

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 86/2

3133 HT AK RRR/STAGGERS RAIL ACT - EMPLOYEE INFO. (FILE 1) 3133

"11167. Report.  
"11168. Authorization of appropriations."

**CIVIL PENALTIES FOR VIOLATIONS OF ACCOUNTING PRINCIPLES PROVISIONS**

SEC. 303. (a)(1) Chapter 119 of title 49, United States Code, is amended by inserting immediately after section 11913 the following new section:

**"§ 11913a. Accounting principles violations**

"Any rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title that fails to obtain final certification of its cost accounting system under section 11164(b) of this title shall be fined not less than \$50,000."

(2) The section analysis of chapter 119 of title 49, United States Code, is amended by inserting immediately after the item relating to section 11913 the following new item:

**"11913a. Accounting principles violations."**

(b) Section 11910 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) A person that knowingly discloses confidential data made available to such person under section 11165 of this title by a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title shall be fined not more than \$50,000."

**TITLE IV—RAILROAD MODERNIZATION ASSISTANCE**

**FEEDER RAILROAD DEVELOPMENT PROGRAM**

SEC. 401. (a) Subchapter I of chapter 109 of title 49, United States Code, is amended by adding at the end thereof the following new section:

**"§ 10910. Railroad development**

"(a) In this section—

"(1) 'financially responsible person' means a person who (A) is capable of paying the constitutional minimum value of the railroad line proposed to be acquired, and (B) is able to assure that adequate transportation will be provided over such line for a period of not less than 3 years. Such term includes a government authority but does not include a class I or a class II rail carrier.

"(2) 'railroad line' means (A) during the 3-year period beginning on the effective date of the Staggers Rail Act of 1980, a line of railroad which carried less than 3,000,000 gross ton miles of traffic per mile in the preceding calendar year, and (B) after the end of such 3-year period, any line of railroad.

"(b)(1) When the Interstate Commerce Commission finds that—

"(A)(i) the public convenience and necessity require or permit the sale of a particular railroad line under this section; or

"(ii) a railroad line has been placed on a system diagram map as required under section 10904 of this title, but the rail carrier owning such line has not filed an application to abandon such line under sections 10903 and 10904 of this title; and

"(B) an application to purchase such line has been filed, in accordance with regulations required under subsection (k) of this section, by a financially responsible person,

the Commission shall require the rail carrier owning the railroad line to sell such line to such financially responsible person at a price not less than the constitutional minimum value.

"(2) For purposes of this subsection, the constitutional minimum value of a particular railroad line shall be presumed to be not less than the net liquidation value of such line or the going concern value of such line, whichever is greater, but shall not include the cost of providing a protective arrangement under subsection (j) of this section.

"(c)(1) For purposes of this section, the Commission may determine that the public convenience and necessity require or permit the sale of a railroad line if the Commission determines, after a hearing on the record, that—

"(A) the rail carrier operating such line refuses within a reasonable time to make the necessary efforts to provide adequate service to shippers who transport traffic over such line;

"(B) the transportation over such line is inadequate for the majority of shippers who transport traffic over such line;

"(C) the sale of such line will not have a significantly adverse financial effect on the rail carrier operating such line;

"(D) the sale of such line will not have an adverse effect on the overall operational performance of the rail carrier operating such line; and

"(E) the sale of such line will be likely to result in improved railroad transportation for shippers that transport traffic over such line.

"(2) In a proceeding under this subsection, the burden of proving that the public convenience and necessity require or permit the sale of a particular railroad line is on the person filing the application to acquire such line. If the Commission finds under this subsection that the public convenience and necessity require or permit the sale of a particular railroad line, the Commission shall concurrently notify the parties of such finding and publish such finding in the Federal Register.

"(d) In the case of any railroad line subject to sale under subsection (a) of this section, the Commission shall upon the request of the acquiring carrier, require the selling carrier to provide to the acquiring carrier trackage rights to allow a reasonable interchange with the selling carrier or to move power equipment or empty rolling stock between noncontiguous feeder lines operated by the acquiring carrier. The Commission shall require the acquiring carrier to provide the selling carrier reasonable compensation for any such trackage rights.

"(e) The Commission shall require, to the maximum extent practicable, the use of the employees who would normally have performed work in connection with a railroad line subject to a sale under this section.

"(f) In the case of a railroad line which carried less than 3,000,000 gross ton miles of traffic per mile in the preceding calendar year, whenever a purchasing carrier under this section petitions the Commission for joint rates applicable to traffic moving over through routes in which the purchasing carrier may practically participate, the Commission shall, within 30 days after the date such petition is filed and pursuant to section 10705(a) of this title, require the establishment of reasonable joint rates and divisions over such route.

"(g)(1) Any person operating a railroad line acquired under this section may elect to be exempt from any of the provisions of this title, except that such a person may not be exempt from the provisions of chapter 107 of this title with respect to transportation under a joint rate.

"(2) The provisions of paragraph (1) of this subsection shall apply to any line of railroad which was abandoned during the 18-month period immediately prior to the effective date of the Staggers Rail Act of 1980 and was subsequently purchased by a financially responsible person.

"(h) If a purchasing carrier under this section proposes to sell or abandon all or any portion of a purchased railroad line, such purchasing carrier shall offer the right of first refusal with respect to such line or portion thereof to the carrier which sold such line under this section. Such offer shall be made at a price equal to the sum of the price paid by such purchasing carrier to such selling carrier for such line or portion thereof and the fair market value (less deterioration) of any improvements made, as adjusted to reflect inflation.

"(i) Any person operating a railroad line acquired under this section may determine preconditions, such as payment of a subsidy, which must be met by shippers in order to obtain service over such lines, but such operator must notify the shippers on the line of its intention to impose such preconditions.

"(j) In the case of any railroad line sold pursuant to this section, the Commission shall require the selling carrier to provide a fair arrangement at least as protective of the interests of employees as that established under section 11347 of this title.

"(k) The Commission shall, within 60 days after the effective date of the Staggers Rail Act of 1980, prescribe such regulations and procedures as may be necessary to carry out the provisions of this section."

(b) The section analysis of chapter 109 of title 49, United States Code, is amended by adding immediately after the item relating to section 10909 the following new item:

"10910. Railroad development."

#### ABANDONMENT

SEC. 402. (a)(1) Section 10903(b)(1) of title 49, United States Code, is amended by striking out the first sentence.

(2) Section 10903(c) of title 49, United States Code, is repealed.

(b)(1) Section 10904(a) of title 49, United States Code, is amended—

(A) by striking out "at least 60" and all that follows through "effective" in paragraph (1);

(B) by striking out "and" at the end of paragraph (2)(A);

(C) by striking out the period at the end of paragraph (2)(B) and inserting in lieu thereof "; and";

(D) by adding at the end of paragraph (2) the following new subparagraph:

"(C)(i) a statement that the line is available for subsidy or sale in accordance with section 10905 of this title, (ii) a statement that the carrier will promptly provide to each interested party an estimate of the subsidy and minimum purchase price required to keep the line in operation, calculated in accordance with section 10905 of this title, and (iii) the name and business address of the person who is authorized to discuss sale or subsidy terms for the carrier."; and

(1) by inserting immediately before the period at the end of paragraph (3)(E) the following: ", and certifying that clauses (A)-(D) have been satisfied within the most recent 30 days prior to the date the application is filed".

(2) Section 10904(b) of title 49, United States Code, is amended to read as follows:

"(b) If no protest is received within 30 days after the application is filed, the Commission shall find that the public convenience and necessity require or permit the abandonment or discontinuance. In such a case, the Commission shall, within 45 days after the application is filed, issue a certificate which permits the abandonment or discontinuance to occur within 75 days after the application is filed."

(3) Section 10904(c) of title 49, United States Code, is amended to read as follows:

"(c)(1) If a protest is received within 30 days after the application is filed, the Commission shall, within 45 days after the application is filed, determine whether an investigation is needed to assist in determining what disposition to make of the application.

"(2) If the Commission decides that no investigation is to be undertaken, the Commission shall, within 75 days after the application is filed, decide whether the present or future public convenience and necessity require or permit the abandonment or discontinuance, taking into consideration the application of the rail carrier and any materials submitted by protestants. If the Commission finds that the present or future public convenience and necessity require or permit the abandonment, it shall, within 90 days after the date of application, issue a certificate which permits the abandonment or discontinuance to occur within 120 days after the application is filed.

"(3) If the Commission decides that an investigation should be undertaken under this section, the investigation must be completed within 135 days, and an initial decision must be rendered within 165 days, after the date the application is filed. Thirty days after such decision, the initial decision shall become the final decision of the Commission unless, during the interim, the Commission decides to hear appeals. If an initial decision is appealed and considered by the Commission, the Commission shall issue a final decision within 255 days after the date of application. Whenever the Commission decides upon investigation that the present or future public convenience and necessity require or permit the abandonment or discontinuance of rail service, it shall, within 15 days of the final deci-

sion, issue a certificate which permits the abandonment or discontinuance to occur within 75 days of the date of the final decision.

"(4) The effective date of any certificate which permits abandonment or discontinuance may be stayed by the Commission pursuant to the provisions of section 10905 of this title."

(4) Section 10904 of title 49, United States Code, is amended by redesignating subsection (d) as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

"(d)(1) The burden is on the person applying for the certificate to prove that the present or future public convenience and necessity require or permit the abandonment or discontinuance.

"(2) For applications approved by the Secretary of Transportation as part of a plan or proposal under section 5(a)-(d) of the Department of Transportation Act (49 U.S.C. 1654(a)-(d)), the Commission shall consider whether any detriment from the abandonment or discontinuance exceeds the transportation benefit from the plan or proposal as a whole."

(5) Section 10904(e) of title 49, United States Code, as redesignated by paragraph (4) of this subsection, is amended by inserting immediately before the period at the end thereof the following: ", except that the requirement of such description or identification in such diagram may be waived by the Commission if the application was approved by the Secretary of Transportation as part of a plan or proposal under section 5(a)-(d) of the Department of Transportation Act (49 U.S.C. 1654(a)-(d)), or the application is filed by a railroad in bankruptcy".

(c) Section 10905 of title 49, United States Code, is amended to read as follows:

**"§ 10905. Offers of financial assistance to avoid abandonment and discontinuance**

"(a) In this section—

"(1) 'avoidable cost' means all expenses that would be incurred by a rail carrier in providing transportation that would not be incurred if the railroad line over which the transportation was provided were abandoned or if the transportation were discontinued. Expenses include cash inflows foregone and cash outflows incurred by the rail carrier as a result of not abandoning or discontinuing the transportation. Cash inflows foregone and cash outflows incurred include—

"(A) working capital and required capital expenditure;

"(B) expenditures to eliminate deferred maintenance;

"(C) the current cost of freight cars, locomotives, and other equipment; and

"(D) the foregone tax benefits from not retiring properties from rail service and other effects of applicable Federal and State income taxes.

"(2) 'reasonable return' means—

"(A) if a rail carrier is not in reorganization, the cost of capital to the rail carrier, as determined by the Interstate Commerce Commission; and

"(B) if a rail carrier is in reorganization, the mean cost of capital of rail carriers not in reorganization, as determined by the Commission.

"(b) Any rail carrier which has filed an application for a certificate of abandonment or discontinuance shall provide promptly to a party considering an offer of financial assistance and shall provide concurrently to the Commission—

"(1) an estimate of the annual subsidy and minimum purchase price required to keep the line or a portion of the line in operation;

"(2) its most recent reports on the physical condition of that part of the railroad line involved in the proposed abandonment or discontinuance;

"(3) traffic, revenue, and other data necessary to determine the amount of annual financial assistance which would be required to continue rail transportation over that part of the railroad line; and

"(4) any other information that the Commission may deem necessary to allow a potential offeror to calculate an adequate subsidy or purchase offer.

"(c) When the Commission finds under section 10903 of this title that the public convenience and necessity require or permit abandonment or discontinuance of a particular railroad line, it shall, concurrently with service of the decision upon the parties, publish the finding in the Federal Register. Within 10 days following the publication, any person may offer to pay the carrier a subsidy or offer to purchase the line. Such offer shall be filed concurrently with the Commission. If the offer to subsidize or purchase the line is less than the carrier's estimate provided under subsection (b)(1) of this section, the offer shall explain the basis of the disparity, and the manner in which the offer of subsidy or purchase is calculated.

"(d) If, within 15 days after the publication required in subsection (c) of this section, the Commission finds that—

"(1) a financially responsible person (including a government authority) has offered financial assistance to enable the rail transportation to be continued over that part of the railroad line to be abandoned or over which all rail transportation is to be discontinued; and

"(2) it is likely that the assistance would be equal to—

"(A) the difference between the revenues attributable to that part of the railroad line and the avoidable cost of providing rail freight transportation on the line, plus a reasonable return on the value of the line; or

"(B) the acquisition cost of that part of the railroad line; the Commission shall postpone the issuance of a certificate authorizing abandonment or discontinuance in accordance with subsections (e) and (f) of this section.

"(e) If the carrier and a person offering financial assistance enter into an agreement which will provide continued rail service, the Commission shall postpone the issuance of the certificate for so long as the agreement, or an extension or modification of the agreement, is in effect. If the carrier and a person offering to purchase a line enter into an agreement which will provide continued rail service, the Commission shall approve the transaction and dismiss the application for abandonment or discontinuance. If the carrier and a financially responsible person (including a government authority) fail to agree on the amount or terms of the subsidy or purchase, either party may, within 30 days after the offer is made,

request that the Commission establish the conditions and amount of compensation. If no agreement is reached within 30 days after the offer is made and neither party requests that the Commission establish the conditions and amount of compensation during that same period, the Commission shall immediately issue a certificate authorizing the abandonment or discontinuance.

