

Mac A. Fleming
President



William F. LaRue
Secretary-Treasurer

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

SENT VIA FACSIMILE AND U.S. MAIL

September 18, 1995

1995 Move.

TO ALL U.S. GRAND LODGE
OFFICERS AND GENERAL CHAIRMEN

Dear Sirs and Brothers:

This is to advise that the National Mediation Board has appointed Mediator Faye Marie Landers-Crawford to mediate the Brotherhood's System Division and Federation disputes with the railroads represented by the National Carriers' Conference Committee. She will be on vacation this week but will be in contact with Director of Research Myron upon her return.

Should you have any questions, please feel free to contact Brother Myron at (810) 948-1010, Extension 242.

In solidarity,

Mac A. Fleming
President

cc: Canadian Vice Presidents
and General Chairmen
Grand Lodge Appointees

*cc All Fed. Officers
9-18-95*

President's Dept.
FAX 313-948-7150

Suite 200
26555 Evergreen Road
Southfield, Mi 48076-4225
Telephone 313-948-1010

Secretary-Treasurer's Dept.
FAX 313-948-9140

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

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

SENT VIA FACSIMILE & U.S. MAIL
September 19, 1995

3231
1995 Move
NMB #A-12718

Mr. Stephen E. Crable, Chief of Staff
National Mediation Board
Suite 250 East
1301 K Street, N.W.
Washington, D.C. 20572

Re: NMB Case No. A-12718

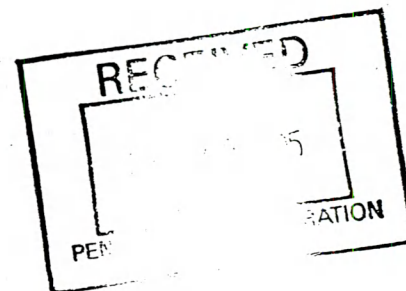
Dear Mr. Crable:

This will acknowledge receipt of your facsimile dated September 18, 1995, wherein you advise that Mediator Faye Marie Landers-Crawford will contact the parties to schedule mediation in the above-referenced case.

Please be advised that Director of Research Joel Myron, will act as a coordinator for the Brotherhood, with no bargaining authority, but will disseminate correspondence appropriately within the BMW. Mr. Myron's address is Suite 200, 26555 Evergreen Rd., Southfield, MI 48076, telephone (810) 948-1010, Extension 242 and facsimile (810) 948-7150.

The designated representatives for Conrail/BMW NMB Case No. A-12718/1 are the following General Chairmen:

Consolidated Rail Corporation
Mr. Jed Dodd, General Chairman
Pennsylvania Federation
Suites 607 - 609
1930 Chestnut Street
Philadelphia, PA 19103-4522
Telephone: (215) 569-1285
Facsimile: (215) 569-0676



cc All Fed Officers
9-23-95

President's Dept.
FAX 313-948-7150

Suite 200
26555 Evergreen Road
Southfield, MI 48076-4225
Telephone 313-948-1010

Secretary-Treasurer's Dept.
FAX 313-948-9140

Mr. Perry K. Geller, General Chairman
Consolidated Rail System Federation
Suite B
29 W. 130th St.
Hinckley, OH 44233-9694
Telephone: (216) 225-9608
Facsimile: (216) 225-3373

Mr. John J. Davison, General Chairman
Northeastern System Federation
P. O. Box 138
Mansfield, Massachusetts 02048-0138
Telephone: (508) 698-6845
Facsimile: (508) 698-6850

As sub. numbers of A-12718 have yet to be assigned, the designated representative(s) of the following railroads represented by the NCCC are as follows:

Alton & Southern Railroad

Mr. Keith Roberds, General Chairman
St. Louis Terminal System Federation
1012 Alan Drive
Red Bud, IL 62278-1403
Telephone: (618) 282-6435

Atchison, Topeka & Santa Fe Ry. Co.

Mr. Mark E. Hemphill, General Chairman
Atchison, Topeka & Santa Fe System Federation
P. O. Box 746
521 S.E. 10th Street
Newton, KS 67114-0746
Telephone: (316) 283-1470
Facsimile: (316) 283-7264

Bangor & Aroostook Railroad Co.

Mr. John Davison, General Chairman
Northeastern System Federation
P.O. Box 138
Mansfield, MA 02048-0138
Telephone: (508) 698-6845
Facsimile: (508) 698-6850

Burlington Northern Railroad Co.

Mr. Bruce Glover, General Chairman
Burlington Northern System Federation
550 A Butler Square
100 N. 6th Street
Minneapolis, MN 55403-1512
Telephone: (612) 332-7947
Facsimile: (612) 332-6166

Mr. D. D. Joynt, General Chairman
Burlington System Division
Room 284
2701 Alcott Street
Denver, CO 80211-4212
Telephone: (303) 455-5813
Facsimile: (303) 455-2218

Mr. E.R. Spears, General Chairman
Frisco System Federation
P.O. Box 50396
Springfield, MO 65805-0396
Telephone: (417) 869-4691
Facsimile: (417) 869-5532

Mr. Wm. F. Gulliford, General Chairman
Mountain & Plains Federation
Suite 100
1010 South Joliet Street
Aurora, CO 80012
Telephone: (303) 360-5592
Facsimile: (303) 360-5483

Camas Prairie Railroad

Mr. Bruce Glover, General Chairman
Burlington Northern System Federation
550 A Butler Square
100 N. 6th St.
Minneapolis MN 55403-1512
Telephone: (612) 332-7947
Facsimile: (612) 332-6166

Chicago & Illinois Midland Ry. Co.

Mr. Merle Krohe, General Chairman
Chicago & Illinois Midland System Division
435 S. Plum Street
Havana, IL 62644-9744
Telephone: (309) 543-5369

Chicago and North Western Transportation Co.

Mr. Leon R. Fenhaus, General Chairman
Chicago & North Western System Federation
Rt. 1, Box 28-A
Wakonda, South Dakota 57073
Telephone: (605) 267-2482
Facsimile: (605) 267-2051

CSX Transportation, Inc.

Mr. J. Cook, General Chairman
C S X System Federation
P.O. Box 278
Manistee, MI 49660-0278
Telephone: (616) 723-3577
Facsimile: (616) 723-3798

Mr. Perry Geller, General Chairman
Consolidated Rail System Federation
Suite B
29 W 130th St.
Hinckley, OH 44233-9694
Telephone: (216) 225-9608
Facsimile: (216) 225-3373

Mr. Larry Phillips, General Chairman
Monon System Division
RR 2
Box 818
Springville, IN 47462-9802
Telephone: (812) 279-6380
Facsimile: (812) 279-3554

Mr. Joseph Pugh, General Chairman
Norfolk & Western System Federation
Ste. 2-a, Charter Federal Bldg
2706 Ogden Rd SW
Roanoke, VA 24014-2800
Telephone: (703) 989-5465
Facsimile: (703) 772-7780

Mr. Freddie Simpson, General Chairman
Southeast System Federation
5586 Nolensville Rd
Nashville, TN 37211-6420
Telephone: (615) 333-7685
Facsimile: (615) 333-7696

Mr. James Knight, General Chairman
Seaboard Federation
7411 Merrill Rd
Jacksonville, FL 32211-3782
Telephone: (904) 744-7223
Facsimile: (904) 744-6744

Mr. Gary Cox, General Chairman
Southern System Division
20464 Chartwell Center, Ste. G
PO Box 2003 Cont Station
Cornelius, NC 28031-0600
Telephone: (800) 537-2194
Facsimile: (704) 896-7659

Mr. Jed Dodd, General Chairman
Pennsylvania Federation
Suites 607 - 609
1930 Chestnut Street
Philadelphia, PA 19103-4522
Telephone: (215) 569-1285
Facsimile: (215) 569-0676

Davenport Rock Island & NW Ry. Co.

Mr. D. Joynt, General Chairman
Burlington System Division
Room 284
2701 Alcott Street
Denver, CO 80211-4212
Telephone: (303) 455-5813
Facsimile: (303) 455-2218

Galveston, Houston and Henderson RR Co.

Mr. John Self, General Chairman
Southwestern Federation
PO Box 246
Pottsboro TX 75076-0246
Telephone: (903) 786-4349
Facsimile: (903) 786-6063

Houston Belt Terminal Ry. Co.

Mr. Bill Palmer, General Chairman
Missouri Pacific System Federation
P.O. Box 2767
324 West Whaley
Longview, TX 75606-2767
Telephone: (903) 758-7212
Facsimile: (903) 753-1855

**Kansas City Southern Railway Co., The
CP-Kansas City Southern Joint Agency**

Mr. Bill Palmer, General Chairman
Missouri Pacific System Federation
P.O. Box 2767
324 West Whaley
Longview, TX 75606-2767
Telephone: (903) 758-7212
Facsimile: (903) 753-1855

Lake Superior & Ishpeming RR Co.

Mr. Wade Birnbaum, General Chairman
Soo Line System Division
6210 Sheridan Ave S.
Richfield, MN 55423-1006
Telephone: (612) 869-2419
Facsimile: (612) 869-7641

Longview, Portland and Northern Ry. Co.

Mr. Bruce Glover, General Chairman
Burlington Northern System Federation
550 A Butler Square
100 N. 6th St.
Minneapolis MN 55403-1512
Telephone: (612) 332-7947
Facsimile: (612) 332-6166

Los Angeles Junction Ry.

Mr. Mark Hemphill, General Chairman
Atchison, Topeka & Santa Fe System Federation
P.O. Box 746
521 SE 10th Street
Newton, KS 67114-0746
Telephone: (316) 283-1470
Facsimile: (316) 283-7264

Manufacturers Railway Company

Mr. Keith Roberds, General Chairman
St Louis Terminal System Federation
1012 Alan Dr.
Red Bud, IL 62278-1403

Missouri-Kansas-Texas Railroad

Mr. John Self, General Chairman
Southwestern Federation
P.O. Box 246
Pottsboro, TX 75076-0246

Oklahoma, Kansas & Texas Railroad

Mr. Freddie Lewis, General Chairman
Southern Pacific Atlantic Federation
Suite 202
350 N. Sam Houston Pky., E.
Houston, TX 77060-3315
Telephone: (713) 931-4443
Facsimile: (713) 931-4435

Missouri Pacific Railroad

Mr. Bill Palmer, General Chairman
Missouri Pacific System Federation
P.O. Box 2767
324 West Whaley
Longview, TX 75606-2767

New Orleans Public Belt Railroad

Mr. Freddie Lewis, General Chairman
Southern Pacific Atlantic Federation
Suite 202
350 N. Sam Houston Pky., E.
Houston, TX 77060-3315
Telephone: (713) 931-4443
Facsimile: (713) 931-4435

Norfolk and Portsmouth Belt Line RR Co.

