CHCB, and Mental Health and Substance Abuse programs, as applicable, shall be modified to add coverage for the diagnosis and treatment of Autism Spectrum Disorder, without application of age or dollar limitations (other than generally applicable cost-sharing requirements under the terms of the Plan). Coverage for the treatment of Autism Spectrum Disorder shall include speech therapy, Applied Behavior Analysis, and other medically appropriate intensive behavioral therapies; provided that any such coverage shall be subject to medical management processes (such as prior authorization or treatment plan requirements) applied by the company administering the member's benefits.

Section 3 – Other

(a) The parties agree to direct their representatives to the Plan's Joint Plan Committee (JPC) to participate in the JPC's design and implementation, in a timely fashion, of an appropriate service provider rebid process to ensure that current costs are competitive and not excessive.

Part B – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2023, each employee covered by this Agreement shall contribute to the Plan, for each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for the employee and/or the employee's dependents, a monthly contribution equal to 15% of the Carriers' Monthly Payment Rate. Effective on each subsequent January 1, the monthly employee cost-sharing contribution shall be adjusted to reflect 15% of the Carriers' Monthly Payment Rate for the relevant year.

(b) For purposes of subsection (a) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits, and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions in the aforementioned plans.

Section 2 – Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part B shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 – Method of Making Employee Cost-Sharing Contributions

Employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

ARTICLE IV – PERSONAL LEAVE

Each employee shall be provided with an additional paid day off and will elect, by providing notice to the employer during the prior year's vacation scheduling process, to use the additional paid day off as:

- (a) a personal leave day to be scheduled during the upcoming year, subject to rules associated with personal leave days;
- (b) an additional single use vacation day to be scheduled during the upcoming year, subject to rules associated with single use vacation days; or
- (c) an awarded day off on the employee's birthday during the upcoming year or, if such birthday falls on a scheduled rest day, on the working day immediately preceding or following the employee's birthday, subject to rules associated with scheduled vacation.

An employee who does not make an election during the prior year's vacation scheduling process will be considered to have selected option (b).

ARTICLE V – GENERAL PROVISIONS

Section 1 - Court Approval

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

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2019 (including any notices outstanding as of that date), and the notices served by the organization

signatory hereto upon such carriers on or subsequent to November 1, 2019 (including any notices outstanding as of that date).

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2024 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) No party to this Agreement shall serve or progress, prior to November 1, 2024 (not to become effective before January 1, 2025), any notice or proposal.

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

(Remainder of Page Intentionally Blank)

SIGNED AT ARLINGTON, VA, THIS __TH DAY OF _____, 2022.

**FOR THE PARTICIPATING
CARRIERS LISTED IN
EXHIBIT A:**

**FOR THE INTERNATIONAL
ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS:**

_____, 2022

#1

Mr. Kyle Loos
President/Directing General Chairman
International Association of Machinists
and Aerospace Workers – District Lodge 19
7220 Eagle Drive
Lincoln, NE 68507

Dear Mr. Loos:

This confirms our understanding with respect to the general wage increases provided for in Article I, Sections 1, 2 and 3 and the service recognition bonuses provided for in Article II, Sections 1 and 2 of the Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increases and service recognition bonuses as soon as possible and no later than sixty (60) days after the date of this Agreement. The carriers will make the service recognition bonus payment provided for in Article II, Section 3 of the Agreement at the same time as the aforementioned retroactive payment.

If a carrier finds it impossible to make such payments by that date, such carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Very truly yours,

Brendan M. Branon

_____, 2022
#2

Mr. Kyle Loos
President/Directing General Chairman
International Association of Machinists
and Aerospace Workers – District Lodge 19
7220 Eagle Drive
Lincoln, NE 68507

Dear Mr. Loos:

This refers to the increase in wages and the service recognition payments provided for in Sections 1, 2 and 3 of Article I and Sections 1 and 2 of Article II of the Agreement of this date.

It is understood that the retroactive portion of those wage increases and service recognition payments shall be applied only to employees who have an employment relationship with a carrier on the date of this Agreement or who retired or died subsequent to June 30, 2020 in the case of the wage increases and November 30, 2020 in the case of the service recognition payments.

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

Very truly yours,

Brendan M. Branon

I agree:

K. Loos

Mr. Kyle Loos
President/Directing General Chairman
International Association of Machinists
and Aerospace Workers – District Lodge 19
7220 Eagle Drive
Lincoln, NE 68507

Dear Mr. Loos:

This confirms our understanding with respect to the tentative agreement of this date that would resolve our respective bargaining notices served on or subsequent to November 1, 2019 ("Tentative Agreement or TA").

If the railroads in national handling collectively enter into a voluntary and ratified national agreement ("New Agreement") to resolve the national notices served on or after November 1, 2019 with any labor organization that provides, in the aggregate, materially greater overall economic value to the employees represented by that organization than is provided for in the report of Presidential Emergency Board No. 250 with respect to that craft, IAMAW may request that the same value, measured on a GWI-equivalent basis, be added to the Tentative Agreement in a manner to be determined by the parties.

If the President/Directing General Chairman of the IAMAW believes that a New Agreement has potentially triggered the understanding in this letter, he shall, within 30 days of the date such New Agreement is ratified, provide prompt written notification to the Chairman of the NCCC, and the national parties shall confer within fifteen (15) calendar days to discuss further handling of the matter. Any disagreement between the parties regarding the interpretation or application of this understanding shall be resolved through final and binding party-paid arbitration.

This agreement shall be non-precedential and shall not be referenced in any forum except for the limited purpose of enforcing its terms. This agreement shall expire and have no further effect with respect to a national agreement reached by another labor organization 30 days after the date that the applicable national agreement is ratified.

Please acknowledge your agreement by signing in the space below.

Very truly yours,

Brendan M. Branon

I agree:

K. Loos

**EXHIBIT A
(IAM)**

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2019 BY AND ON BEHALF OF SUCH CARRIERS UPON THE INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2019 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the International Association of Machinists & Aerospace Workers.

Alton & Southern Railway Company
The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
Delaware & Hudson Railroad Company d.b.a. C.P. - 2
Gary Railway Company – 1
Grand Trunk Western Railroad Company d.b.a. C.N.
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation
 The Texas Mexican Railway Company
 Joint Agency
New Orleans Public Belt Railroad Corporation - 3
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Company
 Georgia Southern and Florida Railway Company
 Interstate Railroad Company
 Tennessee, Alabama and Georgia Railway Company

Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) – 2
Palmetto Railways
Portland Terminal Railroad Company
Port Terminal Railroad Association
Soo Line Railroad Company d.b.a. C.P. - 2
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company
Wisconsin Central Ltd. d.b.a. C.N.

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Notes:

- 1 - Health & Welfare only
- 2 Health & Welfare and Supplemental Sickness only
- 3 - Wages, Health & Welfare and Supplemental Sickness only

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FOR THE CARRIERS:

**FOR THE INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS:**

_____, 2022
Arlington, VA