"(f)(1) Whenever the Commission is requested to establish the conditions and amount of compensation under this section—

"(A) the Commission shall render its decision within 60 days;

"(B) where subsidy has been offered, the Commission shall determine the amount and terms of subsidy based on the avoidable cost of providing continued rail transportation, plus a reasonable return on the value of the line; and

"(C) where an offer of purchase has been made in order to continue rail service on the line, the Commission shall determine the price and other terms of sale. In no case shall the Commission set a price which is below the fair market value of the line (including, unless otherwise mutually agreed, all facilities on the line or portion necessary to provide effective transportation services).

"(2) The decision of the Commission shall be binding on both parties, except that the person who has offered to subsidize or purchase the line may withdraw his offer within 10 days of the Commission's decision. In such a case, the Commission shall immediately issue a certificate authorizing the abandonment or discontinuance, unless other offers are being considered pursuant to paragraph (3) of this subsection.

"(3) If a carrier receives more than one offer to purchase or subsidize, it shall select the offeror with whom it wishes to transact business, and complete the sale or subsidy agreement, or request that the Commission establish the conditions and amount of compensation prior to the 40th day after the date on which notice was published under subsection (c) of this section. If no agreement on subsidy or sale is reached within the 40-day period and the Commission has not been requested to establish the conditions and amount of compensation, any other offeror may request that the Commission establish the conditions and amount of compensation. If the Commission has established the conditions and amount of compensation and the original offer has been withdrawn, any other offeror may accept the Commission's decision within 20 days of such decision, and the Commission shall require the carrier to enter into a sale or subsidy agreement with such offeror, if such sale or agreement incorporates the Commission's decision.

"(4) No purchaser of a line or portion of line sold under this section may transfer or discontinue service on such line prior to the end of the second year after consummation of the sale, nor may such purchaser transfer such line, except to the carrier from whom it was purchased, prior to the end of the fifth year after consummation of the sale.

"(5) Any subsidy provided under this section may be discontinued on notice of 60 days. Unless, within such 60-day period, another financially responsible party enters into a subsidy agreement at least as beneficial to the carrier as that which was or was to be discontinued, the Commission shall, at the carrier's request, im-

mediately issue a certificate authorizing the abandonment or discontinuance of service on the line."

#### CONVERSION OF ABANDONED RAILROAD RIGHTS-OF-WAY

SEC. 403. Section 809(d) of the Railroad Revitalization and Regulatory Reform Act of 1976 is amended—

(1) by inserting "(1)" immediately before the first sentence thereof; and

(2) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated, for the purposes of carrying out the provisions of subsection (b)(2) of this section, not to exceed an aggregate amount of \$10,000,000 for the fiscal years 1981, 1982, and 1983. Such sums are authorized to remain available until expended. Notwithstanding the provisions of subsection (b)(2) of this section, the Federal share for each grant made from the funds authorized to be appropriated pursuant to this paragraph may not exceed 80 percent of the total cost of any project."

#### EXTENSION OF REDEEMABLE PREFERENCE SHARE FINANCING

SEC. 404. Sections 505(e), 507(a), 507(d), and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(e), 827(a), 827(d), and 829) are each amended by striking out "September 30, 1980" wherever it appears and inserting in lieu thereof "September 30, 1982" in each such place.

#### FINANCING

SEC. 405. (a)(1) Section 505(d)(3) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(d)(3)) is amended by striking out "\$700,000,000" and inserting in lieu thereof "\$1,400,000,000".

(2) Sections 507(a) and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 827(a) and 829) are each amended by striking out "\$600,000,000" and inserting in lieu thereof "\$1,400,000,000".

(b)(1) Section 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 829) is amended by inserting "(a)" immediately after "Sec. 509." and by adding at the end thereof the following new subsection:

"(b)(1) Not more than \$200,000,000 of the funds received by the Secretary of Transportation from amounts appropriated under subsection (a) of this section shall be transferred by the Secretary to the United States Railway Association for use by the Association in accordance with section 216(b)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(b)(3)). Such funds shall be transferred immediately upon the finding by the Finance Committee under such section 216(b)(3).

"(2) Not less than 5 percent of the funds received by the Secretary of Transportation from amounts appropriated under subsection (a) (excluding funds transferred under paragraph (1) of this subsection) shall be available for the purchase or rehabilitation of railroad lines acquired under section 10910 of title 49, United States Code, except that no such funds shall be available for the

purchase or rehabilitation of such a railroad line unless such purchase or rehabilitation is consistent with the rail plan (as defined under section 5 of the Department of Transportation Act) of the State in which such line is located.

"(3) Of the funds authorized to be appropriated under this section (other than funds described in paragraphs (1) and (2) of this subsection) not more than \$180,000,000 are authorized to be appropriated in fiscal year 1981."

(2) Section 216(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(b)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) Amounts transferred to the Association pursuant to section 509(b)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976 may be used to purchase series A preferred stock of the Corporation to provide for the implementation by the Corporation of a program to reduce the Corporation's work force, if the Finance Committee finds that the implementation of such program will result in substantial savings to the United States.

"(B) An employee who ceases to be an employee as a result of the reduction of work force under a program implemented pursuant to this paragraph shall not, by reason of so ceasing to be an employee, or by reason of any work or employment entered into after so ceasing to be an employee, lose such employee's current connection with the railroad industry for the purposes of the Railroad Retirement Act of 1974."

(c)(1) Section 505(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 725(a)) is amended—

(A) by inserting "(1)" immediately before "Any railroad"; and

(B) by adding at the end thereof the following new paragraphs:

"(2) An employee or employee-shipper group may apply to the Secretary for financial assistance pursuant to subsection (b)(3) of this section.

"(3) A financially responsible person (as defined in section 10910(a)(1) of title 49, United States Code) may apply to the Secretary for financial assistance from funds made available pursuant to section 509(b)(2) of this title."

(2) Section 505(b) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(b)) is amended by adding at the end thereof the following new paragraph:

"(3) The Secretary may approve applications to provide financial assistance to any employee or employee-shipper ownership group formed pursuant to a plan for the purchase or rehabilitation of a line or lines of railroad or of rail facilities which are considered to be in the public interest. The Secretary shall not use more than 20 percent of the total funds available under this section for such financial assistance. In considering the allocation of available funds and priority of eligible projects under this subsection, the Secretary shall consider the availability of viable alternatives to the ownership or rehabilitation by the eligible employee-shipper group for the continuation of rail service. Projects with no such alternative shall receive highest priority."

(3) Sections 506 through 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 826 through 829) are amended by—

(A) inserting "employee or employer-shipper group" immediately after "railroad" wherever it appears;

(B) inserting "employee or employee-shipper groups" immediately after "railroads" wherever it appears; and

(C) inserting "employee or employee-shipper groups" immediately after "railroad's" wherever it appears.

(4) Section 505(d) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(d)) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) In the case of a Government authority that applies for financial assistance from funds made available pursuant to section 509(b)(2) for the purchase or rehabilitation of railroad lines purchased under section 10910 of title 49, United States Code, financing pursuant to this section shall be in the form of purchase by the Secretary of bonds or other debt obligations issued for such purpose by such Government authority."

(5) Paragraph (4) of section 505(d) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 725(d)), as redesignated by this subsection, is amended by inserting "bonds, and other debt obligations" immediately after "trustee certificates".

(d) Section 501 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821), as amended, is further amended by--

(1) striking out "and" at the end of paragraph (7);

(2) inserting "acquisition or sale of assets or securities," immediately after "merger," in paragraph (8);

(3) striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon; and

(4) adding at the end thereof the following new paragraphs:

"(9) 'consolidation' means the combination of separate rail facilities and the abandonment of the excess facilities, except that such term does not include the combination by a single railroad of multiple tracks into fewer tracks where the tracks do not constitute separate physical and operating lines of railroad; and

"(10) 'coordination' means the combination of rail freight traffic flows through the use of joint facilities arrangements or internally that result in a reduction of service on at least one facility and includes arrangements for joint use of tracks or other facilities and the acquisition or sale of assets."

(e) The first sentence of section 511(n) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831(n)) is amended by inserting immediately after "equipment" the following: "(which includes but is not limited to computerized car management systems)".

#### TRANSACTION ASSISTANCE

Sec. 406. Section 505(h) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(h)) is amended by adding at the end thereof the following new paragraphs:

"(5) Financial assistance made available under paragraph (1)(B) of this subsection may be used to purchase, for purposes of rail banking, properties of the Milwaukee Railroad located in the State of Montana with respect to which an interest in future rail common carrier operations has been evidenced.

"(6) Applications for rail banking shall be treated equally with other applications for transaction assistance."

#### ELECTRIFICATION LOAN GUARANTEES

SEC. 407. Section 211(i) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(i)) is amended—

(1) by inserting "or any other railroad" immediately after "the Corporation" the first place it appears;

(2) by inserting "or such railroad" immediately after "the Corporation" the second and third places it appears; and

(3) by inserting immediately after the first sentence the following new sentences: "Upon application by the Corporation or by any railroad in reorganization in the region which receives a loan under section 211(a) of this Act, the Secretary shall, pursuant to the provisions of and within the obligational limitations contained in sections 511 through 513 of such Act, guarantee obligations of the Corporation or such railroad for purposes of making capital improvements to coal export facilities."

#### AMENDMENT TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 408. (a) The second sentence of section 211(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(d)) is amended by inserting "is not required to make the findings with respect to subsections (e)(3) and (5) and" immediately after "the Association" the first place it appears.

(b) Section 211(d)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(d)(2)) is amended by striking out "\$4,000,000" and inserting in lieu thereof "\$7,500,000".

(c) The last sentence of section 211(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(d)) is amended by striking out "1980" and inserting in lieu thereof "1981".

#### FEDERAL ASSISTANCE REPORT

SEC. 409. Within 90 days after the end of each fiscal year, the Secretary of Transportation shall submit a report to the Congress listing the specific Federal assistance provided the railroad industry during such fiscal year. Each such report shall set forth the reasons for each Federal loan or grant and explain the way in which such loan or grant contributed to the overall goal of providing a safe and efficient transportation system.

#### TITLE V—CONRAIL TITLE V LABOR PROTECTION

##### MONTHLY DISPLACEMENT ALLOWANCE

SEC. 501. Section 505(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(b)) is amended to read as follows:

"(b) MONTHLY DISPLACEMENT ALLOWANCE.—A protected employee shall be paid a monthly displacement allowance for any calendar month within the period identified in subsection (c) of this section in which the employee is deprived of employment or adversely affected with respect to such employee's compensation, in accordance with the following provisions:

"(1)(A) Effective on the effective date of the Staggers Rail Act of 1980, the protected rate of pay of a protected non-operating employee (other than a maintenance-of-way employee) who has been deprived of employment or adversely affected with respect to such employee's compensation shall be based on the rate of pay of the position held by the employee on September 1, 1979, or if the employee held no position on that date, the rate of pay of the last position held by the employee prior to that date. A guaranteed hourly rate of pay will be computed for each protected employee, based on the rate described in the preceding sentence, and will be (i) the actual hourly rate for hourly rated employees, (ii) the daily rate divided by 8 for daily rated employees, and (iii) the monthly rate divided by the working days in the claim month, further divided by 8, in the case of monthly rated employees. For employees occupying relief positions, the guarantee shall be computed on the basis of the weighted average daily rate of the positions relieved. Extra list employees will be guaranteed the extra list rate.

"(B) In the event a protected employee's position is abolished or such employee is displaced and is thereby required to occupy a position paying an hourly rate that is less than such employee's guaranteed hourly rate, the protected employee shall be paid the difference between the hourly rate of pay of the position such employee is occupying and his guaranteed hourly rate for all hours included in the straight time work schedule of such employee's position for the month of claim, less any time lost on account of voluntary absences other than vacations. Hours worked in excess of the straight time work schedule shall be paid in addition to the guarantee at the rate applicable to the position occupied, as provided for in the applicable collective bargaining agreement.

"(C) For any month or portion thereof in which a protected employee is deprived of employment, the protected employee shall be paid such employee's guaranteed hourly rate for the number of hours such employee would have worked in the straight time work schedule of such employee's previously held position.

"(D) Notwithstanding the provision that the protected rate shall be the rate of the position held on or immediately preceding September 1, 1979, if a protected employee becomes the permanent incumbent of a higher rated position and is not disqualified therefrom, the higher rate shall become such employee's protected rate.

"(2) Notwithstanding paragraph (1) of this subsection, effective on the effective date of the Staggers Rail Act of 1980, a protected maintenance-of-way employee shall be afforded his average monthly compensation, which is defined as the total compensation received by such employee during the 12 months

immediately preceding January 1, 1975, divided by his total time paid for during that period and multiplied by 174 or by his average monthly time paid for, whichever is less, and adjusted to reflect subsequent general wage increases. If a protected employee is deprived of employment or if the employee's straight-time compensation in his current position is less in any month than the employee's average monthly compensation, the employee shall be paid the difference between his straight-time earnings, if any, and 80 percent of the average monthly compensation, less any time lost on account of voluntary absences other than vacations. If, at the close of the calendar year, the sum of the protected employee's annual straight-time compensation, monthly displacement allowance payments and offsets applicable pursuant to this title is less than the employee's average monthly compensation multiplied by 12, the employee shall receive an additional payment representing the difference. If in the previous calendar year an employee has received displacement allowance payments in excess of his annual entitlement, the excess payments shall be recovered from any current or future entitlement to monetary benefits afforded by this title, exclusive of benefits afforded by section 505(g) of this title.