Mr. Joseph Pugh, General Chairman
Norfolk & Western System Federation
Ste. 2-a, Charter Federal Bldg
2706 Ogden Rd SW
Roanoke, VA 24014-2800
Telephone: (703) 989-5465
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Norfolk Southern Ry. Company

Mr. J. Cook, General Chairman
C S X System Federation
P.O. Box 278
Manistee, MI 49660-0278

Mr. Paul R. Beard, General Chairman
Nickel Plate-Wheeling & Lake Erie Federation
712 Second Street
Toledo, OH 43605
Telephone: (419) 693-3801
Facsimile: (419) 693-4227

Mr. Joseph Pugh, General Chairman
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Facsimile: (703) 772-7780

Mr. James Knight, General Chairman
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7411 Merrill Rd.
Jacksonville, FL 32211-3782
Telephone: (904) 744-7223
Facsimile: (904) 744-6744

Mr. Gary Cox, General Chairman
Southern System Division
20464 Chartwell Center, Ste. G
P.O. Box 2003 Cont Station
Cornelius, NC 28031-0600
Telephone: (800) 537-2194
Facsimile: (704) 896-7659

Mr. Richard L. Taylor, General Chairman
Wabash Federation
P. O. Box 696
Moberly, Missouri 65270
Telephone: (816) 263-7480
Facsimile: (816) 263-7481

Northern Indiana Commuter Transp. District
Mr. Hollie Hancock, General Chairman
Chicago, South Shore & South Bend System Division
1115 Springland Avenue
Michigan City, IN 46360
Telephone: (219) 874-4546

Peoria & Pekin Union Ry. Co.

Mr. Leon Fenhaus, General Chairman
Chicago & North Western System Federation
RR 1
Box 28 - A
Wakonda, SD 57073-9717

Pittsburgh, Chartiers & Youghiogeny Ry. Co.

Mr. Perry Geller, General Chairman
Consolidated Rail System Federation
Suite B
29 W 130th St.
Hinckley, OH 44233-9694
Telephone: (216) 225-9608
Facsimile: (216) 225-3373

Port Terminal RR Association (Houston)

Mr. Keith Roberds, General Chairman
St Louis Terminal System Federation
1012 Alan Dr.
Red Bud, IL 62278-1403
Telephone: (618) 282-6435

Portland Terminal RR Company (Oregon)

Mr. Rick Wehrli, General Chairman
Union Pacific System Division
Suite 102
1010 S. Joliet St.
Aurora, CO 80012-3150
Telephone: (303) 364-9158
Facsimile: (303) 364-9150

Terminal RR Association of St. Louis

Mr. Keith Roberds, General Chairman
St Louis Terminal System Federation
1012 Alan Dr.
Red Bud, IL 62278-1403
Telephone: (618) 282-6435

Union Pacific Railroad

Mr. Bruce Glover, General Chairman
Burlington Northern System Federation
550 A Butler Square
100 N. 6th St.
Minneapolis, MN 55403-1512
Telephone: (612) 332-7947
Facsimile: (612) 332-6166

Mr. Duane Smith, General Chairman
Chicago & Eastern Illinois System Division
RR 1, Box 98
Lerna, IL 62440-9611
Telephone: (217) 849-3855

Mr. Bill R. Palmer, General Chairman
Missouri Pacific System Federation
P. O. Box 2767
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Longview, TX 75606-2767
Telephone: (903) 758-7212

Mr. David E. McMahon, General Chairman
Pacific Federation
Suite 260
930 Alhambra Boulevard
Sacramento, CA 95816
Telephone: (916) 444-0943
Facsimile: (916) 444-2659

Mr. Freddie Lewis, General Chairman
Southern Pacific Atlantic Federation
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350 North Sam Houston Pky., E.
Houston, TX 77060-3315
Telephone: (713) 931-4443
Facsimile: (713) 931-4435

Mr. John P. Self, General Chairman
Southwestern Federation
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Pottsboro, TX 75076
Telephone: (903) 786-4349
Facsimile: (903) 786-6063

Mr. Rick Wehrli, General Chairman
Union Pacific System Division
Suite 102
1010 S. Joliet St.
Aurora, CO 80012-3150
Telephone: (303) 364-9158
Facsimile: (303) 364-9150

Utah Railway Company

Mr. William Gulliford, General Chairman
Mountain & Plains Federation
Suite 100
1010 S. Joliet St.
Aurora, CO 80012-3150
Telephone: (303) 360-5592
Facsimile: (303) 360-5483

Western Pacific Railroad

Mr. David Mc Mahon, General Chairman
Pacific Federation
Suite 260, Alhambra - Jay Bldg.
930 Alhambra Blvd.
Sacramento, CA 95816-4426
Telephone: (916) 444-0943
Facsimile: (916) 444-2659

Wichita Terminal Association, The

Mr. Mark Hemphill, General Chairman
Atchison, Topeka & Santa Fe System Federation
P.O. Box 746
521 SE 10th Street
Newton, KS 67114-0746
Telephone: (316) 283-1470
Facsimile: (316) 283-7264

Kindly assign sub. numbers in accordance with Acting Executive Director John J. Bavis' letter dated March 31, 1995 as NMB Case No. A-12718 lacks the necessary specificity for us to determine which committee or committees you have assigned Ms. Landers-Crawford to. Based upon the March 31, 1995 letter and subsequent discussions between the BMW, NCCC and NMB, it is my understanding that each committee with authority to bargain for the maintenance of way craft on each of their respective railroads (railroads represented by NCCC) are included in this mediation, both for "common issue" sessions and individual railroad sessions.

Thank you for your assistance.

Very truly,


President

bcc: U.S. Grand Lodge Officers
and General Chairmen
Canadian Vice Presidents
and General Chairmen
Grand Lodge Appointees
John O'B. Clarke, Esq.

TO: JET 05:30 PM
Page 1

ROBERT F. ALLEN, CHAIRMAN
NATIONAL CARRIERS' CONFERENCE COMMITTEE

MAC A. FLEMING, PRESIDENT
BMW

MEDIATOR FAYE MARIE LANDERS-CRAWFORD WILL CONTACT THE PARTIES TO
SCHEDULE MEDIATION IN NMB CASE NO. A-12718, INVOLVING THE
NATIONAL CARRIERS' CONFERENCE COMMITTEE AND THE BMW. PLEASE
ADVISE WHO WILL REPRESENT YOU AND PROVIDE LOCAL TELEPHONE AND FAX
NUMBERS. JOINT ALLEN AND FLEMING. COPY TO LANDERS-CRAWFORD.

STEPHEN E. CRABLE, CHIEF OF STAFF, NATIONAL MEDIATION BOARD

FAX 2025231494 (RL/OA/3:30PM, SEPTEMBER 18, 1995)A12718

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

Jed Dodd
General Chairman
Pennsylvania Federation BMW E

Perry Geller
General Chairman
Consolidated Rail System Federation BMW E

John Davison
General Chairman
Northeastern System Federation BMW E

September 28, 1995

Mr. Stephen E. Crable, Chief of Staff
National Mediation Board
Suite 250 East
1301 K Street, NW
Washington, DC 20572

Re: Your facsimile dated September 28, 1995 setting mediation sessions
between the Pennsylvania Federation, Consolidated Rail System
Federation and the Northeastern System Federation and the Consolidated
Rail Corporation - dispute A-12718/1

Dear Sir:

This is to advise that we will be present for the dates scheduled for BMW E members represented by the Pennsylvania Federation, Consolidated Rail System Federation and the Northeastern System Federation on the Consolidated Rail Corporation. We are the bargaining representatives for those BMW E represented employees and have sole authority to make agreements for our members on the Consolidated Rail Corporation.

We will attend the mediation session you have scheduled for October 3, 1995 and October 9 and 10, 1995. Naturally, our committee will be bargaining locally, solely for members of our Federations, representing our committee's members on the Consolidated Rail Corporation. We are fully aware that these meetings will be in what

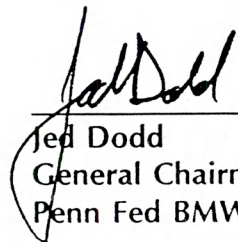
Page 2
September 28, 1995
A-12718/1

we call a "multi-local" format and that BMWF local committees from railroads represented by the NCCC will be present and ready to bargain, exclusively for those whom they represent.

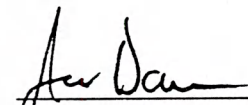
We have not granted the International authority to negotiate for our membership in these negotiations, although we have no objection to the International sending whomever it sees fit to these negotiations as resource people and coordinate the bargaining for purposes of efficiency, though not for the purposes of making agreements between our Federations and the Consolidated Rail Corporation.

After all of this time, we thank you for beginning the process and look forward to rapid, fruitful and good faith negotiations.

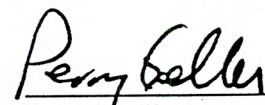
Yours truly,



Jed Dodd
General Chairman
Penn Fed BMWF



John Davison
General Chairman
NES Fed BMWF



Perry Geller
General Chairman
CRS Fed BMWF

cc Mr. M. A. Fleming
Mr. Henry Wise
Mr. Joel Myron
Mr. W. A. Bon
Mr. R. E. Allen
Mr. D. Arouca

ROBERT F. ALLEN, CHAIRMAN
NATIONAL CARRIERS' CONFERENCE COMMITTEE

M.A. FLEMING, PRESIDENT
BMW

JOEL MYRON, DIRECTOR OF RESEARCH
BMW

MEDIATOR FAYE MARIE LANDERS-CRAWFORD WILL BE AT THE NMB'S
OFFICES, IN WASHINGTON, DC AT 10:00 A.M. TUESDAY, OCTOBER 3,
1995, AND 10:00 A.M. ON MONDAY, OCTOBER 9 AND 10, 1995, TO
COMMENCE MEDIATION IN NMB CASE NO. A-12718, INVOLVING THE
NATIONAL CARRIERS' CONFERENCE COMMITTEE AND THE BMW. JOINT
ALLEN, FLEMING AND MYRON. COPY LANDERS-CRAWFORD.

STEPHEN E. CRABLE, CHIEF OF STAFF, NATIONAL MEDIATION BOARD

FAX 2025231454 (AL/OA/8:30 AM, SEPTEMBER 28, 1995)A12718

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

**1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103**

Jed Dodd
General Chairman
Pennsylvania Federation BMWF

Perry Geller
General Chairman
Consolidated Rail System Federation BMWF

John Davison
General Chairman
Northeastern System Federation BMWF

October 11, 1995

SENT VIA FACSIMILE AND U.S. MAIL

Ms. Magdalena Jacobsen, Chairwoman
National Mediation Board
Suite 250 East
Washington, DC 20572

Re: BMWF Conrail Negotiations
File No. A-12718/1

Dear Chairwoman Jacobsen:

We are writing you to request that you proffer arbitration and release the parties in the dispute between our federations and the Consolidated Rail Corporation referred to under National Mediation Board File No. A-12718/1. We have several reasons for this request.

On November 1, 1994 the BMWF Conrail Committees served Section 6 Notices on Conrail pursuant to our rights under the *Railway Labor Act*. On January 1, 1995 the moratorium between the parties expired. After attempting to commence negotiations several times between Conrail and the BMWF Committees, we invoked the services of the

NMB on or about January 4, 1995. We did this because we learned during the last round of negotiations that delay of the process benefits the railroads because our members end up receiving lump sum settlements with no regular percentage wage increases for periods of time prior to reaching those settlements. We know that the railroads are aware of this because they specifically referred to this in a letter dated June 21, 1991 from then CEO Robert Schmiede of the C & NW Railroad. A copy of this letter is enclosed for your ready reference.

The Schmiede letter is not the only reason we believe the railroads are, even now, protracting the process. After 11 months of refusing to meet with the Conrail Committee, the National Mediation Board scheduled what is referred to as dual track bargaining with two local tables. We met at the common issues multi-local table on October 3, 1995 and October 9-10, 1995. On the second day of bargaining, the railroads refused to meet with our committee for several hours because of a strike by 40 BMW members against the Terminal Association of St. Louis over local problems. When finally they decided to meet with us (after nearly 1 year of refusing to meet) we presented our economic analysis for Conrail and discussed the unique issues that are at the core of our insistence that local handling is the only appropriate means for bargaining our dispute with Conrail. When management made their presentation, they never once referred to any of the issues we raised regarding Conrail. Additionally, the broad brush position they did put forward was full of improper assumptions, ideologically driven and completely at odds with our economic presentation. This means that there is no framework for negotiations, and the railroads simply intend to make a show of meeting with the BMW on Conrail in order to further protract the process. This is unacceptable.

We went through the kabuki dance last time when we negotiated with Conrail. We are well aware of their ability to conduct endless meetings in which nothing is resolved and which only lead to further meetings. We found last time that only when the pressure is on the railroad will they negotiate in good faith to make a deal. The only way for real negotiations to take place is for you to grant a release and proffer arbitration. Otherwise Conrail has no impetus to bargain, except for an agreement that is substantially lower than what they can afford to pay. During the last round of negotiations, we met endlessly over three and one half years until there was pressure on Conrail due to a possible single railroad strike. Then we resolved the contract in 5 days of intensive bargaining. The resolution was nearly detached from the substance of the negotiations that occurred over that three and one half year period of bargaining.

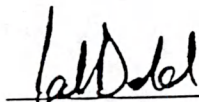
We appreciate the efforts you have made since you became Chairwoman on July 1, 1995. We also appreciate the efforts made by Mediator Faye Marie Landers-Crawford. Unfortunately, the unwillingness of Conrail to meet with us for intensive bargaining for however many days in a row it takes to resolve the dispute or reach impasse and to provide us with a comprehensive proposal for settlement of our dispute demonstrates to us that we are not getting down to any serious bargaining. We are just getting down to endless meetings.

Given all of this, the best way to get this round behind us is to put pressure on all

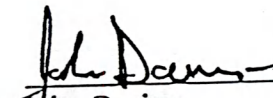
parties to resolve their disputes. The best way to do this is to proffer arbitration and release the parties in National Mediation Board File No. A-12718/1 now.

Thank you for your consideration. We await your response at your earliest convenience.

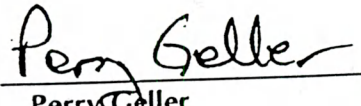
Yours truly,



Ted Dodd
General Chairman
Penn Fed BMW



John Davison
General Chairman
NES Fed BMW



Perry Geller
General Chairman
CRS Fed BMW

cc Mr. M. A. Fleming
Mr. Henry Wise
Mr. Joel Myron
Mr. W. A. Bon
Mr. R. E. Allen
Mr. D. Arouca



June 21, 1991

One North Western Center
Chicago, Illinois 60606
312.519.6061

Robert Schenke
Chairman, President and
Chief Executive Officer

Mr. Michael H. Walsh
Chairman and Chief Executive Officer
Union Pacific Railroad
1416 Dodge Street
Omaha, Nebraska 68179

RE: Railway Labor Act

Dear Mike:

As is clear from Bill Curtin's letter yesterday, a discussion is developing concerning whether the Railway Labor Act hinders the efforts of the railroad industry to achieve a rational approach to its labor costs, and if so, whether a change to the National Labor Relations Act would improve matters. I submit that, from the perspective of the railroads' strategic and economic self-interest, the Railway Labor Act remains the best alternative as a legal framework to govern railroad labor relations.

The threshold question is how does the railroad industry achieve the most effective labor settlements. Unless we believe that our companies have the leverage to win traditional management-employee tests of economic strength (a belief that I do not share), our interests are best served by a system which avoids those tests. In other words, I do not believe that transportation companies have the inherent financial strength to sustain strikes of sufficient duration to very often force a union to capitulate. Moreover, when comparing the economic gain of lower future operating expense that might result from forcing a union to accept the company's offer against the economic loss of reduced earnings during a strike, a decision by management to force a collective bargaining dispute into a test of economic power rarely passes a cost/benefit analysis. Confronted as we are by multiple labor organizations who want, either jointly or severally, to cause multi-strikes, any enhancement of the opportunity to provoke a crisis would be to our detriment. The RLA's specific charter is to avoid strikes, and it is remarkably effective at preventing unions from achieving the legal right to strike. Any notion to change the RLA has as its premise the idea that somehow economic warfare would help us achieve more economically advantageous settlements. This premise, I believe, is not founded in fact.

As a service business, railroads depend to a great extent on their ability to operate without interruption, because they can not inventory product. We also depend on the good will of our customers and our employees. While individual railroads have varying ability to financially withstand a cessation of service, no transportation company has the ability to withstand a really long cessation, which often occurs in transportation strikes. After strikes, transportation companies often find it difficult to recover from the loss of goodwill that such action provokes among customers and employees. Similarly, the North

Mr. Michael H. Walsh
June 21, 1991
Page 2

Western learned in 1988 that replacing existing employees with strike replacements is not a viable option because of the shortage of unemployed locomotive engineers in the country. There are no recent examples of strikes in the railroad or airline industries which enhanced the carrier's ability to thrive as a service business. Transportation companies must effectively deal with managing their labor relations without the tactic of forcing issues to strike. Our only real leverage is delaying a wage settlement.

Under those circumstances, railroads need a legal framework which makes it difficult for unions to create economic tests of strength. Railroads need a framework that permits us to tactically manage the sequencing of the bargaining and mediation phases. Under the Railway Labor Act, there can be no legal strikes unless, pursuant to valid Section 6 notices, the National Mediation Board has concluded that its efforts have failed. Even then, the parties' conduct may be subject to review and recommendations by an Emergency Board, and by Congress. This extended process gives us the ability, although it has not been utilized until this year, to assure that wage settlements reflect what is acceptable in the economy in general. The lesson from the most current round is that when railroads have an identified and realistic goal, railroads can achieve that goal under the current legal framework.

The ancillary issues raised about the RLA, such as secondary activity, multiple unions and government-financed grievance procedures are largely irrelevant from a unit cost perspective, especially when viewed against the legal framework as a whole. While some administrative interests might be served, the danger in trying to fix these smaller problems is that the entire question is opened up.

This leads to the final thought - the effectiveness and importance of national handling. Without the threat that a labor crisis will affect the national economy, our companies are at a terrible disadvantage. Our maximum leverage comes with the unity of a national case. It is hard to imagine that our companies would have fared better had we chosen to bargain separately. Therefore, I respectfully submit that our efforts in the future should be directed, not at changing the Railway Labor Act, but at perfecting the strategies and institution of national handling.

Perhaps this subject should be discussed when we all next meet on July 25.

Sincerely,

Bob

cc: Messrs. Claytor, Edwards, Grinstein, Hagen, Kirk,
Krebs, McKinnon, Mohan, Moyers, and Snow

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

Brotherhood of Maintenance of Way Employees

Affiliated with the A.F.L.-C.I.O. and C.L.C.

SENT VIA FACSIMILE & U.S. MAIL

October 12, 1995

3231
1995 Move
NMB #A-12718,
Sub 1 thru Sub 8

Mr. Stephen E. Crable, Chief of Staff
National Mediation Board
Suite 250 East
1301 K Street, N.W.
Washington, D.C. 20572

Re: NMB Case No. A-12718 Sub 1 thru A-12718 Sub 8

Dear Mr. Crable:

This will acknowledge receipt of your facsimile dated October 12, 1995 wherein you advise that Mediator Fay Marie Landers-Crawford will be at the NMB's offices in Washington, DC at 10:00 a.m., Monday, October 30 and Tuesday, October 31, 1995, to resume mediation in the above-referenced cases.

Please be advised that the BMW E representatives for the above-referenced NMB cases will be present for the continuation of multi-local bargaining. If you have any questions, please do not hesitate to contact Director of Research Joel Myron at (810) 948-1010, Ext. 242.

Very truly,

Mac A. Fleming
President

cc: Mr. Robert F. Allen
Designated Railroad
Negotiating Committees

bcc: Grand Lodge Officers
and General Chairmen
Grand Lodge Appointees
John O'B. Clarke, Esq.

President's Dept.
FAX 313-948-7150

Suite 200
26565 Evergreen Road
Southfield, MI 48076-4225
Telephone 313-948-1010

Secretary-Treasurer's Dept.
FAX 313-948-9140

ROBERT F. ALLEN, CHAIRMAN
NATIONAL CARRIERS' CONFERENCE COMMITTEE

M.A. FLEMING, PRESIDENT
BMW

JOEL MYRON, DIRECTOR OF RESEARCH
BMW

MEDIATOR FAYE MARIE LANDERS-CRAWFORD WILL BE AT THE NMB'S
OFFICES, IN WASHINGTON, DC AT 10:00 A.M. MONDAY, OCTOBER 30 AND
31, 1995, TO RESUME MEDIATION IN NMB CASE NO. A-12718, INVOLVING
THE NATIONAL CARRIERS' CONFERENCE COMMITTEE AND THE BMW. JOINT
ALLEN, FLEMING AND MYRON. COPY LANDERS-CRAWFORD.