"(3) Effective on the effective date of the Staggers Rail Act of 1980 a protected operating employee (as defined in Interstate Commerce Commission classifications 107 through 128) who has been deprived of employment or adversely affected with respect to such employee's compensation shall be afforded his average monthly compensation computed in accordance with this subsection as in effect prior to such effective date, but subject to a maximum amount equal to one-twelfth of the average annual earnings of all employees in the Interstate Commerce Commission classification, computed by cumulating the employee earnings reported to the Commission by the Corporation on a monthly basis for calendar year 1977 for the Interstate Commerce Commission classification of operating service in which such employee performed the preponderance of such employee's work in calendar year 1974, increased by applicable general wage increases. If the employee performed no operating service in 1974, the Interstate Commerce Commission classification shall be determined by the preponderance of such employee's operating service in an immediately preceding calendar year. If the average monthly compensation of a protected operating employee exceeds the maximum amount described in the first sentence of this paragraph, the average monthly compensation of the employee will be reduced to such maximum amount for purposes of computing such employee's monthly displacement allowance, if any. If the average monthly compensation of a protected operating employee is less than such maximum amount, the average monthly compensation of the employee will be used to compute such employee's monthly displacement allowance, if any. If a protected employee is deprived of employment, or if the employee is adversely affected with respect to his compensation such that the compensation in such employee's current position is less in any month than the average monthly compensation of the employee or

such maximum amount, whichever is less, the employee shall be paid 75 per centum of the difference between such employee's earnings, if any, and the lesser figure, minus any time lost on account of voluntary absences other than vacations. If at the close of the calendar year the sum of the protected employee's annual earnings, monthly displacement allowance payments, and offsets applicable pursuant to this title is less than such employee's average monthly compensation subject to the maximum amount and multiplied by 12, the employee shall receive an additional payment representing the difference. In the computation of the annual payment, if during the calendar year an employee has been force assigned to, or has been required to exercise seniority to, a position in an Interstate Commerce Commission classification with a lesser maximum amount than the maximum amount applicable to such employee's 1974 Interstate Commerce Commission classification, such employee shall be paid the difference without credit being taken for compensation earned by virtue of actual working hours in the calendar year in excess of the number of hours paid for in such employee's average monthly compensation multiplied by 12 or such employee's annual 1977 maximum amount, whichever is less. An employee's compensation for purposes of this subsection shall not include savings sharing productivity payments received pursuant to paragraph (t) of the Crew Consist Agreement between the Corporation and the United Transportation Union dated September 8, 1978. If, in the previous calendar year, an employee has received displacement allowance payments in excess of such employee's annual entitlement, the excess payments shall be recovered from any current or future entitlement to monetary benefits afforded by this title, exclusive of benefits afforded by subsection (g) of this section.

"(4) Effective on the effective date of the Staggers Rail Act of 1980, a protected noncontract employee who has been deprived of employment or adversely affected with respect to such employee's compensation shall retain his average monthly compensation and monthly displacement allowance computed in accordance with this subsection as in effect prior to such effective date. In the event such noncontract employee exercises or has exercised seniority in a craft or class of operating employees, such employee's entitlement to a monthly displacement allowance and fringe benefits, and such employee's eligibility for transfer, shall be the same as the entitlement and eligibility of other protected employees in the craft or class in which seniority is exercised. In the event such noncontract employee exercises or has exercised seniority in a craft or class of nonoperating employees, the entitlement of such employee to a monthly displacement allowance and fringe benefits, and such employee's eligibility for transfer, shall be consistent with the entitlement and eligibility of other protected employees in the craft or class in which seniority is exercised, except that the protected rate of pay shall be based on the rate of pay of the position first obtained through the exercise of seniority, rather than the rate of any position held on or prior to September 1, 1979.

"(5) Notwithstanding the preceding provisions of this subsection, employees who, prior to September 1, 1979, accepted transfer to positions requiring a change of residence pursuant to subsection (d) of this section, shall retain their average monthly compensation and monthly displacement allowance computed in accordance with this subsection prior to the effective date of the Staggers Rail Act of 1980.

"(6) In determining compensation in a protected employee's current employment, such employee shall be treated as occupying the position producing the highest rate of pay to which such employee's qualifications and seniority entitle the employee under the applicable collective bargaining agreement and which does not require a change in residence. A protected operating employee will be considered to be occupying the position producing the highest rate of pay if the employee occupies a position producing compensation equal to such employee's average monthly compensation, subject to the maximum amount.

"(7) With respect to a protected employee who has been deprived of employment, the monthly displacement allowance shall be reduced by (A) the full amount of any unemployment compensation benefits received by such employee, and (B) an amount equivalent to any outside earnings of such employee.

"(8) A protected employee's average monthly compensation or protected rate of pay shall be adjusted from time to time thereafter to reflect subsequent general wage increases.

"(9) The average monthly compensation or protected rate of pay provided by this section shall in no event exceed \$2,500 in any month, except that such amount shall be adjusted to reflect general wage increases subsequent to April 1, 1976.

"(10) A protected employee and his representative shall be furnished with such employee's protected rate of pay, or average monthly compensation and average monthly time paid for, subject to the maximum amount, computed in accordance with the terms of this subsection. Each protected employee who has been deprived of employment or his representative and the employer shall agree upon a procedure by which the employee shall keep the employer currently informed of the unemployment compensation benefits received by such employee and the earnings of such employee in employment other than with such employer.

"(11) In the case of a supplemental transaction—

"(A) with respect to an employee described in paragraph (1) of this subsection who was not employed on September 1, 1979, the protected rate of pay of such employee shall be based on the rate of pay of the position held by such employee on the first day of the first month after September 1979 in which such employee was employed;

"(B) with respect to an employee described in paragraph (2) of this subsection who was not employed during the 12 months immediately preceding January 1, 1975, the average monthly compensation of such employee shall be determined on the basis of the first 12-month period after January 1, 1974, during which such employee was employed; and

"(C) with respect to an employee described in paragraph (3) of this subsection—

"(i) if such employee was employed during the 12 months immediately preceding January 1, 1975, the average monthly compensation of such employee shall be determined on the basis of such 12-month period; and

"(ii) if such employee was not employed during the 12 months immediately preceding January 1, 1975, the preponderance of work of such employee shall be determined on the basis of the first 12-month period after January 1, 1974, during which such employee was employed."

#### DURATION OF MONTHLY DISPLACEMENT ALLOWANCE

SEC. 502. Section 505(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(c)) is amended to read as follows:

"(c) DURATION OF MONTHLY DISPLACEMENT ALLOWANCE.—The monthly displacement allowance provided for in subsection (b) of this section shall, in the case of a protected employee with 5 or more years of service on the effective date of this Act, continue until the attainment of age 65 by such employee, and shall, in the case of a protected employee who has less than 5 years of service on such date, continue for a period equal to the employee's total prior years of service, except that such monthly displacement allowance—

"(1) shall terminate upon the protected employee's death, retirement, resignation, or dismissal for cause;

"(2) shall not be paid with respect to any period of disciplinary suspension for cause, failure to work due to illness or disability, voluntary furlough, or failure to retain or obtain a position available to the employee by the exercise of such employee's seniority rights in accordance with the provisions of this section;

"(3) shall not be paid to a protected employee deprived of employment with respect to any period of failure to work due to strike, fire, flood, snowstorm, hurricane, earthquake, tornado, or other similar natural occurrence that causes a suspension of operations in whole or in part and precludes performance of the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employees involved in the force reductions (but the payment of monthly displacement allowances shall be resumed upon termination of the emergency); and

"(4) shall not be paid with respect to any month that commences after the effective date of the Staggers Rail Act of 1980 for which the employee has failed to make a claim for such allowance within 3 full calendar months (unless otherwise agreed upon by the employee or his representative and the employer) after the last day of the month for which such allowance is sought, except that such 3-month limit shall not apply to any claim which is the subject of or is based upon an arbitration decision issued pursuant to section 507 of this title.

therwise agreed upon by the employee or his representative, the entitlement of an employee to an allowance shall be approved or denied within 150 days after the claim therefor is made if such claim is filed during the 12-month period beginning on the effective date of the Staggers Rail Act of 1980, and within 90 days after the claim therefor is made if such claim is filed after such 12-month period. Any claim not approved or denied at the expiration of the time limits described in the preceding sentence shall be deemed approved."

#### TRAINING AND TRANSFER

SEC. 503. (a)(1) Section 505(d) (1) and (3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(d) (1) and (3)) are each amended by inserting "or other employers with employees protected under this section" immediately after "Corporation" wherever it appears.

(2) Section 505(d)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(d)(1)) is amended by inserting "or the system of other employers with employees protected under this section" immediately after "Corporation's system".

(3) Section 505(d)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(d)(2)) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this subsection, a protected employee of the National Railroad Passenger Corporation shall not be required to transfer to a location outside the seniority district of such protected employee."

(b) Section 505(d)(4) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(d)(4)) is amended by striking out "Transfers" and inserting in lieu thereof "Except as provided in paragraph (5) of this subsection, transfers".

(c) Section 505(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(d)(4)), as amended, is further amended by adding at the end thereof the following new paragraph:

"(5) In the case of a marine craft or class on the Corporation's system, or in the craft or class of a Penn Truck Lines, Incorporated, employee, transfers to vacancies requiring a change in residence shall be subject to the following:

"(A) The vacancy shall be first offered to the junior qualified protected employee or employees deprived of employment in the seniority district where the vacancy exists, and each such employee shall have 20 days to elect one of the options set forth in paragraph (1) of this subsection. The Corporation shall determine the number of junior qualified protected employees deprived of employment (not to exceed four employees per offer) who will be included in the offer of transfer. The vacancy will be awarded to the most junior qualified protected employee who accepts transfer. Other qualified protected employees who have accepted the transfer will retain their status as employees deprived of employment. Employees junior to the acceptor who have elected one of the options set forth in paragraph (1) of this subsection shall retain the option. If the vacancy is not filled, it may be again offered in inverse seniority order to remaining qualified protected employee(s) deprived of

employment (not to exceed four employees per offer) in the seniority district.

"(B) If there are no qualified protected employees deprived of employment in the seniority district where the vacancy exists, the vacancy may be offered in inverse seniority order to qualified protected employees deprived of employment (not to exceed four employees per offer) on the system, in accordance with the procedure in subparagraph (A) of this paragraph. Employees offered transfer pursuant to this paragraph will be afforded 30 days to elect one of the options set forth in paragraph (1) of this subsection.

"(C) The provisions of this paragraph shall not prevent the adoption of other procedures pursuant to an agreement made by the Corporation and representatives of the class or craft of employees involved.

"(D) When no bona fide vacancies exist in such craft or class, the Corporation may offer such employee comparable employment for which the employee is qualified, or for which the employee can be trained, in another craft or class. The Corporation shall first attempt to locate a comparable position in a seniority district which encompasses the employee's last work location, and if successful, a transfer notice may be tendered pursuant to subparagraph (A) of this paragraph. If no such position exists, the Corporation may tender the employee a transfer notice involving a position elsewhere on the system pursuant to subparagraph (B) of this paragraph. In the event it is necessary to train an employee after such employee's acceptance of a position pursuant to this paragraph, such training shall be provided by the Corporation at no cost to the employee."

(d) Section 505(i)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 775(i)(1)) is amended by adding at the end thereof the following new sentences: "The Corporation may simultaneously offer a position to not more than 4 protected noncontract employees. The position shall be given to the protected employee accepting transfer whom the Corporation considers to be best qualified for the particular position involved. Other protected employees who have accepted the transfer shall retain their previous status. Employees who have elected a voluntary suspension of employment at their home location in lieu of protective benefits or a severance of employment shall retain the option elected."

#### PAYMENT, AUDIT, AND REPORT

SEC. 504. Section 509 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 779) is amended to read as follows:

#### "PAYMENT, AUDIT, AND REPORT

"SEC. 509. (a) PAYMENT.—The Corporation, the Association (where applicable), replacement operators, and acquiring railroads, as the case may be, shall be responsible for the actual payment of all allowances, expenses, and costs provided protected employees pursuant to the provisions of this title. The Corporation, the Association (where applicable), replacement operators, and acquiring

railroads shall then be reimbursed for the actual amounts paid to, or for the benefit of, protected employees, pursuant to the provisions of this title (including such amounts paid by the employer prior to the effective date of the Staggers Rail Act of 1980 and training costs incurred by the Corporation pursuant to section 505(d)(4)(D) of this title), other than provisions with respect to employee pension benefits, not to exceed an aggregate sum of \$485,000,000, by the Railroad Retirement Board, upon certification to such Board in such detail as the Board may reasonably require, by the Corporation, the Association (where applicable), replacement operators, and acquiring railroads, of the amounts paid such employees, except that the aggregate amount of reimbursements made by the Board for the payment of monthly displacement allowances in the period after the effective date of the Staggers Rail Act of 1980 shall not exceed \$180,000,000. There is authorized to be appropriated to the Secretary annually such sums as may be required to meet the obligations payable under this title, not to exceed the aggregate sum of \$485,000,000. Upon the exhaustion of such authorization, the Corporation, the Association (where applicable), replacement operators, and acquiring railroads shall retain responsibility for the payment of benefits otherwise reimbursable under this title, but they shall not be reimbursed therefor. There is further authorized to be appropriated to the Secretary such sums as may be necessary to provide for additional administrative expenses to be incurred by the Railroad Retirement Board in the performance of its functions under this section. Appropriations authorized under this section may be allocated by the Secretary to the Railroad Retirement Board.