STEPHEN E. CRABLE, CHIEF OF STAFF, NATIONAL MEDIATION BOARD

FAX 2025231494 (RL/OA/9:0 AM, OCTOBER 12, 1995)A12718

**NATIONAL MEDIATION BOARD**

WASHINGTON, D.C. 20572

October 11, 1995

Mr. Robert F. Allen, Chairman
National Railway Labor Conference
1901 L Street, N.W.
Washington, DC 20036

Mr. Mac A. Fleming, President
Brotherhood of Maintenance of Way Employees
26555 Evergreen Road, Suite 200
Southfield, MI 48076-4225

Re: NMB Case No. A-12718

Dear Mr. Allen and Mr. Fleming:

The above NMB case number should reflect the associated sub-numbers listed below for the Class I railroads represented by the NCCC. The assignment of these sub-numbers is without prejudice to the parties' positions in litigation currently pending before the courts:

A-12718:

- | | |
|-------|--|
| Sub 1 | NCCC - Consolidated Rail Corp. |
| Sub 2 | NCCC - Burlington Northern RR |
| Sub 3 | NCCC - CSX Transportation |
| Sub 4 | NCCC - Norfolk Southern Ry. |
| Sub 5 | NCCC - Atchison, Topeka & Santa Fe Ry. |
| Sub 6 | NCCC - Union Pacific RR |
| Sub 7 | NCCC - Chicago & North Western Ry. |
| Sub 8 | NCCC - Kansas City Southern Ry. |

Messrs. Allen and Fleming are requested to distribute copies of this letter to any other individuals they deem appropriate.

Sincerely,

A handwritten signature in dark ink, reading "Stephen E. Crable". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Stephen E. Crable
Chief of Staff

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

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

SENT VIA FACSIMILE & U.S. MAIL
October 12, 1995

3231
1995 Move
NMB #A-12718,
Sub 1 thru Sub 8

Mr. Stephen E. Crable, Chief of Staff
National Mediation Board
Suite 250 East
1301 K Street, N.W.
Washington, D.C. 20572

Re: NMB Case No. A-12718 Sub 1 thru A-12718 Sub 8

Dear Mr. Crable:

This will acknowledge receipt of your letter dated October 11, 1995 addressed to Mr. Robert F. Allen and the undersigned concerning the above-referenced National Mediation Board case number.

Thank you for assigning the sub-numbers listed in your letter and by copy of this letter I am informing the designated railroad negotiating committees of the assignment of sub-numbers which will be referred to hereafter.

Very truly,

Mac A. Fleming
President

cc: Mr. Robert F. Allen
Designated Railroad
Negotiating Committees

bcc: Grand Lodge Officers
and General Chairmen
Grand Lodge Appointees
John O'B. Clarke, Esq.

President's Dept.
FAX 313-948-7150

Suite 200
28565 Evergreen Road
Southfield, Mi 48076-4225
Telephone 313-948-1010

Secretary-Treasurer's Dept.
FAX 313-948-9140

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

Brotherhood of Maintenance of Way Employees

Affiliated with the A.F.L.-C.I.O. and C.I.C.

**Via U.S. Mail
and Facsimile**

NA 1995 Move

October 12, 1995

Ms. Magdalena G. Jacobsen
Chairperson
National Mediation Board
Suite 250 East
1301 "K" Street, N. W.
Washington, D. C. 20572-0002

Dear Ms. Jacobsen:

This has reference to a letter that I recently received from Transportation Communications International Union President Robert Scardelletti, wherein he asks that the BMWWE inform you that we support his request that the TCU be released from mediation, due to having reached an impasse with the railroads.

The BMWWE supports the bargaining strategies developed by all of the unions over which the National Mediation Board has jurisdiction. As you are aware, the railroads articulated their strategy in a letter dated June 21, 1991, from then C&NW CEO Robert Schmiede. The railroads' strategy is to manipulate the NMB into protracting negotiations, thus, allowing the railroads to obtain a better economic settlement at Rail Labor's expense and to strengthen the mechanisms of national handling. The NMB should not play into this scenario.

The BMWWE supports Brother Scardelletti's request with one caveat. The BMWWE does not want any union or combination of unions released at the same time that any of our local units are released. We want our individual units covered under the various sub-numbers of NMB Case Nos. A-12718/1 through A-12718/8 handled separately from each other --- and separately from any other rail union. It is also the BMWWE's desire that these cases be handled expeditiously.

President's Dept.
FAX 313-948-7150

Suite 200
26555 Evergreen Road
Southfield, MI 48076-4226
Telephone 313-948-1010

Secretary-Treasurer's Dept.
FAX 313 948 9140



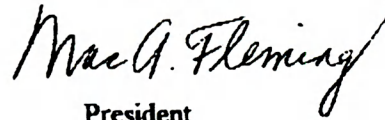
Ms. Magdalena G. Jacobsen

- 2 -

October 12, 1995

If you should have any questions regarding the BMW's position, please feel free to contact me.

Sincerely yours,



President

cc: Grand Lodge Officers and
General Chairmen
Grand Lodge Appointees
Mr. Robert A. Scardelletti

cc all Federation Officers
10-12-95

"An Injury to One is an Injury to All"

JED DODD
General Chairman



R. L. CALDWELL, SR.
Vice Chairman - Sec'y. - Treas.

Pennsylvania Federation
BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

Affiliated with AFL - CIO AND CLC

1930 Chestnut Street, Suite 607 - 609, Philadelphia, PA 19103 / (215) 569-1285 - 86 / FAX (215) 569-0676

October 13, 1995

Consolidated Rail Corporation
Dennis Arouca, Vice President Labor Relations
2001 Market Street
Philadelphia, Pa. 19103

Dear Mr. Arouca:

Re: A-12718/1
Conrail versus BMW

This letter concerns the commitment made by Bob Allen, Chairman of the National Carrier's Conference Committee, to have the individual managements represented by the NCCC meet with the local BMW bargaining committees over our contract issues between now and October 30, 1995. This will confirm our conversation on October 12, 1995 wherein you informed me of the following:

1. You did not currently have any free time between now and October 30, 1995 to schedule a meeting.
2. That if you did find time to honor the commitment made by Bob Allen to meet with the BMW bargaining committee on Conrail between now and October 30, 1995 you would give me a call. You did not know when you would be able to call me about this issue.
3. You were of the opinion that the commitment that Bob Allen made to have Conrail meet with the local BMW Conrail bargaining committee was only that you were required to try to meet and that this conversation was your attempt.

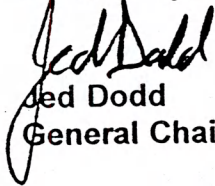
As you are aware, we are of the opinion that our dispute should be



Page 2

released from mediation and in a letter dated October 11, 1995 we have communicated this opinion to the National Mediation Board. Your inability to honor Bob Allen's commitment to meet with the Conrail BMWWE bargaining committee once again demonstrates your desire to protract the bargaining process and only enforces our opinion that we are at impasse in these negotiations and that we should be released from the services of the National Mediation Board.

Yours truly,


Ted Dodd
General Chairman

cc Mac Fleming, President BMWWE
 Perry Geller, General Chairman CRS Federation
 John Davison, General Chairman NES Federation
 M. Jacobsen, Chairwoman National Mediation Board
 Bob Allen, Chairman National Carrier's Conference Committee
 Faye Marie Landers-Crawford, Mediator

Working safely requires continuous improvement.

DENNIS A. AROUCA
VICE PRESIDENT
LABOR RELATIONS

October 16, 1995

VIA FAX

Mr. Mac Fleming
President
Brotherhood of
Maintenance of Way
Employes
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Mr. Joel Myron
Director of Research
Brotherhood of
Maintenance of Way
Employes
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Mr. John J. Davison
General Chairman
Brotherhood of
Maintenance of Way
Employes
P. O. Box 138
Mansfield, MA 02048-0138

Mr. Jed Dodd
General Chairman
Brotherhood of
Maintenance of Way
Employes
1930 Chestnut Street
Philadelphia, PA 19103

Mr. Perry K. Geller
General Chairman
Brotherhood of
Maintenance of Way
Employes
29 West 130th Street, Suite B
Hinckley, OH 44233

Re: NMB No. A-12718

Gentlemen:

Mr. Dodd's letter of October 13, 1995 is not correct. On October 12 during a break in negotiations with the BLE, I returned Mr. Dodd's call of October 12. He requested dates for local negotiations between now and October 30, asserting that Bob Allen "committed" on October 10 that such meetings would be scheduled.

As you may know, I could not attend the October 9-10 mediation sessions because of prior commitments, including negotiations with the UTU. I told Mr. Dodd that my calendar was full the next two weeks, most of it dedicated to negotiations with other unions with whom we have been meeting for a number of months, but that I would try to change some things around to accommodate the BMW, and requested from Mr. Dodd dates for November if I was not successful.

Messrs. Fleming, Myron, Davison, Dodd and Geller
October 16, 1995
Page 2

Mr. Dodd refused to give me dates in November and stated that "Conrail acts at its own peril if it refuses to meet".

I repeated that I was not refusing to meet, would try to rearrange my schedule, and felt his threat was inappropriate. I requested that Mr. Dodd check with Mr. Myron on the alleged commitment to meet; I was informed by Mr. Allen that we should try to meet, schedule permitting.

At great inconvenience to a number of people, I have moved some things around and I am available the afternoon of October 24 beginning at 2 p.m. and the morning of November 14. In addition, other members of my staff are available the afternoon of October 25, beginning at 1:00 p.m. I suggest our offices at Two Commerce Square, 2001 Market Street, Philadelphia, PA, as the meeting location.

Let me also address the General Chairmen's outrageous letter of October 11, 1995 to National Mediation Board Chairwoman Jacobsen, requesting that the Board release the parties from mediation. I note that according to our records the October 11 and October 13 letters are the ninth and tenth times BMWWE has invoked the release/strike message since Section 6 notices were served, despite the lack of substantive conferences and narrowing of issues.

The October 11 letter also contains a number of misrepresentations.