"(b) **AUDIT.**—Beginning October 1, 1980, the Association shall conduct a program audit of the payment of benefits pursuant to this title and shall evaluate the effectiveness of the provisions of this title in improving the Corporation's management of certain protected employees in its workforce who are entitled to receive monthly displacement allowances. Such audits and evaluations shall be conducted in accordance with such rules and regulations as the Association may prescribe. The representatives of the Association shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to, or in use by or in connection with, the Corporation, replacement operators, acquiring railroads, or the Railroad Retirement Board which pertain to the benefits provided protected employees pursuant to this title and which are necessary to facilitate such audit and evaluation.

"(c) **REPORT.**—The Association shall transmit to the Congress and the President, not later than 90 days after the end of each fiscal year, a comprehensive and detailed report on the payment of benefits under this title and the effectiveness of the provisions of this title in improving the Corporation's management of certain protected employees in its workforce who are entitled to receive monthly displacement allowances."

SEC. 505. Title V of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771 et seq.) is amended by adding at the end thereof the following new section:

"RAILROAD HIRING

"SEC. 510. Any protected employee of the Corporation and any employee of the Corporation who is separated or furloughed from his employment with the Corporation (other than for cause) shall, unless found to be less qualified than other applicants, have the first right of hire by any other railroad that is subject to regulation by the Commission for any vacancy that is not covered by (1) an affirmative action plan, or a hiring plan designed to eliminate discrimination, that is required by Federal or State statute, regulation, or Executive order, or by the order of a Federal court or agency, or (2) a permissible voluntary affirmative action plan. For purposes of this section, a railroad shall not be considered to be hiring new employees when it recalls any of its own furloughed employees."

SINGLE COLLECTIVE-BARGAINING AGREEMENT

SEC. 506. Section 504(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 774(d)) is amended to read as follows:

"(d) **NEW COLLECTIVE-BARGAINING AGREEMENTS.**—Not later than 60 days after the effective date of any conveyance pursuant to the provisions of this Act, the representatives of the various classes of crafts of the employees of a railroad in reorganization involved in a conveyance and representatives of the Corporation shall commence negotiation of a new single collective-bargaining agreement for each class and craft of employees covering the rate of pay, rules, and working conditions of employees who are employees of the Corporation. Such collective-bargaining agreement shall include appropriate provisions concerning rates of pay, rules, and working conditions, but shall not include any provisions for job stabilization resulting from any transaction effected pursuant to this Act which may exceed or conflict with those established herein. Negotiations with respect to such single collective-bargaining agreement, and any successor thereto, shall be conducted systemwide."

EMPLOYEE PROTECTION PAYMENTS

SEC. 507. Notwithstanding any other provision of law, the Consolidated Rail Corporation and other employers with employees protected under the provisions of title V of the Regional Rail Reorganization Act of 1973 shall, until the effective date of this Act, continue to make payments for employee protection under such Act in accordance with the provisions of such Act which were in effect on January 1, 1979. Notwithstanding any other provision of law, such Corporation and employers shall be reimbursed for such payments in accordance with the provisions of section 509(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 779(a)).

## TECHNICAL AMENDMENTS

SEC. 508. (a)(1) The item relating to section 509 in the table of contents of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) is amended to read as follows:

"Sec. 509. Payment, audit, and report."

(2) The table of contents of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) is amended by inserting immediately after the item relating to section 509 the following new item:

"Sec. 510. Railroad hiring."

(b) Section 102(16) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702(16)) is amended to read as follows:

"(16) 'Secretary' means the Secretary of Transportation or the designated representative of the Secretary;"

(c) Section 201 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711) is amended—

(1) by amending subsection (d)(2) to read as follows:

"(2) three Government members, who shall be (A) the Secretary, acting directly or at any time through the Deputy Secretary of Transportation, the General Counsel of the Department of Transportation, the Federal Railroad Administrator, or the Deputy Administrator of the Federal Railroad Administration, (B) the Secretary of the Treasury, acting directly or at any time through an officer of the Department of the Treasury who has been appointed with the advise and consent of the Senate, and (C) the Chairman of the Commission, acting directly or at any time through the Vice Chairman of the Commission; and";

(2) striking out "through their respective Deputy Secretaries" from the first sentence of subsection (i) and inserting in lieu thereof "in the case of the Secretary, through the Deputy Secretary of Transportation, the General Counsel of the Department of Transportation, the Federal Railroad Administrator, or the Deputy Administrator of the Federal Railroad Administration, and, in the case of the Secretary of the Treasury, through an officer of the Department of the Treasury who has been appointed with the advise and consent of the Senate"; and

(3) by striking out the first sentence of subsection (j)(4).

(d) Section 501 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771) is amended—

(1) in paragraph (6), by inserting immediately after "disability," the following: "failure to work due to strike, fire, flood, snowstorm, hurricane, earthquake, tornado, or other similar natural occurrence that causes a suspension of operations in whole or in part and precludes performance of the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employees involved in the force reductions,"; and

(2) by striking out "and" at the end of paragraph (10), by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(12) 'compensation' means earnings in employment subject to the Railroad Retirement Act."

(e) Section 507 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 777) is amended by inserting "section 509(b), or section 509(c)" immediately after "section 504(d)".

(f) The first sentence of section 403(d)(1) of the Rail Passenger Service Act (45 U.S.C. 563(d)(1)) is amended by striking out "if such State" and all that follows through "service".

## TITLE VI—EXPEDITED SUPPLEMENTAL TRANSACTION PROPOSALS

## EXPEDITED SUPPLEMENTAL TRANSACTION PROPOSALS

SEC. 601. (a) Section 305 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745) is amended by adding at the end thereof the following new subsection:

"(f) EXPEDITED PROPOSALS.—(1) Within 240 days after the effective date of the Staggers Rail Act of 1980, the Secretary, after providing an opportunity for comments from interested parties, shall determine whether to initiate a proposal for a supplemental transaction under this section for the transfer of all rail properties of the Corporation in the States of Connecticut and Rhode Island to another railroad in the region. If the Secretary determines that—

"(A) the proposed transferee railroad is financially and operationally capable of assuming the freight operations and freight service obligations of the Corporation on a financially self-sustaining basis;

"(B) the proposed transfer would promote the establishment and retention of a financially self-sustaining rail system in the States of Connecticut and Rhode Island adequate to meet the needs of such States; and

"(C) the proposed transfer is consistent with the goals set forth in section 206(a)(8) of this Act, the Secretary shall develop such a proposal and may, after providing the Association, the Commission, and the States of Connecticut and Rhode Island an opportunity to review and comment on such proposal, petition the special court for an order to carry out such proposal.

"(2) The Secretary shall establish a fair and equitable price for any rail properties transferred pursuant to a proposal developed under this subsection.

"(3) If the special court determines that a proposal developed under this subsection is fair and equitable, meets the requirements of this subsection, and is in the public interest, it shall issue such orders as may be necessary to carry out such proposal. The provisions of paragraphs (2)-(6) of subsection (d) of this section shall apply to the determination of the special court under this subsection, except that the standards for such determination shall be those set forth in this paragraph.

"(4) In complying with the requirements of subsection (d)(7) of this section with respect to the application of the provisions of title V of this Act to supplemental transactions, the parties to an expedited supplemental transaction under this subsection and the representatives of the employees affected thereby shall enter into a new agreement pursuant to section 508 of this Act and shall not be bound by the terms of any agreement executed under such section

508 and in effect on the date of enactment of the Staggers Rail Act of 1980."

(b) Section 102(19) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702(19)) is amended by striking out ", within 6 years after the date on which the special court orders conveyances of rail properties to the Corporation".

## TITLE VII—MISCELLANEOUS PROVISIONS

### ROCK ISLAND AND MILWAUKEE RAILROADS AMENDMENTS

SEC. 701. (a)(1) The Rock Island Railroad Transition and Employee Assistance Act (45 U.S.C. 1001 et seq.) is amended by redesignating section 124 as section 125 and by inserting immediately after section 123 the following new section:

#### "JUDICIAL REVIEW

"SEC. 124. (a) Notwithstanding any other provision of law, any appeal from—

"(1) any decision of the bankruptcy court with respect to the constitutionality of any provision of this Act; and

"(2) any decision of the court having jurisdiction over the reorganization of the Milwaukee Railroad with respect to the constitutionality of the Milwaukee Railroad Restructuring Act (45 U.S.C. 901 et seq.),

shall be taken to the United States Court of Appeals for the Seventh Circuit.

"(b) If appeals are taken from decisions described in subsection (a) of this section involving section 106 or 110 of this title or section 9 or 15 of the Milwaukee Railroad Restructuring Act, the court of appeals shall determine such appeals in a consolidated proceeding, sitting en banc, and shall render a final decision no later than 60 days after the date the last such appeal is filed.

"(c) Nothing in this Act or in the Milwaukee Railroad Restructuring Act (45 U.S.C. 901 et seq.) shall limit the right of any person to commence an action in the United States Court of Claims under section 1491 of title 28, United States Code (commonly referred to as the Tucker Act)."

(2) Section 110(e) of the Rock Island Railroad Transition and Employee Assistance Act (45 U.S.C. 1008(e)) is amended by inserting "to employees" immediately after "liability".

(3) Section 15(e) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 914(E)) is amended by inserting "to employees" immediately after "liability".

(b)(1) Section 106 of the Rock Island Railroad Transition and Employee Assistance Act (45 U.S.C. 1005) is amended to read as follows:

#### "EMPLOYEE PROTECTION AGREEMENTS

"SEC. 106. (a) No later than 5 days after the date of enactment of the Staggers Rail Act of 1980, in order to avoid disruption of rail service and undue displacement of employees, the Rock Island Railroad and labor organizations representing the employees of such

railroad with the assistance of the National Mediation Board, may enter into an agreement providing protection for employees of such railroad who are adversely affected as a result of a reduction in service by such railroad. Such employee protection may include, but need not be limited to, employee relocation incentive compensation, moving expenses, and separation allowances.

"(b) If the Rock Island Railroad and the labor organizations representing the employees of such railroad are unable to enter into an employee protection agreement under subsection (a) of this section within 5 days after the date of enactment of the Staggers Rail Act of 1980, the matter shall be immediately submitted to the Commission. The Commission shall impose upon the parties by appropriate order a fair and equitable arrangement with respect to employee protection no later than 15 days after the date of enactment of the Staggers Rail Act of 1980, unless the Rock Island Railroad, and the authorized representatives of its employees have by then entered into a labor protection agreement. For purposes of this subsection, the term 'fair and equitable' means no less protective of the interests of employees than protection established by and pursuant to section 9 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 908), subject to the limitations set forth in section 110 of this title.

"(c) If an employee protection arrangement is imposed by the Commission under subsection (b) of this section, the bankruptcy court shall immediately authorize and direct the Rock Island Railroad trustee to, and the Rock Island Railroad trustee and the labor organizations representing the employees of the railroad shall, immediately implement such arrangement.

"(d) Any order of the Commission under subsection (b) of this section and any order of the bankruptcy court under subsection (c) of this section may be appealed only to the United States Court of Appeals for the Seventh Circuit. Any such appeal to such court of appeals shall be filed within 5 days after the date of entry of the order of the Commission or the bankruptcy court, as the case may be, and such court of appeals shall finally determine such appeal within 60 days after the date such appeal is filed.

"(e)(1) Any claim of an employee for benefits and allowances under an employee protection agreement or arrangement entered into under this section shall be filed with the Board in such time and manner as the Board by regulation shall prescribe. The Board shall determine the amount for which such employee is eligible under such agreement or arrangement and shall certify such amount to the Rock Island Railroad for payment.

"(2) Benefits and allowances under such agreement or arrangement entered into this section shall be paid by the Rock Island Railroad from its own assets or in accordance with section 110 of this title, and claims of employees for such benefits and allowances shall be treated as administrative expenses of the estate of the Rock Island Railroad.

"(f) The first sentence of section 7(b)(7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(7)) is amended by striking out "Milwaukee Railroad Restructuring Act" and inserting in lieu thereof ", the Milwaukee Railroad Restructuring Act, and the Rock Island Railroad Transition and Employee Assistance Act."

(2) Section 103(a) of the Rock Island Railroad Transition and Employee Assistance Act (45 U.S.C. 1007(a)) is amended by inserting immediately before the period at the end thereof the following: "(other than as provided in the agreement entered into in Washington, District of Columbia, on March 4, 1980, entitled 'Labor Protective Agreement Between Railroads Parties Hereto Involved in Midwest Rail Restructuring and Employees of Such Railroads Represented by the Rail Labor Organizations Operating Through the Railway Labor Executives' Association)".

(3) Section 103(5) of the Rock Island Railroad Transition and Employee Assistance Act (45 U.S.C. 1002(5)) is amended by inserting immediately before the period at the end thereof the following: "the estate of such Company in its reorganization proceeding, or the trustee appointed in such proceeding".

(c)(1) Section 7 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 906) is amended by adding at the end thereof the following new subsection:

"(h)(1) All obligations to the United States or any agency or instrumentality of the United States incurred pursuant to this section by the Milwaukee Railroad or the trustee of the property of the Milwaukee Railroad shall be waived and canceled when—

"(A) the Milwaukee Railroad is reorganized as an operating rail carrier; or

"(B) substantially all of the Milwaukee Railroad is purchased.

"(2) For purposes of this subsection, substantially all of the Milwaukee Railroad shall be considered as having been purchased when (A) more than 50 percent of the rail system operated by the Milwaukee Railroad on the date of enactment of the Staggers Rail Act of 1980 has been purchased, and (B) more than 50 percent of the employees employed by the Milwaukee Railroad on such date of enactment have obtained employment with other rail carriers."