- The National Mediation Board has not scheduled meetings with "two local tables". The Board consistently has refused to label the talks and is leaving the entire subject to the courts.
- Neither Conrail nor the NCCC has ever refused to meet with the BMWWE. The correspondence speaks for itself and is too numerous to repeat here.
- Union objection to the NCCC refusing to respond to BMWWE financial assertions on October 9 regarding Conrail are misplaced. I understand the Union presented these assertions -- for the first time -- on October 9 and it is unreasonable to expect constructive responses on complex financial matters overnight. I understand the NCCC made a financial state of the industry presentation on October 10 which may have addressed some of the Union's contentions. We have a Conrail-only

Messrs. Fleming, Myron, Davison, Dodd and Geller
October 16, 1995
Page 3

presentation that complements that which the NCCC presented on behalf of the entire industry, and which we have gone over with other unions who have agreed to meet while the courts decide the legal issues. I will arrange to present that to the BMW.

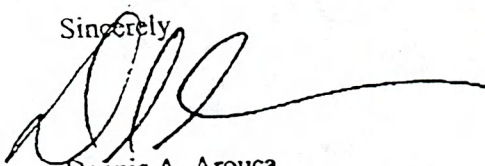
- BMW assertion that nothing productive happens in conferences before a release simply is not correct. In this round of bargaining, we have reached agreements before mediation with the Fraternal Order of Police (ratified) and United Transportation Union (not ratified), and share the optimism of a number of unions that other agreements can be reached soon.
- It is disingenuous for the BMW to complain about the schedule of negotiations with other unions interfering with its efforts to begin conferences. Both carriers and unions have limited resources and choose their own strategy and tactics, just as they choose issues to bargain over. These resources and choices affect the scheduling of conferences and the ability to reach agreements promptly. The NCCC and Conrail have been meeting diligently for many months with a number of unions to narrow differences, take less pressing issues off the table, and otherwise make progress toward agreement, all without prejudice to legal positions. It is a welcome development that through the auspices of the National Mediation Board, the parties can now begin to focus on the substance of the BMW and carrier proposals, rather than posturing, although the BMW's October 11 letter casts doubt on even that achievement.
- For a number of other reasons, including the lack of real collective bargaining, it is entirely premature for the Board to consider proffers of arbitration at this point in time.

Bob Allen, lead spokesman for the railroads, may also address the Union's October 11 letter, but in closing, let me repeat that we are well aware of our legal duties and

Messrs. Fleming, Myron, Davison, Dodd and Geller
October 16, 1995
Page 4

responsibilities, and will continue to fulfill them in an effort to reach fair and equitable agreements promptly, without interruption to commerce. I hope we can count on you to do the same.

Sincerely

A handwritten signature in black ink, appearing to read 'Dennis A. Arouca', with a long horizontal flourish extending to the right.

Dennis A. Arouca
Vice President-Labor Relations

cc: Mr. Robert F. Allen
Ms. Faye Marie Landers-Crawford
Ms. Magdalena G. Jacobsen
Mr. Ernest W. Dubester
Mr. Kenneth Hipp

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

Jed Dodd
General Chairman
Pennsylvania Federation BMWF

Perry Geller
General Chairman
Consolidated Rail System Federation BMWF

John Davison
General Chairman
Northeastern System Federation BMWF

Sent Via Fax and U.S. Mail

October 18, 1995

Consolidated Rail Corporation
Dennis Arouca, Vice President Labor Relations
2001 Market Street
Philadelphia, Pennsylvania 19103

Dear Vice President of Labor Relations Arouca:

Re: A-12718/1
Conrail versus BMWF

This has reference to your letter to General Chairman Dodd dated October 16, 1995. It is not our intention to enter into a letter writing contest with you. The facts speak for themselves. On November 1, 1994 we served each other with Section 6 Notices and you served us with a lawsuit, despite the fact that we have negotiated locally on Conrail for the memory of mankind runneth not to the contrary. To this date Conrail has refused to bargain directly with the Conrail BMWF committee. We know that it is your intention to manipulate the NMB by protracting negotiations and thus far you have been successful. Even at the multi-local table on October 3, 9 and 10, 1995, Conrail's designated negotiator, Robert Allen, made a point of refusing to speak to General Chairman Dodd about Conrail issues even though there were over 30 people in the room and everyone could hear each other. Mr. Allen would only speak through BMWF Research Director Myron despite the fact that Mr. Myron admitted he had no authority to bargain for the BMWF Conrail committee.

In a letter General Chairman Dodd sent to then NMB Chairman Pat Cleary in July 1991, Dodd noted that over the time period the last round of negotiations took, Nelson Mandela was freed, apartheid ended in South Africa, communism ended in the Soviet Union and Eastern Europe and there was a lunar eclipse. Yet the Conrail bargaining was not resolved. It took nearly a year from his letter before there was a Conrail agreement. Although there have not been such momentous events since we served our Section 6 Notice, we have seen a complete turnover in the political party controlling both Houses of Congress, the never-ending trial of O. J. Simpson commenced and ended, a million person march on Washington conceived, organized and conducted, two major hurricanes and the destruction of the federal building in Oklahoma City by what appear to be a group of right wing terrorists. Yet there have been no direct meetings between the BMW committee and Conrail, except at the multi-local table where your bargainer refused to talk to General Chairman Dodd.

Although we will meet with you on October 24, 1995 at 2:00 pm and with your staff on October 25, 1995, and will be present at the multi-local table on October 30 and October 31, 1995, your unwillingness to meet for more than one afternoon between October 10, 1995 and October 30, 1995 demonstrates your commitment to protracting the bargaining process and re-enforces the legitimacy of our desire to be immediately released from mediation raised in our October 11, 1995 letter to NMB Chairwoman Jacobsen. We learned the hard way during the last round of negotiations that the only time Conrail will negotiate in good faith is when there is a clear deadline after which events will be out of your exclusive control. Although the NMB is making efforts to jump-start bargaining and we are impressed with Mediator Faye Marie Landers Crawford, your outrageous refusal to meet with us for more than one afternoon demonstrates the low priority BMW negotiations has to you and to Conrail and cynically attempts to make the NMB efforts to move negotiations forward mere support for Conrail's efforts to protract negotiations.

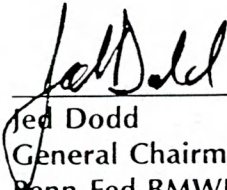
With respect to your proposal for another meeting on November 14, 1995, it is our full expectation to be released by the NMB prior to that date. The fact that you are only grudgingly proposing individual partial dates for bargaining one year after Section 6 Notices have been served means you (and Conrail) are not serious about achieving agreements with the BMW. We learned during the last round of negotiations that when Conrail is serious about reaching agreements, Conrail's chief negotiator will find time in his busy schedule to sit down with the Conrail BMW bargaining team for as many consecutive days and as many consecutive hours as is necessary to hammer out an agreement or recognize there is no agreement we will reach. Any other proposal by your team is simply a protraction mechanism.

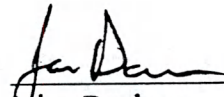
The tortured attempt you made in your October 16, 1995 letter to General Chairman Dodd to defend your willingness to meet with us for only one afternoon between October 10, 1995 and October 30, 1995 is a thinly disguised effort to mask your real objective - to protract bargaining. Despite your protests, your letter is obviously a smoke screen and makes our October 11, 1995 request for an immediate release not only

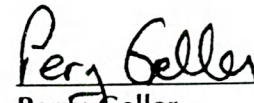
October 18, 1995
BMW Conrail Bargaining Committee Letter to D. Arouca
A-12718/1

reasonable, but absolutely necessary, if this round of bargaining is to reach a negotiated conclusion within a reasonable time frame from now (which is already to long).

Yours truly,


Jed Dodd
General Chairman
Penn Fed BMW


John Davison
General Chairman
NES Fed BMW


Perry Geller
General Chairman
CRS Fed BMW

cc Mr. M. A. Fleming
Mr. Henry Wise
Mr. Joel Myron
Mr. W. A. Bon
Mr. R. E. Allen
Mr. D. Arouca
M. Jacobsen
Faye Marie Landers Crawford

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

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

NA 1995 Move

October 18, 1995

Ms. Magdalena G. Jacobsen
Chairperson
National Mediation Board
Suite 250 East
1301 "K" Street, N. W.
Washington, D. C. 20572

RE: NMB Case No. 12718/1
BMWE and Consolidated Rail Corporation

Dear Ms. Jacobsen:

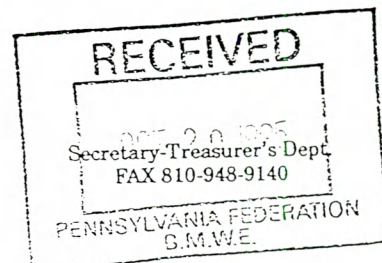
This has reference to a letter received in my office on October 11, 1995, from the Conrail BMWE Bargaining Committee requesting the NMB to release the parties from mediation. Grand Lodge supports the Conrail BMWE Bargaining Committee's request for immediate release. As you are aware, Grand Lodge is simply acting as coordinator in this round of bargaining. None of our committees have designated the International to represent them in this round of bargaining. We are functioning in a supportive role, providing whatever resources we can to achieve successful outcomes as the local bargaining committees determine.

Conrail attempted to invoke mediation on January 4, 1995 and entered mediation as a result of the NMB proffering its services on March 31, 1995, in order to avert a threatened Conrail strike. The Conrail Committee took longer than anyone else to reach agreement during the last round of negotiations and believes that if Conrail protracts negotiations, release should occur. Otherwise, the NMB is objectively favoring the railroads by permitting bargaining to be protracted. Although the Conrail Committee believed this during the last round of negotiations, the June 21, 1991 Schmiede letter proved that the railroads believe this too.

In a letter dated October 16, 1995, Conrail Vice President-Labor Relations Dennis Arouca wrote the Conrail General Chairmen and myself to provide professional-sounding reasons why the NMB should not grant release and should support Conrail's protraction of the bargaining process. In that letter he implies that our Conrail Committee is strike-happy -- to quote Dennis on page 2 of his 4 page letter:

President's Dept.
FAX 810-948-7150

Suite 200
26555 Evergreen Road
Southfield, MI 48076-4225
Telephone 810-948-1010



October 18, 1995

... I note that according to our records the October 11, and October 13 letters are the ninth and tenth times BMW has invoked the release/strike message since Section 6 notices were served, despite the lack of substantive conferences and narrowing of issues.

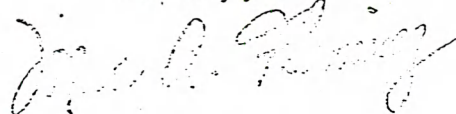
It is the NRLC that illegally locked out BMW members on all of the railroads in 1992 during the last round of negotiations, not the BMW. The BMW did not strike Conrail in 1992. Conrail locked out all of its unionized employees during the last round of negotiations even though it had agreements with all but the BMW and the BLE. Conrail and the rest of the railroads which took part in the illegal lockout were forced by Congress to pay all of the employees they locked out for the two days of the lockout.

The BMW message on Conrail (and on the other BMW-represented railroads) has been clear from the day we served our Section 6 notices. Either bargain with us and reach agreements or release us. The railroads have done everything in their power to manipulate the NMB to protract bargaining, despite the desire of the NMB to see that expeditious, good faith bargaining took place. Conrail's whining about legitimate release demands despite: (1) the fact that one year has passed since Section 6 notices were served and Conrail is only grudgingly providing one afternoon of negotiations with its VP-Labor Relations in nearly a three-week period; (2) the obvious adoption by Conrail of the Schmiede letter strategy; and (3) the refusal of Conrail's negotiator, Robert Allen, to talk directly to General Chairman Dodd about Conrail issues when asked questions by Mr. Dodd in a room of 30 people which included General Chairman Dodd and in which all 30 could hear what everyone was saying at an NMB scheduled mediation session; is simply aimed to mask their refusal to schedule serious sessions designed to resolve the Conrail agreement.

Grand Lodge supports the request of the Conrail Bargaining Committee for release in NMB Case No. 12718/1 and asks that the release be granted immediately. We also ask that no other union or other BMW Committee be released at the same time that you grant the Conrail release, as we do not wish to provoke a potential national disruption of service in the event the parties cannot come to an agreement.

Thank you.

Sincerely yours,



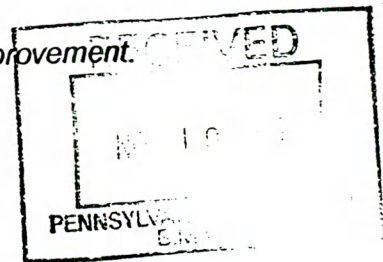
President

cc: Conrail Bargaining Committee
Mr. Henry W. Wise
Mr. Joel E. Myron

CONRAIL®

Working safely requires continuous improvement.

DENNIS A. AROUCA
VICE PRESIDENT
LABOR RELATIONS



November 7, 1995

Mr. J. J. Davison
General Chairman
Brotherhood of
Maintenance of Way
Employees
450 Chauncy Street
Mansfield, MA 02048

Mr. Jed Dodd
General Chairman
Brotherhood of
Maintenance of Way
Employees
1903 Chestnut Street,
Suites 607-09
Philadelphia, PA 19103

Mr. P. K. Geller
General Chairman
Brotherhood of
Maintenance of Way
Employees
29 West 103rd Street,
Suite B
Hinckley, OH 44233

Gentlemen:

This will acknowledge your most recent letter dated October 18, 1995, and our conferences on October 24-25, 1995.

In Conrail's view, the meetings held on October 24-25 were productive and identified a number of topics on which we may have common interests, including Conrail's Supplemental Unemployment Benefit program and modernized grievance procedures. I believe it would be helpful to form a small working group or groups which are charged with developing facts related to these subjects and recommendations that may serve as possible solutions to our differences. A small working group may be more effective than meetings with all of our representatives. Additional issues that may serve as subjects of discussion include the rate differential for Bridge Inspectors and Lubricator Maintainers, and others may yet emerge. We were disappointed that you refused to meet on November 14, 1995 as Conrail proposed, because you stated you expected to be released from mediation by that time. We further suggest the dates of December 21, 1995 and January 9 and 10, 1996.

It is important that we continue the discussions that now have begun, notwithstanding meetings being held at the National Mediation Board and without prejudice to the position taken by either party with regard to local or multiemployer handling. In that respect, we continue to be disappointed that from time to time you appear to focus more on asserting impasse in order to secure a termination of conferences and release by the National Mediation Board, instead of discussing the issues and offering constructive suggestions to

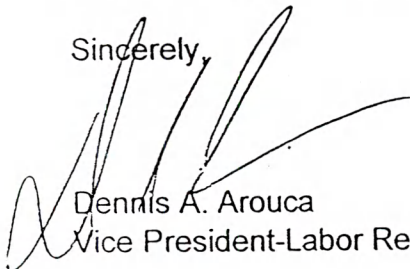
Messrs. Davision, Dodd and Geller
November 7, 1995
Page 2

compose differences, including narrowing those subjects which are of vital interest to the parties. This is an essential part of the good faith bargaining process, notwithstanding our differences over the railroads' financial position.

We acknowledge the desire of employees for compensation increases. I am sure all employees would like wage increases that exceed inflation. What has been going on in the rail industry is reflective of what is going on in the economy generally. You previously were shown financial information by Bob Allen, Chairman of the National Carriers' Conference Committee, demonstrating that railroad employee wage settlements in the last several rounds have exceeded those achieved in other union settings, and that total compensation has kept pace with inflation. On the other hand, this same information showed that the prices we charge to customers continue to lag inflation and, after all, these prices generate the revenues which are available to be turned into compensation. While I was not present, I understand your own economist acknowledged the inexorability of these forces by demonstrating that Conrail would have to eliminate more than 2,000 employees (and achieve what we believe to be unreasonable revenue and non-labor expense figures) in order to generate what you consider to be acceptable pay increases.

While we continue to have a number of differences in these areas, it is a good development that after many months of posturing, constructive dialogue has begun. I hope you will accept our invitation for additional conferences supplementing those being conducted by the National Mediation Board.

Sincerely,



Dennis A. Arouca
Vice President-Labor Relations

cc: Mr. R. F. Allen
Ms. Faye Marie Landers-Crawford
Mr. Joel Myron
NCCC Members

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

**1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103**

**Jed Dodd
General Chairman
Pennsylvania Federation BMW**

**Perry Geller
General Chairman
Consolidated Rail System Federation BMW**

**John Davison
General Chairman
Northeastern System Federation BMW**

November 14, 1995

**Consolidated Rail Corporation
Dennis Arouca, Vice President Labor Relations
2001 Market Street
Philadelphia, Pennsylvania 19103**

Dear Vice President of Labor Relations Arouca:

**Re: A-12718/1
Conrail versus BMW**

We are in receipt of your letter dated November 7, 1995, received on November 10, 1995 referring to what you characterize as "productive" meetings which occurred on October 24-25, 1995. Despite using the rhetoric of good-faith bargaining, we note that you are still unwilling to sit down for as many consecutive days and hours as may be necessary to reach agreement (or deadlock) and are proposing instead a leisurely bargaining pace – a day here, a couple of days there.

From your point of view the meetings appear productive. You believe you are successfully manipulating the National Mediation Board to protract bargaining. We are impressed with your attempts to manipulate them, although their apparent willingness to protract the process appears to need no encouragement from you. However, you are giving it the old college try – feeding them ideas – providing them with new and creative mechanisms of protraction – ideas and mechanisms which create a Union perception of NMB pro-management partiality, dishonesty and lack of credibility if they continue to

refuse to proffer arbitration. Your proposal for small working groups to meet and discuss whatever, whenever you are in the mood, is such a proposal. Of course, you must realize that one of the days that you propose to have such a meeting is when the NMB has scheduled us to meet in Washington, DC on A-12718/1. We remain committed to meet with you commencing tomorrow for 10 days of direct negotiations after which there will either be an agreement or a release.

We note that you talk of two issues, which you felt we identified where there may be common interests. It would be astonishing if the NMB considers this to be bargaining. Despite the fact you have had our Section 6 for over one year, you have yet to make a single proposal on any issue, or a comprehensive proposal to resolve our differences. Instead you play with words and boldly protract the bargaining process.

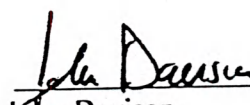
You are correct that we want impasse. You have no intentions of bargaining and wish to conduct discussions on one or two issues per month. This is unacceptable to the BMWF, or to anyone who truly wishes to see prompt resolution of disputes.

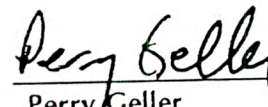
We would not dignify your remarks about compensation or about your mischaracterization of our economists presentation with a response. Your greed and dishonesty regarding your ability to compensate your workers fairly can be easily confirmed by examining the facts about Conrail's solvency -- your incredible profits, the improvements in your operating ratio and your decline in your labor costs as a percentage of revenue all show a strong ability to pay. It is not one of ability but one of desire.

We anticipate release well before the dates you suggest. Even the NMB must understand your tactics and should release us on Conrail in the very near future.

Yours truly,


Jed Dodd
General Chairman
Renn Fed BMWF


John Davison
General Chairman
YES Fed BMWF


Perry Geller
General Chairman
CRS Fed BMWF

cc Mr. M. A. Fleming
Maggie Jacobsen
Faye Marie Landers-Crawford
Mr. Henry Wise
Mr. Joel Myron
Mr. W. A. Bon
Mr. R. E. Allen
All Federation Officers

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

**1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103**

**Jed Dodd
General Chairman
Pennsylvania Federation BMWE**

**Perry Geller
General Chairman
Consolidated Rail System Federation BMWE**

**John Davison
General Chairman
Northeastern System Federation BMWE**

November 14, 1995

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Dennis Arouca, Vice President Labor Relations
2001 Market Street
Philadelphia, Pennsylvania 19103**

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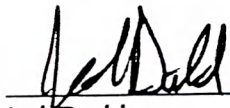
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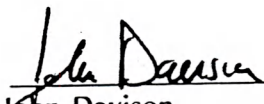
You are correct that we want impasse. You have no intentions of bargaining and wish to conduct discussions on one or two issues per month. This is unacceptable to the BMW, or to anyone who truly wishes to see prompt resolution of disputes.

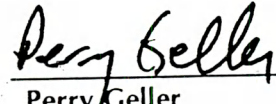
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Yours truly,


Jed Dodd
General Chairman
Penn Fed BMW


John Davison
General Chairman
VES Fed BMW


Perry Geller
General Chairman
CRS Fed BMW

cc Mr. M. A. Fleming
Maggie Jacobsen
Faye Marie Landers-Crawford
Mr. Henry Wise
Mr. Joel Myron
Mr. W. A. Bon
Mr. R. E. Allen
All Federation Officers

DRAFT

MAC FLEMING'S STATEMENT OF SUPPORT FOR CONRAIL COMMITTEES

I wish I could be there at the National Mediation Board this afternoon, regrettably other duties of running the Brotherhood prevent it. Nevertheless, I pledge the support of the entire International Brotherhood of Maintenance of Way Employees to the members employed on Conrail. The staff and resources of the International is there to assist them in their efforts to secure a just settlement of the contract dispute.