(2) Section 14 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 913) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) There are authorized to be appropriated \$15,000,000 for purposes of providing transaction assistance in accordance with section 505(h)(1) (A) and (B) of the Railroad Revitalization and Regulatory Reform Act of 1976."

(d) Section 505(h) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(h)) is amended—

(1) in paragraph (1)(A), by striking out "\$25,000,000" and inserting in lieu thereof "\$38,000,000";

(2) in paragraph (1)(B), by striking out "\$18,000,000" and inserting in lieu thereof "\$27,000,000"; and

(3) by amending paragraph (4) to read as follows:

"(4) This subsection shall apply to (A) purchase offers submitted to the Trustee of the Rock Island Railroad Estate and filed with the Commission prior to September 15, 1980 (or such other time as the Secretary considers appropriate), and (B) purchase applications filed with the Commission prior to September 15, 1980 (or such other time as the Secretary considers appropriate) and approved by the court having jurisdiction over the reorganization of the Rock

Island Railroad or the Milwaukee Railroad, as the case may be, and by the Commission."

#### LOAN GUARANTEES

SEC. 702. (a) To promote competition in the transportation of coal, the Secretary of Transportation shall, no later than 75 days after the date of the issuance of the final environmental impact statement with respect to the loan application, take final action on any application for loan guarantees, under section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976, to be used in connection with joint ownership, construction, or rehabilitation of any facilities (including support facilities) for a second rail carrier to serve the Powder River Coal Region in Montana and Wyoming.

(b)(1) The Secretary of Transportation shall review the proposed Chicago and North Western connector line route and shall not approve any route which requires the use of any agricultural land unless (A) there is no feasible and prudent alternative to the use of such land, and (B) the proposed route construction plan requires all possible planning to minimize harm to such agricultural land resulting from such use. The Secretary of Transportation may not otherwise disapprove a proposed route for the Chicago and North Western line under the authority of this subsection. This review of a proposed route shall be completed within 90 days after the final action specified in subsection (a) of this section.

(2)(A) The Secretary shall review the use of any agricultural land used in any route for newly constructed line and shall require, to the maximum extent prudent and feasible, that such railroad provide a private grade crossing for the convenience of each landowner whose agricultural holdings are divided by such newly constructed line when the Secretary finds that such division of property will cause a substantial disruption to the agricultural use of such land. The owners of such property shall file a request for such grade crossing with the Secretary within 180 days of the final determination of the route. The finding of the Secretary under this subsection shall be final.

(B) The Secretary shall render a decision on each request for grade crossing under this paragraph within 180 days of its receipt. Such review shall not require the delay of construction of new line under subsection (a) of this section.

(c)(1) Notwithstanding any other provision of law, the actions of the Secretary of Transportation taken pursuant to subsections (a) and (b) of this section shall not be subject to judicial review except as provided in this section.

(2) A claim alleging the invalidity of this section may be brought no later than the 60th day following the date a final action is taken pursuant to subsections (a) and (b) of this section.

(3) A claim challenging an action of the Secretary of Transportation under subsection (a) or (b) of this section may be brought only on the grounds that such action will deny rights under the Constitution of the United States, is arbitrary, capricious, or an abuse of discretion, exceeds statutory jurisdiction, authority, or limitations, or is short of statutory right. Such a claim may be brought not later than the 60th day following the date of such action.

(4) A claim under paragraph (1) or (3) shall be barred unless prior to the expiration of such time limits, a complaint is filed in the United States Court of Appeals for the District of Columbia acting as a special court. Such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any such claim in any proceeding instituted prior to or on or after the date of enactment of this Act.

(5) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, and to the greatest extent practical shall take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court, and such court shall render its decision relative to any claim within 90 days from the date such claim is brought unless such court determines that a longer period is required to satisfy requirements of the Constitution of the United States.

(d) Notwithstanding any other provision of law, the Secretary shall take the final action described in subsection (a) of this section without regard to the consent, or lack thereof, of any Committee of the Congress.

#### CONRAIL STUDIES AND EMERGENCY FUNDING

SEC. 703. (a) For purposes of this section, the term—

(1) "Association" means the United States Railway Association;

(2) "Commission" means the Interstate Commerce Commission;

(3) "Corporation" means the Consolidated Rail Corporation;

(4) "rail properties" means assets or rights owned, leased, or otherwise controlled by the Corporation which are used or useful in rail transportation service;

(5) "region" has the meaning given such term in section 101(15) of the Regional Rail Reorganization Act of 1973; and

(6) "Secretary" means the Secretary of Transportation.

(b)(1) No later than April 1, 1980,<sup>1</sup> the Association and the Corporation shall each submit a report to the Congress analyzing the impact, upon the Corporation, rail service in the region, railroad employees, the economy of the region, and other rail carriers in the region and elsewhere, and the Federal budget, of—

(A) no further Federal funding for the Corporation;

(B) continued Federal funding of the rail system of the Corporation as it is presently structured; and

(C) future Federal funding of the Corporation to the extent necessary to preserve rail service in the region which can be self-supporting, without undue interim disruption of operations which will be maintained.

(2) Each report submitted under paragraph (1) of this subsection shall contain a description, under each of the Federal funding alternatives set forth in subsection (a) of this section, of the lines of the Corporation which would be maintained, the lines of the Corpo-

ration which would be abandoned, and the lines which would be transferred.

(3) Each report submitted under paragraph (1) of this subsection shall also include specific recommendations with respect to—

(A) future projected funding requirements of the Corporation;

(B) future structure and activities of the Corporation in the region;

(C) any legislative action needed with respect to the matters described in subparagraphs (A) and (B) of this paragraph; and

(D) any other matters which the Association or the Corporation considers appropriate.

The specific recommendations submitted under this paragraph shall set forth alternatives for the Congress to consider in the event it determines that modification of such recommendations is appropriate.

(4) In developing recommendations in accordance with this subsection, the Association and the Corporation shall identify measures designed to ensure a financially self-sustaining rail system in the region. The recommendations shall be based on analyses of rail properties which might be proposed for abandonment or transfer to another railroad or qualified person and proposed operating efficiencies which could improve the Corporation's revenue-to-cost ratio.

(5) In developing recommendations under this subsection, the Association and the Corporation shall each analyze and consider—

(A) projections of the Corporation's future traffic, revenues, operating costs, and capital requirements;

(B) rail properties which might be proposed for abandonment or transfer to another railroad or qualified person, taking into account the potential impact of changes in the regulatory environment;

(C) the impact on communities served by lines proposed for abandonment or transfer;

(D) proposed operating efficiencies which could improve the Corporation's revenue-to-cost ratio;

(E) the impact on the Corporation of proposed mergers by connecting or competing railroads;

(F) employee motivation and labor productivity programs and a projection of labor protection costs which could result from the recommendations;

(G) the future capital structure of the Corporation; and

(H) any other factors identified by the Association as relevant to the recommendations required to be developed and submitted pursuant to this section.

(6)(A) The Association and the Corporation shall, on the date of submission of their recommendations to the Congress under this subsection, transmit copies of such recommendations to the Secretary, the Commission, and the Governor of each State that could be affected by such recommendations. Upon request, the Association and the Corporation shall furnish a copy of their recommendations to any interested person.

(B) As soon as practicable after submission of their recommendations to the Congress, the Association and the Corporation shall publish in the Federal Register a summary of such recommenda-

<sup>1</sup>This should read "April 1, 1981".

tions and invite interested parties to comment on such recommendations.

(7) The Commission shall, no later than May 1, 1981, submit to the Congress its comments on the reports of the Association, the Secretary, and the Corporation under this subsection.

(8) Not later than April 1, 1981, the Secretary shall submit to the Congress his recommendations with respect to the future structure and operations of the Corporation. Not later than May 1, 1981, the Secretary shall submit to the Congress his comments and recommendations with respect to the reports of the Association and the Corporation under this subsection, and shall make any changes in his recommendations that he determines are necessary.

(9) The antitrust laws, as defined in section 601(a)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(a)(3)), shall not apply to any action taken by the Association or the Secretary prior to May 1, 1981, in accordance with and under the authority of the provisions of this subsection.

(c) The Corporation shall, no later than March 15, 1981, submit to the Congress an analysis of the effects upon the Corporation and its employees of alternative changes in labor agreements and related operational changes. Such report shall include an analysis of any Federal funding that will be required.

(d) The Corporation shall, no later than January 15, 1981, submit to the Association its projections of the benefits to the Corporation of the Staggers Rail Act of 1980, its projections of changes needed in the structure of the rail system of the Corporation including properties which may be abandoned or transferred, and other projections of potential savings or increased revenues to the Corporation.

(e) Section 216(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(b)), as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(4) Purchases of up to \$329,000,000 of a series A preferred stock shall be made by the Association, subject to the availability of appropriations, as required and requested by the Corporation, if the Finance Committee makes an affirmative finding that the Corporation has taken appropriate action to eliminate losses on light density lines and other lines which are unprofitable. Such action shall include the imposition of surcharges on such lines, the abandonment of such lines, and the transfer of such lines."

(f)(1) Section 216(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(a)) is amended by striking out "\$2,300,000,000" and inserting in lieu thereof "\$2,629,000,000".

(2) Section 216(g) of such Act (45 U.S.C. 726(g)) is amended by striking out "\$3,300,000,000" and inserting in lieu thereof "\$3,629,000,000".

(3) Section 210(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 720(e)) is amended by inserting immediately after "section" in the first sentence thereof the following: "or under subsection (a) of section 306 of this Act".

#### USRA AUTHORIZATION OF APPROPRIATIONS

SEC. 704. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—For the fiscal year ending September 30, 1981, there are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this Act such sums as are necessary, not to exceed \$30,000,000. Sums appropriated under this subsection are authorized to remain available until expended."

#### FEEDER LINE REHABILITATION STUDY

SEC. 705. (a) The Secretary of Transportation and the Secretary of the Treasury shall jointly submit to the Congress, within 9 months of the effective date of this Act, a comprehensive report on the anticipated effect (including the loss of revenue to the Federal Treasury) of amending section 103 of the Internal Revenue Code of 1954 to provide an exemption from taxation for obligations incurred in connection with the rehabilitation of railroad feeder lines. Such report shall also include such criteria as may be necessary to prevent the abuse of such special tax status.

(b) For purposes of this section, railroad feeder line rehabilitation includes the acquisition, construction, reconstruction, or erection of any feeder line roadbed, track, trestle, depot, switching, and signaling equipment, or any other rail equipment (other than rolling stock)

#### EFFECT ON PENDING MATTERS

SEC. 706. In the case of any proposal docketed with a rate bureau prior to the effective date of this Act which is or becomes the subject of an application or proceeding before the Interstate Commerce Commission, such application or proceeding shall be determined as if this Act had not been enacted, and the antitrust immunity provided in section 10706(b) of title 49, United States Code, resulting from approval of such agreement shall continue in effect.

#### CONSTRUCTION OF AMENDMENTS

SEC. 707. With respect to the relationship between water carriers and rail carriers, none of the amendments made by this Act shall be construed to make lawful (1) any competitive practice that is unfair, destructive, predatory, or otherwise undermines competition and that was unlawful on the effective date of this Act, or (2) any other competitive practice that is unfair, destructive, predatory, or otherwise undermines competition.

#### SURPLUS PROPERTY

SEC. 708. Notwithstanding any other provision of law, the Consolidated Rail Corporation shall be considered a Federal agency for the sole purpose of Department of the Army Regulations 735-5, paragraph 1-16. Such Corporation may enter into a contract under the authority granted by this section only when it determines that the safety of the public so requires.

AK  
RAILROAD

Employee  
Info.

#1



SCHEDULE OF PAY,  
RULES AND REGULATIONS  
GOVERNING

DOCK, STATION, FREIGHT DEPOT &  
WAREHOUSE EMPLOYEES,  
COMMUNICATIONS, MAINTENANCE OF  
WAY, BRIDGE & BUILDING AND  
CULINARY EMPLOYEES

UNITED STATES  
DEPARTMENT OF TRANSPORTATION  
FEDERAL RAILROAD ADMINISTRATION  
The Alaska Railroad

Schedule of pay, rules and regulations  
governing represented Blue Collar Foremen,  
Dock, Station, Freight Depot and Warehouse  
Employees, Communications, Maintenance of  
Way, Bridge & Building, and Culinary Employees

Basic Labor Agreement

and

Blue Collar Wage Agreement

This book has been printed for use of The  
Alaska Railroad and its employees. Please  
return upon Terminating Service.

Book Assigned to:

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Revised February 10, 1971

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- 2 Responsibilities and Rights of Management
- 3 Rights of Employees
- 4 Provisions of Law and Regulation
- 5 Appropriate Matters
- 6 Union Representation
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UNITED STATES  
DEPARTMENT OF TRANSPORTATION  
FEDERAL RAILROAD ADMINISTRATION  
THE ALASKA RAILROAD

Schedule of Pay, Rules and Regulations Govern-  
ing represented Blue Collar Foremen, Dock,  
Station, Freight Depot and Warehouse  
Employees, Communications, Maintenance of  
Way, Bridge and Building, and Culinary  
Employees.

The AGREEMENT is made between THE  
ALASKA RAILROAD, Anchorage, Alaska, here-  
after referred to as "Management" and the  
American Federation of Government Employees,  
Local No. 183, AFL-CIO, hereafter referred  
to as the "Union".

The participants agree as follows:

It is the intent and purpose of the  
participants to promote and improve the  
efficient administration of the Federal  
Service, to promote the well-being of  
employees within the framework of Executive  
Order 11491, to establish a basic under-  
standing relative to personnel policies,  
practices, and other matters affecting  
conditions of employment, and to provide  
a means for amicable discussion and adjust-  
ment of matters of mutual interest.

ARTICLE 1

RECOGNITION AND UNIf DESIGNATION

Section 1. This Agreement is subject to the limitation on the discretionary powers of the Management Official of The Alaska Railroad over the area negotiated and it is applicable to the units for which the Union has been granted exclusive recognition.

Section 2. Management recognizes that the Union is the exclusive representative of blue collar employees in the bargaining unit or units. The Union recognizes the responsibility of representing the interests of all such employees by the provisions of this agreement.

Section 3. Other units which are granted exclusive recognition may be covered by this agreement when mutually agreed upon by Management and the Union and placed in written form.

ARTICLE 2

RESPONSIBILITIES AND RIGHTS OF MANAGEMENT

Section 1. The right to make reasonable rules and regulations shall be considered acknowledged functions of Management. In making

rules and regulations relating to personnel policies, and practices and procedures, and matters of working conditions, Management shall give due regard and consideration to the rights of the Union and the employees and the obligations imposed by this Agreement and the provisions of Executive Order 11491; however, such obligation and regard shall not be construed to extend to such areas of discretion and policy as the functions or mission, the budget, organization, assignment of personnel, the technology of performing work, or matters pertaining to the National Security.

Section 2. Management shall maintain a continuing program for the placement of handicapped employees, or those employees temporarily limited to light duty and who cannot be utilized in their primary assignment. It is recognized that in some instances a brief period of indoctrination may be required. Special consideration will also be given to the assignment of reserved parking spaces for use by handicapped employees depending upon the degree and nature of the handicap, availability, and nature of assignment.

ARTICLE 3

RIGHTS OF EMPLOYEES

Section 1. Management and the Union agree that employees shall have, and shall be protected in the exercise of the right, freely and without fear of penalty or reprisal, to form, join and assist any employees' organization or to refrain from any such activity. Except as expressly provided here and in Executive Order 11491, the freedom of such employees to assist any Union organization shall be recognized as extending to participation in the Union and acting for the Union in the capacity of a Union Representative, including presentation of Union views to officials of the Executive Branch, Congress, or other appropriate authority. Management shall take such action, consistent with law or with directives from higher authority, as may be required in order to assure that employees are apprised of the rights described in this Article, and that no interference, restraint, coercion or discrimination is practiced to discourage membership in Union organization.

Section 2. Any employee covered by the provisions of this Agreement and during the period he is on the payroll of Management,

shall not forfeit any benefits of this Agreement while on detail or assignment to another Activity or Division including off-site or satellite facilities for which Management has been delegated responsibility. This excludes assignment or promotion to Supervisory positions.

Section 3. Employees shall have access to their respective personnel file and the personnel file shall contain a job description stating the work performed by the employee.

Section 4. Employees covered by this Agreement and those dependent upon them for support will be given the same consideration in granting free transportation as is granted other non-operating employees in service.

Section 5.

(a) Employees transferred by direction of the Management requiring them to move family and household goods will be furnished free transportation over The Alaska Railroad on application to the employing officer.

(b) Employees moving to new positions or vacancies which necessitate a change of residence will receive free railroad transportation for themselves, dependent members

of their family and household goods, but fre transportation for household goods under these circumstances will not be allowed more than twice in a twelve-month period.

ARTICLE 4

PROVISIONS OF LAW AND REGULATION

Section 1. It is agreed by Management and the Union that nothing in this Agreement shall be so interpreted as to conflict with provisions of any existing or future law or regulation of the Federal Government. This includes, but is not restricted to, those applicable rules and regulations issued by the Civil Service Commission and the Department of Transportation.

Section 2. Management agrees to furnish the Union with two copies of any directives from higher Headquarters which affect employees or which alter Management's discretionary authority with regard to any item dealt with in this Agreement before implementing same. When such directives are not readily available Management agrees to requisition the two copies for the Union.

ARTICLE 5

APPROPRIATE MATTERS

Section 1. It is agreed and understood that )

matters appropriate for negotiation in this Agreement, or for consultation between the parties are policies, programs and procedures related to working conditions which are within the discretion of Management, including but not limited to such matters as safety, training, labor-management cooperation, employee services, methods of adjusting grievances, appeals, leave, promotion plans, demotion practices, pay practices, reduction in force practices, and hours of work.

Section 2. Management agrees that the Union will be notified before changes are made to existing benefits, practices, and understandings which have been authorized by Management but which are not specifically covered by this Agreement.

Section 3. Management agrees that all privileges and benefits extended within the limits of its discretionary power will be applied fairly and equitably to all employees in the unit. Management agrees to consult with the Union concerning alleged inequities in this connection.

Section 4. It is further recognized that this Agreement does not alleviate the responsibility of either party to meet with the other to discuss and consult on matters

not covered by this Agreement, which come within the scope of consultation and negotiation. It is further agreed and understood that the Management will consult with the Union before issuing any official directives which adversely affect the general working conditions covering the employees within the bargaining unit but which are not specifically covered by this Agreement.

#### ARTICLE 6

##### UNION REPRESENTATION

Section 1. Management recognizes the Union as the exclusive collective bargaining agent for all employees covered by this Agreement. Management further recognizes the right of the Union to designate Stewards and Union Representatives from among the employees of the unit. Management agrees to recognize the Stewards and Representatives designated by the Union.

Section 2. The number of Stewards and Representatives shall be only that number required to assure each employee of the unit ready access to a Steward in his work location. The designated number of stewards shall also be sufficient to assure that the Union can properly carry out its responsibilities under the terms of this Agreement.

For the purposes outlined in Sections 1 and 2 of this Article, the Union agrees to supply Management in writing, and shall maintain with Management on a current basis, a complete list of all Union authorized Representatives, Stewards and any alternates.

Section 3. Management agrees to recognize the officers and duly designated representatives of the Union and shall be advised in writing by the Union of the names of its officers and representatives.

Section 4. An employee who alleges and feels that he has a grievance or complaint shall be, upon request and approval of his supervisor, allowed time to report his grievance or complaint to the Steward, and when a pending grievance is reported to the Steward or Representative, that Steward or Representative shall be allowed the time necessary to investigate the reported grievance. This investigative procedure may require discussions with employee(s) within the bargaining unit or outside and representatives of Management (supervision) responsibilities or in some cases all three, in order to evaluate the facts and carry out the Union's responsibility under the terms of this Agreement.

Section 5. Management agrees that Stewards,

Union, officers, representatives and employees shall upon request and approval of their supervisor be allowed to leave their assigned areas to go to other departments, shops or offices when it is necessary to do so in order to accomplish the purposes outlined in Section 4 above, and in order to bring about a prompt and expeditious disposition of a complaint or grievance. It is further agreed that such activity shall be engaged in without any loss in pay or benefits to the employees authorized to act in behalf of the bargaining agent under the terms of this Agreement or to the employees contacted. Permission, in these instances will be granted unless the individual's work situation precludes such action. In any event, approval will be granted at the earliest opportunity. It is recognized that employees at outlying points may not have ready access to a Steward and the work situation precludes relief to process a claim, therefore, the claim will be processed through the President or other Union representative in writing to the appropriate Railroad official.

Section 6. Management agrees that any representative of the American Federation of Government Employees, AFL-CIO, or Local Lodge, upon request to Management shall be allowed into the activity at reasonable times on official Union business.

Section 7. Administrative leave may be granted to an employee Union representative to receive training, information, briefing and orientation on matters within the scope of Executive Order 11491--including statutory or regulatory provisions relating to pay, working conditions, work schedules, employee grievance procedures, performance rating, adverse action appeals and agency policy.

ARTICLE 7

HOURS OF WORK AND BASIC WORK WEEK

Section 1. Eight (8) hours shall constitute a normal work day. The administrative work week shall be Sunday through Saturday.

Section 2.

(a) Except as otherwise provided in these rules, eight (8) consecutive hours or less, exclusive of meal period, shall constitute a day's work for which a minimum of eight (8) hours' pay will be allowed.

(b) Employees' time will start and end at a regular designated assembling point for each class of employee, such as tool house, outfit car, shop, station, or office.

Section 3.

(a) There may be more than one starting time for employees at line points and at terminals, respectively, based upon service requirements, provided however, that no assignment shall be made with a starting time later than 12:00 midnight or earlier than 6:00 A.M. Assignments starting between 6:00 A.M. and 10:00 A.M., may be made for eight

(8) hours excluding an assigned meal period which shall not be less than thirty (30) minutes nor more than one (1) hour; or such assignments may be made to consist of eight (8) consecutive hours including an allowance of twenty (20) minutes for lunch without loss of time. Assignments starting at 10:00 A.M. or later will be eight consecutive hours including an allowance of twenty (20) minutes for lunch without loss of time. Where three assignments performing the same service are coupled in continuous service covering the twenty-four (24) hour period, each such continuous service assignment shall consist of eight (8) consecutive hours including an allowance of twenty (20) minutes for lunch without loss of time. Meal periods shall be between the end of the fourth and the beginning of the sixth hours.

(b) Except in emergencies, the hours of service for employees under this Agreement will not be changed on less than twenty-four (24) hours notice.

Section 4. Management agrees to recognize a normal basic work week of Monday through Friday of any employee except in those cases where a regular tour of duty would seriously handicap the performance of a function or would result in substantially increased cost. It is recognized that functions of The Alaska Railroad operate on a seven-day work basis and that certain five-day work weeks will involve work on Saturday and Sunday. In those cases when a change in the normal work week of regular assigned positions is necessary, Management shall consult with the Union in determining which specific jobs fall within the category for which a re-arranged basic work week of other than Monday through Friday is appropriate. In no case shall an employee be required to work in excess of five (5) eight (8) hour consecutive days in the Administrative work week without payment of overtime.

Section 5. Where it is necessary to close the installation or an activity therein and administrative excused leave is granted because of inclement weather, breakdown of equipment, or other emergency "Act of God" situations, employees who report for work shall be given administrative excused leave for the period of the emergency situation.

Section 6. An employee required to work any part of the assigned meal period (between

the fourth and sixth hour) will be allowed time therefor on the minute basis at rate of time and one-half. In the event there is not sufficient time remaining within the limits of the meal period in which to procure lunch (not less than twenty (20) minutes), employee will be allowed not to exceed twenty (20) minutes including any time remaining within the meal period in which to eat, without deduction therefor.

This does not apply to employees who are assigned to eight (8) consecutive hours without meal period and who are allowed twenty (20) minutes in which to eat without deduction of pay.

Section 7. At small outlying points or terminals where the service is intermittent or terminals where one shift is worked, not requiring continuous application, assignment may be made for employees to work eight (8) hours within a spread of twelve (12) consecutive hours with but one interval of not less than two (2) hours of release. Time actually worked in excess of eight (8) hours will be paid for at the rate of time and one-half.

Section 8. No notice period is required to employees of less than six months service when forces are reduced and employees to be

reduced have temporary appointment status, otherwise five days notice is required.

Section 9. Employees covered in this agreement are entitled to night differential in accordance with published wage schedules of the Department of Transportation.

## ARTICLE 8

### ROAD SERVICE

Section 1. Emergency & Wrecking Service: An employee regularly assigned to work at a designated headquarters, when called for emergency work or road work away from headquarters, will be paid from the time called to leave his headquarters, until return for all time worked in accordance with schedule rules, and will be paid straight time rates for traveling or waiting, except assigned rest days and holidays, which will be paid for at the rate of time and one-half, whether waiting, working or traveling. If, during the time on the road, a man is relieved from duty and permitted to go to bed for five (5) hours or more, such relief time will not be paid for provided that in no case shall he be paid for a total of less than eight (8) hours each calendar day, when such irregular service prevents the employee from making his regular daily hours at home station. Where meals and

lodging are not provided by the Railroad, travel expenses in accordance with the current Standard Government Travel Regulations will be allowed. Employees used in emergency service will be called as near as possible one (1) hour before leaving time; and on their return will deliver tools at point designated. Employees used in wrecking service will be paid under this rule, except that all time working, waiting or traveling on week days after the recognized straight time hours at home station and all time working, waiting or traveling on assigned rest days and holidays will be paid for at the rate of time and one-half. (Article 9, Section 3, interpretation applies.)

Section 2. Road Service:

(a) Employees required by the Management to travel on or off their assigned territory for reasons other than emergency (Road work) will be paid actual travel time at straight time rates in excess of their assigned hours. Overtime worked in excess of eight (8) hours will be paid for at overtime rates. (Article 9, Section 3 interpretation applies.)

(b) Positions requiring travel as a regular part of their assigned duties will not be paid travel time in excess of their assigned hours.

(c) Employees required to travel by the Management on or off their assigned territory in boarding cars will be paid straight time rates traveling during regular assigned working hours, and for rest days and Sundays during hours established for work periods on other days. When traveling in boarding cars after work period hours, the only time allowed will be for actual travel time, traveling between 10:00 P.M. and 6:00 A.M. at one-half the straight time rate. Travel time will not be counted against the basic work week of forty (40) hours.

(d) Any member of a gang stationed at a point where he maintains a residence will not be required to board with the boarding outfits. Any employee maintaining a residence at a point where employed will not be required to live in cars or houses furnished

Section 3. Road Service:

(a) Employees required to work away from their headquarters for a period of time involving ~~more~~ than one calendar week, will be allowed one trip each way on company time. Employees electing to travel to their home on intervening days off will travel on their own time.

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ARTICLE 9

OVERTIME

Section 1.

(a) Time worked in excess of eight (8) hours in any one day or forty (40) hours in any one week shall be considered overtime and paid for on an actual minute basis.

(b) No overtime shall be worked except by direction of proper authority, except in cases of emergency where advance authority is not obtainable.