If that means having our officers and staff focus on the National Mediation Board's failure to comply with its obligations under the Railway Labor Act than so be it. I have instructed the International staff to assist the System Federations with jurisdiction on Conrail property to bring the NMB's failure to the light of day.

The NMB is operating under the mistaken belief that its responsibility is to avoid a rail shut down. In fact the NMB's responsibility is to promote settlement. When one party, in this case Conrail, sole goal is to avoid settlement via stonewalling than the NMB is not doing its job by refusing to release the parties. The only way to promote settlement is by releasing the BMW E from mediation and putting Conrail's feet to the fire.

To do otherwise is to aid the rich and powerful railroad management and to hamper

the efforts of the union. While Conrail made over \$411 million in 1994 the BMW E members on Conrail suffered another year of reduced real income, long absences from family, longer work weeks and little control over the safety of their work place.

To see who the NMB is aiding all you have to do is look at who benefits by not having the contract resolved. On the railroad side of the ledger you have increasing profits, increasing productivity and no labor cost increases. On the employees side you have continuing inflation with no real protection from it, huge seniority territories to cover and lengthened work weeks. The employees only chance to make improvements is in a new contract. Management knows that a new contract will be more expensive than the old one. Now if the NMB is taking no action to get to settlement whose side are they on.

Until the NMB returns to its role as **neutral** promoter of railroad dispute resolution the International BMW E will be there to assist the local committees on any railroad property in bringing the NMB's unfairness to light.

In Solidarity

MAF

November 18, 1995 - NMB Rally
remarks of Jed Dodd - General Chairman of the Pennsylvania Federation
Brotherhood of Maintenance of Way Employees

Brothers and Sisters:

I bring you fraternal greetings of friendship and solidarity from the Pennsylvania Federation BMW and from the Conrail BMW Bargaining Committee. We are here today to petition our government for justice. This is not new to us as we have been here before. In 1992, when George Bush's National Mediation Board acted as the Labor Relations Department for the Consolidated Rail Corporation and refused to permit us to exercise our rights as trade unionists to negotiate a collective bargaining agreement for our membership on Conrail we came here in protest. There is one small difference and one big difference between our demonstration today and our demonstration in 1992. The small difference is it is Bill Clinton's National Mediation Board that is functioning as the servant of management and using the power of government to crush our collective bargaining rights. The big difference is that in 1992 we were alone when we stood up for justice and today we are here with the full support and solidarity of the AFL-CIO, our Grand Lodge and the voices of some of the most powerful and mighty labor unions in the United States. "An injury to one is an injury to all," and the support shown for our struggle for our rights as working people proves that we will enter this new struggle with Conrail, the United States Government and the Clinton Administration with the full support of the United States' Labor Movement.

I wish to thank Brother Rich Trumka for coming here today to stand with us. I wish to thank our President, Brother Mac Fleming for the unquestioned backing and support that he has provided for our struggle. I wish to thank the trade union leaders of the other International Unions that have taken time to stand with us today. I wish to thank the System Officers from the BMW who have come here at considerable expense to show solidarity with our struggle on Conrail. Words can not properly express how nice it is to know that we are

not alone. One day it will be your turn in the barrel and the Pennsylvania Federation BMWWE will be there by your side, in the streets, at the voting booth, and on your picket lines to support you in your time of need.

I especially wish to thank our rank and file members for taking the time to come to our nation's capital to demand justice for Conrail BMWWE members. Brothers, sisters, comrades, you are the backbone and the energy of our Union. You literally are the muscle that holds our organization together. As we stand here together, knowing that we will have a long hard struggle against this mighty, arrogant corporation and our government, I know that our collective strength and our solidarity will crack the wall of greed in the castle that houses our employer. First, we must overcome the palace guards for Conrail that are representing Bill Clinton on the National Mediation Board.

We had some hopes that this new Democratic National Mediation Board would not act like the Corporate Republican National Mediation Board under George Bush. Ernie Dubester was appointed to the NMB and before that he was the Deputy National Legislative Director for the AFL-CIO under Lane Kirkland. He stated that he would move our struggles forward quickly and that he would grant us mediation on the day that we requested it.

On November 1, 1994 we served our demands on Conrail. Our demands are to obtain wage increases that properly represent our share of the value that a corporation can pay when they are making 1.6 million dollars a day - including holidays and weekends. Our demands are to correct working conditions in the field that result in our membership being forced to work far from their homes, live in camp cars, toil in tough dangerous conditions and in all weather imaginable. Our demands are to correct the incredibly dangerous conditions in which our members work and to obtain a measure of job security. Our demands are to have our seniority rights respected and to be treated with

respect and dignity on the job. Our demands are to share fairly in the enormous wealth that we have produced for Conrail and to share in the American dream for ourselves and our families.

Instead of coming to the collective bargaining table on November 1, 1994, Conrail served us with demands that will destroy our rights and the living standards of our families and sued us in Federal District Court to avoid bargaining with us on the Conrail property. Internal management documents which we have uncovered show that Conrail and the other Class 1 Railroad managements believe that they can avoid negotiating a reasonable collective bargaining agreement if they can delay settlements for as long as possible and insist on bargaining on a National level. Our right to bargain locally is a legal right that has been won in many courts and we will win this legal battle as well. Conrail's lawsuit does give them ability to stall negotiations. Between November 1, 1994 and January 1, 1995 we petitioned many times for meetings to discuss the contract and Conrail refused to meet with us. On January 4, 1995 we invoked mediation with the National Mediation Board and do you know what the former Deputy Legislative Director of the AFL-CIO under Lane Kirkland did? He refused to grant mediation. This is despite the fact that he promised to grant mediation when we asked for it. This is despite the fact that we have shared the internal management documents with the NMB that shows exactly what management is doing to avoid negotiations.

Under the Railway Labor Act we have the right to suspend conferences with management and if mediation is not imposed we have the right to go on strike. We suspended conferences with Conrail and prepared to strike Conrail on March 31, 1995. Do you know what Ernie Dubester did then? He imposed mediation on March 31, 1995 to prevent us from legally striking. When it is not in Conrail's interests to impose mediation this NMB will not impose mediation. When it is in Conrail's interests to impose mediation this NMB will impose

mediation. This is why we call them liars. servants of management, enemies of collective bargaining and enemies of working Americans. He never scheduled a meeting between us and Conrail.

When Maggie Jacobsen took over the chair of the NMB she made a lot of promises to move talks along and if the talks did not result in moving towards an agreement she promised to quickly release us from Government control so that we could pursue our rights. This was also a lie. Conrail has not made one proposal since November 1, 1994 to resolve our dispute. It is nearly a year later and Maggie Jacobsen still will not free us from Government control. Every day that she delays the process is another day that Conrail does not have to bargain over the distribution of the enormous wealth that we produce for them. This is why that we call them liars, servants of management, enemies of collective bargaining and enemies of working Americans.

All of the politicians in Washington, DC agree that the Government should stay out of our business as much as possible. The railroad industry was deregulated because of this Democratic and Republican philosophy. The deregulation of the railroad industry threw 400,000 decent, hardworking American citizens out of jobs and made our employers incredibly rich. We are here today to demand that the Government get out of our business and permit us to compete in the market place with the same rights that the Government has permitted our employers to compete.

We are here today to serve notice. We will not take this anymore. Bill Clinton ran for office and stated that if you work hard and play by the rules then you should be rewarded and recognized for your efforts. We work hard and we played by the rules. Our reward is to have our rights trampled upon by the Government and our employers, our wages reduced in relationship to the cost of living, our working conditions deteriorated and our unemployment rolls

Page #5

increased. If these are the rules, then we will break them and make new rules that permit us to fairly compete in this world for our fair share. If it is required we know what we must do. We will throw this Government off of our back and stand up to this tyranny. Either release us from your control or we will release you at the voting booth in 1996.

Today we are here to give fair warning. Either the system works for everyone or we will work to insure that the system does not work.

Thank you Brothers and Sisters.

To JED DODD



Brotherhood of Maintenance of Way Employees
26535 Evergreen Road Suite 200 Southfield, Michigan 48076

FOR IMMEDIATE RELEASE

CONTACT: Paul Swanson On Site (202-638-2135 Before and After Protest)

November 20, 1995

**BMWE PROTESTS NATIONAL MEDIATION BOARD'S
PANDERING TO CONRAIL**

WASHINGTON, D.C.—Members of the Brotherhood of Maintenance of Way Employees will be protesting the National Mediation Board's complicity with Conrail in stalling negotiations with the BMWE at 2:00 p.m. this afternoon (Monday, November 20) in front of the NMB's offices at 1301 "K" Street, N.W., Washington, D.C.

The BMWE served notice on November 1, 1994 for contract changes to become effective January 1, 1995. After more than a year, Conrail has not made one proposal to settle the contract. Despite Conrail's obvious stalling tactics, the NMB refuses to initiate the next step under the procedures of the *Railway Labor Act*, which would be to release the BMWE from mediation and give Conrail employees the right to initiate withdrawal of services.

"The union needs the leverage of the right to strike in order to get Conrail to bargain in good faith," said BMWE General Chairman Perry Geller. The *Railway Labor Act* provides a thirty-day cooling off period from the date of release from mediation by the NMB to resolve the disputes. The BMWE strongly believes that with the proper incentive, a fair settlement can be reached.

Conrail made over \$411,000,000 in 1994, a 16 percent increase of the previous year and a 55 percent increase over the previous five years. "The NMB appointed by President Clinton is acting no different than the ones appointed by Bush and Reagan. They are siding with the rich and powerful railroad management against the employees," said BMWE General Chairman Jed Dodd.

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Post-It Fax Note	7871	Date	11/22	# of pages	1
To	Jed	From	KAREN		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	215-569-0676	Fax #			

JOURNAL OF
November 22, 1994

BMW Members Fined \$25 Each For Occupying Mediator's Offices

By RIP WATSON
Journal of Commerce Staff

Brotherhood of Maintenance of Way Employees members who were removed from National Mediation Board offices late Monday during a protest demonstration have been released from custody and returned to their regular jobs.

Approximately 30 union members were charged with unlawful assembly and released Monday night after paying fines of \$25 apiece, said Jed Dodd, a general chairman who represents the majority of Conrail's BMW members.