(c) Employees shall not be required to suspend work during regular assigned hours to absorb overtime.

(d) In working overtime after assigned hours and on rest days, Sundays or Holidays, employees regularly assigned to the position for which overtime is to be worked shall be allowed to work the overtime, except as provided in Article 19, Section 6.

(e) When employees are ordered and report for work, they shall receive not less than four (4) hours' pay at straight time rates for two hours and forty minutes work or less, and if held on duty in excess of two hours and forty minutes, time and one-half will be allowed on the minute basis.

(f) An employee required to come on duty in advance of his regular starting time will be allowed time and one-half on the minutes basis with a minimum of time allowance of forty (40) minutes at the overtime rate for such service, the advance period to be not more than one (1) hour. If called more than one hour in advance of regular starting time, paragraph (e) will apply, except fifteen minutes preparatory time and fifteen minutes tie-up time for positions of pile driver caliber shall be allowed.

Section 2. In the event of a situation requiring the extension of a regular work shift into more than a two (2) hour overtime period, time for lunch will be permitted on the work site. Management will make the necessary arrangements that food will be made available for the employees involved, or provision made for a meal period.

Section 3. An employee with a regularly assigned point of duty, who reports out and in of said point within a twenty-four hour period shall receive time and one-half hours in excess of eight in any twenty-four hour period involved.

Interpretation: Employees traveling, regardless of the twenty-four (24) hour provision, on a motor car, trailer or

highway vehicle, who are required to operate, flag, or move the car or trailer to or from the track, or handle tools to and from such vehicles, shall be paid for time traveling as time worked. This does not apply when travel is on public conveyance when the travel time is paid at straight time rates for all time concerned.

#### ARTICLE 10

#### HOLIDAY WORK

Section 1. Federal regulations applicable to Federal Holidays shall apply. Employees shall be excused for all holidays now prescribed by law and any that may be later added by law and all holidays designated by Executive Order shall be observed as regular holidays. If a holiday falls on the employee's first rest day within the normal work week, the preceding day shall be treated as the holiday for leave and pay purposes and if the holiday falls on the employee's second rest day, the following day shall be treated as the holiday for leave and pay purposes. All hours worked within the hours of the assignment, shall be paid at the regular basic rate of compensation for the day. When possible, Management will notify all employees who are to work on a holiday two (2) days prior to the holiday

be worked; a list of employees expected to work on a holiday shall be posted in their work area at least two (2) work days in advance of such holiday.

Section 2. Management agrees that employees will not be scheduled to work on a holiday; prescribed by Federal Law or Executive Order, solely to avoid overtime work that otherwise would be performed on a day outside the basic work week.

Section 3. An employee notified to work a full shift on rest days or holidays, or an employee called to take the place of such employee, will be allowed to complete the shift unless relieved at his own request.  
Article 19 A, Section 4.

## ARTICLE 11

### SICK LEAVE

Section 1. Sick leave shall be granted employees when they are incapacitated for the performance of their duties by sickness, injury, or for medical, dental, or optical examination or treatment, or when a member of the immediate family of the employee is afflicted with a contagious disease.

Section 2. An employee who is absent on account of sickness shall notify his superiors or other appropriate person prior to the start of their shift on the first workday of his absence, or as soon thereafter as possible. Second and third shift employees shall notify their department foreman prior to the start of their shift or as soon thereafter as possible. Requests for sick leave for medical, dental, or optical examination or treatment shall be submitted for approval prior to the beginning of the leave, except in the case of emergencies.

Section 3. A medical certificate for absence of three (3) workdays or less will not be required, except where there is reason to believe the employee is abusing sick leave privileges. In such cases the employee will be verbally advised that the sick leave privilege is being abused. When there is no improvement the employee will be advised, in writing, that he will be required to submit a medical certificate for each subsequent absence for illness. Medical certificates will not be required for holidays or days outside the employee's workweek. It is further agreed that Management and the employee will review the sick leave record of each employee required to furnish a medical certificate periodically, and where such review reveals no substantial evidence that the

employee has abused sick leave privileges during the review period, the employee will be notified in writing that a medical certificate will no longer be required for each absence which is claimed as due to illness for periods of three (3) work-days or less unless an abuse recurs.

Section 4. An employee sent home by the Chief Medical Officer will be provided transportation by Management in those cases where the Medical Officer determines such transportation is necessary.

Section 5. When an employee is assigned a temporary restricted work classification, as determined by the Medical Officer, Management will make every effort to place the employee on a job, if available, within the prescribed restrictions.

Section 6. Management agrees to advance sick leave in accordance with applicable regulations to permanent employees, not to exceed thirty days, when there is reason to believe the advanced sick leave will be earned after return to work.

## ARTICLE 12

### ANNUAL LEAVE

Section 1. Annual leave is afforded by law. Employees shall accrue leave in accordance with regulations. Approval of an employee's request for annual leave will be granted when his request is submitted with reasonable advance notice. Approval of requests for annual leave for unforeseen reasons will be considered as the circumstances warrant.

Section 2. Every attempt consistent with the workload will be made to satisfy the desires of the employees with respect to the approving of extended annual leave for vacations. When Management finds it necessary to cancel previously approved leave, the reasons for such action will be explained to the affected employee(s).

Section 3. Applications for specific days of annual leave for vacation purposes will be granted on a seniority basis and in the event of a coinciding request date the senior employee of the affected area of The Alaska Railroad shall receive preference. Filing date for vacation leave shall be February 1 of each year.

Section 4. Compensation is payable during leave of absence at the rate applicable to the position from which the employee is excused from duty and not at the rate payable for a period during which leave is earned (19 Comp. Gen. 1015, June 22, 1940).

Permanent employees who are temporarily re-assigned or promoted to positions at higher salary rates and who are granted annual leave while serving under the temporary assignment to take effect prior to return or re-assignment to their former positions are entitled to compensation for the leave so taken at the higher rate of compensation of the temporarily assigned position for the entire period of leave; but if they are returned to their former positions prior to the effective date of the granted annual leave, they are entitled to compensation for the leave so taken only at the rate applicable to the position to which returned, even though no duty be performed under such re-assignment or return before leave is taken (19 Comp. Gen. 1015, June 22, 1940).

#### ARTICLE 13

#### LEAVE OF ABSENCE

Section 1. A reasonable number of employees may be granted annual leave, leave without pay, to accept temporary Union positions or to attend conventions or meetings of the Union as defined in Executive Order 11491. Employees may be granted leave of absence with or without pay for other purposes.

Section 2. Management agrees to grant upon request of the Union, leave without pay for employees to act as full-time representatives for the Union.

Section 3. Management recognizes the obligation to provide employment at the end of the extended leave without pay granted for employees as full-time Union representatives within the rating the employee held upon his request for leave and in the current pay status of such rating at the time the employee returns to work, also recognizing the bumping and retreating rights of an employee on approved leave of absence without pay in situations where the employee's status has been affected by reduction-in-force action during the period of leave of absence.

Section 4. All employees in approved leave of absence without pay status shall accrue all rights and privileges in respect to retirement status and coverage under the Group Life Insurance and Federal Employees Health Benefits Program in accordance with current law and regulations.

Section 5. Each Reservist of the Armed Forces or member of the National Guard who is a permanent employee is entitled to leave of absence from his duties without

loss of pay or seniority for not exceeding fifteen (15) calendar days in any calendar year in which he has been called to active duty.

Section 6. Employees shall not be granted leave of absence without pay for the purpose of accepting outside employment unless given written permission prior to leave jointly by the Management and the Union. Employees giving false reasons for the purpose of obtaining leave will be subject to discipline.

Section 7. An employee on leave or temporarily absent from his assignment for any cause, must notify his foreman of his return thereto at least one (1) hour prior to the quitting time of his assignment on the working day next preceding his return, except in the case of sick leave.

Section 8. Duly accredited representatives of the employees and other employees employed exclusively by the organization shall be considered as in the service of the Carrier and may return to their former position or exercise seniority within thirty (30) calendar days after release from such employment.

Section 9. An employee unavoidably detained from work will not be discriminated against. Unless prior notice of expected absence has been given, notice to foreman must be given as quickly as possible, and failure to do so, or habitual absence from work without good cause will be considered cause for discipline.

#### ARTICLE 14

##### MERIT PROMOTION

Section 1. The Employer will utilize employees' skills and potentials to the fullest extent practicable. Employees will be promoted on the basis of merit without regard to race, color, religion, sex, age, or membership or non-membership in employee organizations. The over-all objective of the merit promotion program is to assure that positions are filled with the best qualified persons available and to assure that all employees have an equal opportunity to apply for advancement.

Section 2. The Union recognizes that the Employer has the option of filling positions by repromotion, or by methods other than promotion such as appointment, reinstatement, reassignment, or transfer provided the person selected is in the best qualified

group using the same qualification standards as for evaluating applicants for promotion. Management agrees that whenever possible to utilize existing employees from within the activity to fill vacant positions when qualified employees are available.

Section 3. All Alaska Railroad merit promotion program opportunities, outside the Multiple Appointment system, will be advertised through issuance of announcements within the area of consideration on all Official Bulletin Boards. Announcements will be open for at least ten working days when advertising is confined to The Alaska Railroad. Only employees or applicants outside the Railroad making application will be considered.

Section 4. The Alaska Railroad will normally be the minimum area of consideration. If an announcement fails to provide a sufficient number of highly qualified candidates, the area will be expanded. The Union will be notified in advance of expansions of areas of consideration and upon request the Employer will consider the Union's views concerning the necessity for such expansions.

Section 5. Upon request, each applicant will be told whether he was eligible for

promotion on the basis of minimum qualification requirements, whether he was in the group from which selection was made, who was selected for promotion, and in what areas he should improve himself to increase his chances for promotion.

Section 6. In accordance with Civil Service Commission directives, qualification standards for promotion are those prescribed in Commission Handbook X118-C for ungraded positions as supplemented by Department of Transportation directives. These standards prescribe elements for each occupational area and level of occupation. In accordance with the Federal Personnel Manual, the following consideration may be used in evaluating these job elements.

a. Written Tests. Appropriate validated written tests which are either required or approved by the Civil Service Commission may be used. Written tests may not be used as the sole means of evaluating candidates; they may be used as only one part of the evaluation process with due weight given to the appropriate factors.

b. Appraisals of Performance. Appraisals of performance must be considered as one factor in evaluation of basically eligible candidates. When an employee has

worked for a particular supervisor for less than six (6) months, a second, foreman (leadingman) supervisory appraisal shall be obtained. An employee is entitled to see, upon his request, any production record or any supervisory appraisal of past performance used in considering him for promotion. An employee, however, is not entitled to see a supervisory report on potential which is a recorded judgment of the supervisor's estimate or prediction of how well the employee is likely to perform at a level or in a kind of work different from one in which he has already performed.

c. Experience. In evaluating experience the type and quality of experience is considered in relation to the requirements of the position to be filled. Length of service, length of experience, or seniority, is evaluated when there is a clear and positive relationship with quality of performance and for breaking ties.

d. Awards. Due weight will be given awards received by employees in terms of qualifications indicated such as initiative, resourcefulness and planning ability and their bearing on the requirements of the position to be filled.

e. Training and Self-Development. Training and self-development which would increase the employees potential for

effective performance in the position to be filled must be considered.

Section 7. Employees selected for promotion will be notified promptly of their selection and released from their former positions as soon as practicable, normally with two weeks' notice. An employee will be paid at the pay level of the position for which selected, starting with the effective date of promotion, in accordance with applicable regulations.

Section 8. Questions or complaints about the promotion program should be resolved informally if possible, by the Union President or his designee, who will have access to unrestricted records used in the promotion process, or with the immediate supervisors, and the Personnel Officer. The formal means for resolving complaints is then through the grievance procedure.

Section 9.

(a) When practicable, the duties of a higher graded employee who is absent for a time less than thirty (30) days will be assumed by another employee as a detail. When a qualified employee is assigned for a period of thirty (30) days or more, a temporary promotion will be made under applicable rules and regulations. This does

not require that management fill vacated positions. Employees with multiple appointments receive pay for the work performed, for that work which is included in the Multiple Appointment. (FPM Chapter 300, Subchapter 8 "Detail of Employees",

(b) All time that an employee is required to fill a position of higher grade than his regular assignment shall be recorded. After he has fulfilled the duties of the position for a total period of experience required by the Civil Service Commission regulations, he shall be eligible for inclusion of such position in his Multiple Appointment, upon approval of his supervisor and completion of any required test or examination pertaining to the position.

Section 10. When a vacancy occurs, a Certificate of Eligibles will be forwarded to the Selecting Official containing the names of no more than five (5) of the best qualified applicants and shall be grouped alphabetically and the certificate shall state that the names are not listed relative to qualifications. The Selecting Official may interview candidates on the Certificate of Eligibles. If one (1) candidate is interviewed all candidates will be interviewed if available.

Section 11. Merit promotion announcements will show the job requirements for which an applicant's qualifications are evaluated in terms of the skills, knowledge, abilities, and potential needed to perform the job for which the applicant is being considered. Merit promotion announcements shall not contain key or restrictive clauses that tend to favor one employee or a group of employees for a particular position.

Section 12. A merit promotion opportunities announcement may not be modified after the promotion process is under way unless an in-appropriate announcement has been released. Modified announcements will be in accordance with Section 3 of this Article and all employees eligible under the modified announcement shall be considered for promotion.

Section 13. The Employer agrees to consult with the Union on any revisions or amendments to the Merit Promotion Plan.

#### ARTICLE 15

##### BULLETINING POSITIONS WITHIN MULTIPLE APPOINTMENTS (Outside Merit Promotion)

Section 1. Vacancies of thirty (30) days or

more shall be bulletined for ten (10) days before being permanently filled. The oldest employee in point of service in the respective craft, if qualified by experience to efficiently handle the work, will be assigned. Employees desiring to avail themselves of this rule will make bid, in writing, to the official in charge, duplicate copy to the Union, and the Management to make assignment.

Section 2. An employee exercising his seniority rights under this rule will do so without expense to the Carrier; he will not lose his right to the job he left, and if after a fair trial not to exceed thirty (30) days he fails to qualify for the new position, he will return to his former position. The next senior qualified man bidding will be assigned. In the event there are no bids, the youngest qualified employee will be assigned.

Section 3. Official Bulletin Boards shall be used at all central points of employee contact throughout the Railbelt, where proper notices of interest to employees and job bulletins may be posted. Access to such board will be made available to accredited Union representatives for posting such notices as are necessary.

Section 4. Employees covered by this Agreement, who have been assigned in a multiple appointment, perform work for four (4) hours or more in a position authorized with a multiple appointment shall be paid for the rate of work performed consistent with the grade assignments authorized in multiple appointment.

Section 5.

(a) An employee assigned to a permanent position and who does not hold a Multiple Appointment, his rate shall not be reduced when temporarily assigned to lower grade duties.

(b) An employee who holds a Multiple Appointment shall not have his rate reduced below that of his bid position, while temporarily performing the duties of a position which is graded lower.

Section 6. Positions of a higher grade shall not be abolished solely for the purpose of requiring an employee to accept a lower graded position within his category. It is recognized that this does not preclude the abolishment or realignment of positions to meet the needs of the service.

Section 7. Advertised vacancies may be filled in acting status pending an assign-

Section 8. Assignment bulletin shall be prepared and mailed within ten (10) days after the close of the bulletin calling for bids.

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Section 2. Any employee demoted without cause must be considered for repromotion before other means are used to fill a position. Although he is not guaranteed repromotion he should be repromoted as an exception to competitive procedures if he is well qualified for the position unless there are persuasive reasons for not doing so.

Section 3. If the selecting official decides not to select an employee under the repromotion promises of this agreement certified to him as one of the best qualified under competitive promotion procedures, the official must state his reasons for the record if he does not then select the employee.

ARTICLE 17

PERSONNEL MOVEMENT IN RIF SITUATIONS

Section 1. It is agreed that all possible action will be taken to avoid or minimize the impact of a reduction-in-force prior to separating employees. Such action will include restricting recruitment, meeting ceiling limitations through attrition, re-assigning employees in surplus positions and terminating limited appointments.

Section 2. Management agrees to notify the Union of the necessity for reduction-in-force as far in advance as practicable and of the reasons therefor. Management also agrees to inform the Union of the affected competitive levels and the number of employees affected, when this information is available.

Section 3. It is agreed that Management, to the extent consistent with the installation's manpower requirements, will make an effort to reassign employees whose positions are eliminated because of automation or adoption of labor saving devices. It is agreed that management will make practical effort to train employees, when necessary for reassignment, whose positions are eliminated because of automation or adoption of labor saving devices.

Section 4. For reduction-in-force purposes the Competitive Area for employees of this unit shall be The Alaska Railroad, except as provided in special rules for ~~Track Laborers~~; and the Dock, Station, Freight House, and Warehouse Employees.

ARTICLE 18

REVIEWS OF JOB DESCRIPTIONS & REQUIREMENTS

Section 1. The activity program for determining the ratings of positions of employees in the unit is conducted in accordance with the applicable Department of Transportation regulations. To assure that ratings are appropriate to the work currently being performed by the employees in the bargaining unit, Management agrees to and shall conduct a continuing review of such ratings throughout the activity. In any case where a modification of a job description of any position in the unit is proposed to the extent that either the rating, title, pay level, or qualification requirements for the rating would be affected, the proposed change will be discussed verbally or in writing by Management with the Employee prior to the effective date of any such change.

Section 2. Any employee in the unit who alleges that his position is improperly described or rated may discuss the matter with his supervisor, who will, upon request, arrange for review of the employee's rating by personnel of the Personnel Office. The review shall include discussion with the employee and with his supervisor to determine the employee's actual regular work assignment over a representative current period and comparison of such assignments to the related job descriptions and/or rating definitions. Management agrees to consider fully all pertinent facts including those presented by the employee. If the employee's complaint is not resolved to the satisfaction of the employee, Management shall notify the employee in writing of the findings, the basis of the findings, and shall outline the employee's appeal rights, and enclose a copy of the appeal procedures. In requesting a review of his position rating and in the discussions described above, the employee may have and shall be entitled to representation by his Union.

Section 3. Upon request by the employee and/or his representative, Management agrees to produce all pertinent and current data on the grade and job standards of the employee's particular job. The information will include how the grades, job standards, and titles were established and the type of work actually required under these standards.

Section 4. It is agreed that Management will advise the Employee when a job rating is to be changed due to reclassification actions to a lower grade, and at least thirty (30) days prior to effecting personnel action.

Section 5. The Union may present supporting evidence to Management regarding the local application of position classification standards and the equity of classification results.

#### ARTICLE 19

##### A. DISPOSITION OF UNIT WORK

Section 1. Nothing in this agreement shall be construed to prevent operators of equipment and machines from making minor repairs to equipment they operate incidental to the continuous operation of their equipment and machinery, outside the shop.

Section 2. None but assigned personnel regularly employed as such shall do the assigned work of each craft. This rule does not prohibit foremen in the exercise of their duties, or foremen at points where no craftsmen are employed, to perform work, when qualified.

Section 3. At points where there is not sufficient work to justify employing a mechanic of each craft, the mechanic or mechanics employed at such points will, so far as capable, perform the work of any craft (including welding) that may be necessary.

Section 4. An employee notified to work a full shift on his day of rest, Sundays or holidays, will be allowed to complete the shift unless relieved at his own request. (Article 10, Section 3.)

Section 5. Management agrees that as a matter of practice, supervisors, above the level of represented foremen, shall not be assigned to perform the duties as outlined in job descriptions of Unit employees except when instructing or training employees.

Section 6. Maintenance employees may be required to afford reasonable assistance on adjoining territory, otherwise will not be required to work outside of his assigned territory, except in cases of emergency or over-lapping on rest days or holidays.

19 B. SPECIAL RULES

CULINARY WORKERS

Section 1.

(a) A work week for regularly assigned employees, except as noted, shall consist of five (5) days of eight (8) hours each with two (2) rest days in each seven (7). Such rest days shall be consecutive to the extent practicable.

Note: Where the service requirements are such and regular relief assignments are impractical, the work week may consist of seven (7) days, with overtime at the rate of time and one-half for the sixth and seventh days, Friday and Saturday.

(b) Service extending over a period of more than five (5) days per week may be performed by establishing regular relief assignments consisting of five (5) days of work and two (2) days to do the work necessary on rest days of regular assignments in such service or to perform relief work on certain days and such types of other work on other days as may be assigned, or work weeks of regular assignments in such service may be staggered, or extra or furloughed employees may be

used to do the work necessary on rest days of regular assignments in such service.

(c) Assignments for regular relief positions may on different days include different starting times, duties or work locations.

Section 2. The cook is in charge of kitchen and dining facilities, coordinating his activities for serving the gang with the foremen, and shall be responsible for maintaining cleanliness and safe and sanitary conditions of the area and of the employees under his charge, and shall also be responsible for the appearance and deportment of employees while on duty in the kitchen and/or dining room.

Section 3. Helper service in outfit cars will be assigned to meet the service requirements of the following schedule:

(a) When there are 14 men, but not to exceed 16 men, to be served meals, one helper shall be added. If a helper is not added or if the cook, by proper notification to the Chief Steward, desires, he may perform the necessary services without a helper and will be allowed one hour overtime for each day such service is performed.

(b) When there are 17 but not to exceed 20 men, as shown in paragraph (a) above, 2 hours overtime will be allowed.

(c) When there are 21 to 35 men, one helper will be furnished and no option will be allowed the cook to perform these extra services.

(d) When there are 36 to 44 men, two helpers will be furnished and no option will be allowed the cook to perform these extra services.

(e) When there are 45 or more men, three or more helpers will be furnished, depending on the requirements of the service, and no option will be allowed the cook to perform these extra services.

Section 4. Employces holding seniority of other crafts cannot hold seniority under this craft.

#### 19 C. SPECIAL RULES

##### MAINTENANCE OF WAY

Section 1. The cook is in charge of the

kitchen and dining facilities, coordinating his activities for serving the gang with the foremen, and shall make orders for stores and necessary provisions; shall be responsible for maintaining cleanliness and safe and sanitary conditions of the area and of the employees under his charge, and shall also be responsible for the appearance and deportment of employees while on duty in the kitchen and/or dining room.

Section 2.

There will be one seniority roster for all extra gang and section laborers entitled: "Track Laborers".

SUP 2

Section 3.

~~(a) Competitive area for reduction in-force purposes for section track laborers shall be North Pole to and including Talkeetna, Sunshine to and including Seward.~~

~~(b) Competitive area for Extra Gang laborers shall be system-wide.~~

Section 3. Employees holding seniority of other crafts cannot hold seniority under this craft.

Section 5.

(a) Foremen are authorized to permit subordinates leave not to exceed 15 calendar days. Leave in excess of 15 calendar days must be given prior approval of Roadmaster,

(b) In event Foremen cannot contact their Roadmasters, permission may be secured from the office of the General Roadmaster or Chief Engineer. If none of the foregoing are available, in emergencies, the nearest telegraph operator must be notified. In all cases, information as to where Foremen can be located must be filed for use in emergencies.

(c) Track men held on duty on rest days will be paid overtime.

Section 6.

a) Employees entering service shall acquire seniority as of the first day of pay in the group in which the employee entered service.

Section 7.

(a) Laborers entering service acquire seniority as of the first day of pay as laborer.

SUP 2

(b) An employee who has a multiple appointment and who has worked thirty (30) days on a position within the multiple appointment may gain seniority for that position at the completion of the thirty (30) days. If the service is continuous, the seniority date will be as of the first day of the thirty (30) days. If service is intermittent, the employee shall keep a record of days worked and the seniority date will be as of the thirtieth (30th) day before the last day of the qualifying thirty (30) day period.

(c) An employee who receives a promotion, reassignment or change to lower grade will receive seniority as of the effective day of the change.

(d) Employees claiming retroactive seniority under this change will be given a seniority date as of May 12, 1976. Where more than one employee claims seniority on the same list, the employees will be given in ID order. Employees desiring seniority under this change must apply in writing to the Office of Chief Engineer prior to July 15, 1976.

Section 4. (amended)

The required starting time of Article 7, Section 3, may be amended to permit other than the 12:00 midnight and 6:00 A.M. starting time (to provide maximum work time, conforming to train schedules, and daylight hours) by giving the Union and Gang Foreman five (5) days notice. A change may be made in less than five (5) days by mutual written agreement between the Union and Management. Regardless of starting time, assignments may be made for eight (8) hours excluding an assigned meal period which shall not be less than thirty (30) minutes nor more than one (1) hour. This amendment is applicable only to floating gangs, ex ra gangs, tamper crews and ditcher operators.

19 D. SPECIAL RULES

BRIDGE AND BUILDING

Section 1. The cook is in charge of the kitchen and dining facilities, coordinating his activities for serving the gang with the foremen, and shall make orders for stores and necessary provisions; shall be responsible for maintaining cleanliness and safe and sanitary conditions of the area and of the employees under his charge, and shall also be responsible for the appearance and deportment of employees while on duty in the kitchen and/or dining room.

Section 2.

(a) Foremen supervising B & B gangs consisting of five men or less will be required to work as mechanics on such gangs.

(b) Employees of any craft may be assigned to B & B Foremen and they will be under his supervision.

Section 3. When called in road service or emergency work, the term headquarters shall be defined as the point on the Railroad where gang is stationed at the time they are called to the emergency.

Section 4. Employees holding seniority of other crafts cannot hold contracts

Section 5. (Revised)

The required starting time of Article 7, Section 3, may be amended to permit other than the 12:00 midnight and 6:00 A.M. starting time (to provide maximum work time, conforming to train schedules, and daylight hours) by giving the Union and Gang Foreman five (5) days' notice. A change may be made in less than five (5) days by mutual written agreement between the Union and Management. Regardless of starting time, assignments may be made for eight (8) hours excluding an assigned meal period which shall not be less than thirty (30) minutes nor more than one (1) hour. This amendment is applicable only to floating gangs, extra gangs, B&B gangs, tamper crews, and ditcher operators.

Section 6. Remains the same.

Section 7. (added)

Same as Article 19C, Section <sup>6</sup> 7, paragraphs (a), (b), (c), and (d).

SUP 2

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under other crafts cannot hold seniority  
under this craft.

seniority shall prevail

Section 2. Same as Article 19C, Section  
6, paragraphs (a), (b), (c), and (d).

days .....  
road on one or more items of any group, <sup>SUP 2</sup>  
notwithstanding compliance with standards  
established for the position by the Civil  
Service Commission. If service is contin-  
uous, his seniority date will be as of the  
first day of the thirty (30) days. If  
service is intermittent, record shall be  
kept by employees and seniority date will  
be the thirtieth (30th) day previous to  
the last day of the qualifying thirty (30)  
day period.

Section 3. When spreaders are used in snow  
or work service, spreader operators will  
work under the same conditions as train  
crews with regard to hours of service and  
living conditions.

Section 4.

(a) Crews on shovels, cranes, clamshells,  
draglines and backhoes shall consist of  
the operator, oiler, Ditcher Foreman or