Mr. Dodd and other union members entered the office of the NMB chairman, Maggie Jacobsen, Monday afternoon to press their effort to force the NMB to release the union from mediation with Conrail Inc. and clear the way for a possible strike.

A spokesman for the NMB said there was no effort by the agency to

press charges against the union members.

If the union is released from mediation, there will be a 30-day cooling-off period, which may be followed by another 30 days of review by a Presidential Emergency Board.

If an agreement is not reached, management can lock out the workers, or employees can strike, after that period.

Since the first possible date for negotiations in November 1994, there have been two meetings between the parties.

New negotiations have been set for Dec. 7-8.

Conrail wants the dispute handled on a national level, while the union wants to negotiate individually with the carrier.

The union says the NMB, which oversees rail labor matters, has held on to the dispute too long.

Union members met with Ms. Ja-

cobsen and other NMB officials for approximately an hour Monday, but stayed on for nearly two additional hours before federal marshals removed them after the workers declined to leave voluntarily.

While the protesters were inside, more than 200 members of BMW and other unions marched outside and heard speeches from officials such as Richard Trumka, secretary treasurer of the AFL-CIO, and Mac Fleming, the BMW's president.

The support from the AFL-CIO and other unions was seen as a sign of a more activist approach by the newly elected leadership of the union body.

While union officials assert that the agency was acting in bad faith by not releasing the BMW from mediation, the railroad says the situation is the union's own fault, because it took longer to come to the bargaining table.

Conrail to Close A Division In Pennsylvania, Transfer Tasks

By RIP WATSON
Journal of Commerce Staff

Conrail Inc. has announced plans to shut down its Harrisburg, Pa., division offices and transfer the work to three other operating units.

The move, to be made in stages through August 1996, will result in 21 management employees and 15 union workers losing their jobs.

Conrail did not release an estimate of the savings it anticipates will result from the move, which will reduce the number of operating divisions to five.

In a statement, the railroad said the change would result in better balance of work loads among train-dispatching offices, fewer empty movements and less time away from home for train crews.

By reducing the number of divisions, the company believes it will improve service. "Hand-offs" of trains between divisions can lead to congestion and delays.

The activities of the Harrisburg division will be assumed by the Philadelphia, Pittsburgh and Albany divisions.

The Albany division is taking over the line between central Pennsylvania and Buffalo, N.Y., while the Philadelphia division will take over service west toward Harrisburg. The Pittsburgh division will extend farther east toward Harrisburg.

The Harrisburg division covers nearly 2,700 miles of track, or about 15% of the railroad's mileage.

Conrail said 80 of the workers in Harrisburg will remain in the area, while another 50 employees — primarily dispatchers — are being moved to other divisional positions.

A spokesman said he had no information about the future assignment of division manager Greg Comstock, who assumed the post this year.

Conrail currently employs more than 1,100 persons in central Pennsylvania.

"Harrisburg's role as a key hub for rail freight, especially intermodal, is undiminished by these changes," said David LeVan, Conrail's chief executive.

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200 FAX: 202-862-7230

ROBERT F. ALLEN
Chairman

D. P. LEE
Vice Chairman and
General Counsel

A. K. GRADIA
Director of Labor Relations

VIA MESSENGER

November 20, 1995

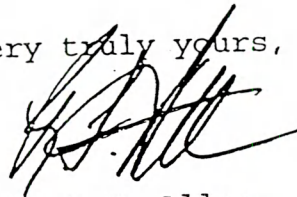
Ms. Magdalena G. Jacobsen
Chairman
National Mediation Board
1301 K Street, N.W.
Suite 250 East
Washington, D.C. 20572

Dear Ms. Jacobsen:

As we agreed, enclosed are two copies of a complete settlement proposal with respect to the carriers' bargaining dispute with the Brotherhood of Maintenance of Way Employees. We understand that the Board will arrange for appropriate distribution to the BMW.

Thank you for your assistance. We would be pleased to discuss any aspect of our proposal with you or any other Board representatives.

Very truly yours,



Robert F. Allen

Enclosures

cc: Ms. F. M. Landers-Crawford (w/enc)

BMWE
NCCC PROPOSAL
NOVEMBER 20, 1995

The carriers represented by the National Carriers' Conference Committee (NCCC) propose that their dispute with the Brotherhood of Maintenance of Way Employees growing out of the notices dated November 1, 1994 served by the NCCC and such carriers upon the organization and the notices served on and after that date by the organization upon such carriers, be resolved on the basis of the proposal attached hereto. This settlement proposal is subject to the following conditions:

1. All carriers represented by the NCCC (to the extent of such representation) must be covered by the agreement.
2. All outstanding notices from the organizations served upon NCCC-represented carriers (to the extent of such representation) must be contemporaneously resolved.
3. In the interest of reaching a voluntary settlement, the NCCC has not included proposals with respect to all of the matters contained in the carriers' Section 6 notice. The carriers expressly reserve the right to pursue any of those matters in any forum, however, if this settlement proposal is not accepted.
4. This proposal is made without prejudice to the carriers' position regarding the appropriate handling of the issues in dispute between the parties.
5. This settlement proposal has been advanced solely in the interest of reaching a voluntary agreement and on the express condition that it will not be used by or referred to by the organization for any purpose.

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective upon ratification of this Agreement by the organization signatory hereto or on December 1, 1995, whichever is earlier, all hourly, daily, weekly, and monthly rates of pay of employees covered by this Agreement in effect on the preceding day shall be increased in the amount of three-and-one-half (3-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) Hourly Rates -

Add 3-1/2 percent to the existing hourly rates of pay.

(b) Daily Rates -

Add 3-1/2 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 3-1/2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 3-1/2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) through (d) above which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Piece Work -

Adjustment of piece-work rates of pay shall be based on the amount of increase applicable to the basic hourly rates for the class of work performed. Where piece-work rates of pay are in effect on carriers having special rules as to the application of any increase, or decrease, in such rates, such rules shall apply.

(g) Deductions -

Insofar as concerns deductions, which may be made from the rates resulting from the increase herein granted, under Section 3(m) of the Fair Labor Standards Act of 1938, they may continue to be made to the extent that such deductions were being legally made as of August 31, 1941.

(h) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - First Lump Sum Payment

Subject to Sections 9 and 10, each employee with 1,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period January 1, 1995 through June 30, 1995 will be paid, upon ratification of this Agreement, a lump sum of one (1) percent of the average BMW employee's compensation for 1994, excluding pay elements not subject to general wage increases under Section 1 of this Article and lump sums.

Section 3 - Second Lump Sum Payment

Subject to Sections 9 and 10, each employee with 2,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period April 1, 1995 through March 31, 1996 will be paid a lump sum on July 1, 1996 equal to the excess of (a) three (3) percent of the average BMW employee's compensation for 1995, excluding pay elements not subject to general wage increases under Section 1 of this Article and lump sums, over (b) the lesser of (i) one-half of the amount described in clause (a) above and (ii) two-and-one-half times one-quarter of the amount, if any, by which the carriers' payment rate for 1996 for foreign-to-occupation health benefits under The Railroad Employees National Health and Welfare Plan (Plan) exceeds such payment rate for 1995.

Section 4 - Second General Wage Increase

Effective July 1, 1997, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 1997 for employees covered by this Agreement shall be increased in the amount of three-and-one-half (3-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Third Lump Sum Payment

Subject to Sections 9 and 10, each employee with 2,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) during the period April 1, 1997 through March 31, 1998 will be paid a lump sum on July 1, 1998 equal to the excess of (a) three-and-one-half (3-1/2) percent of the average BMW employee's compensation for 1997, excluding pay elements not subject to general wage increases under Section 1 of this Article and lump sums, over (b) the lesser of (i) one-half of the amount described in clause (a) above and (ii) one-and-one-half times one-quarter of the amount, if any, by which the carriers' payment rate for 1998 for foreign-to-occupation health benefits under The Railroad Employees National Health and Welfare Plan (Plan) exceeds such payment rate for 1995.

Section 6 - Third General Wage Increase

Effective July 1, 1999, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 1999 for employees covered by this Agreement shall be increased in the amount of three-and-one-half (3-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as provided for in Section 1 hereof.

Section 7 - Eligibility for Receipt of Lump Sum Payments

The lump sum payments provided for in this Article shall be paid to each employee subject to this Agreement who has an employment relationship as of the date such payments are payable. There shall be no duplication of lump sum payments by virtue of employment under another agreement nor will such payments be used to offset, construct or increase guarantees in protective agreements or arrangements.

Section 8 - Definition of Carriers' Payment Rate

The carrier's payment rate for any year for foreign-to-occupation health benefits under the Plan shall mean twelve times the payment made by the carriers to the Plan per month (in such year) per employee who is fully covered for employee health benefits under the Plan. Carrier payments to the Plan for these

purposes shall not include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or provide for current Plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating carriers pursuant to Article III, Part A, Section 1 of the Imposed Agreement dated February 6, 1992 (effective July 29, 1991) between the organization signatory hereto and the carriers represented by the National Carriers' Conference Committee (Imposed Agreement).

Section 9 - Employees Working Less Than Full-Time

For employees who have fewer straight time hours (as defined) paid for in any of the respective periods described in Sections 2, 3 and 5 than the minimum number set forth therein, the dollar amounts calculated pursuant to Section 2 and clause (a) of Sections 3 and 5 shall be adjusted by multiplying such amounts by the number of straight time hours (including vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements) for which the employee was paid during such period divided by the defined minimum hours.

Section 10 - Lump Sum Proration

In the case of any employee subject to wage progression or entry rates, the dollar amounts calculated pursuant to Section 2 and clause (a) of Sections 3 and 5 shall be adjusted by multiplying such amounts by the weighted average entry rate percentage applicable to wages earned during the specified determination period.

ARTICLE II - COST-OF-LIVING PAYMENTS

Part A - Cost-of-Living Payments Under Imposed Agreement Dated November 27, 1991

The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II, Part B of the Imposed Agreement shall be rolled in to basic rates of pay on the day preceding the effective date of this Agreement. Any amounts paid under the aforementioned COLA provision from January 1, 1996 until elimination of such provision shall be deducted from amounts payable under Article I of this Agreement.

Part B - Cost-of-Living Allowance Through January 1, 2000 and Effective Date of Adjustment

(a) A cost-of-living allowance, calculated and applied in accordance with the provisions of Part C of this Article except as otherwise provided in this Part, shall be payable and rolled in to basic rates of pay on December 31, 1999.

(b) The measurement periods shall be as follows:

<u>Measurement Periods</u>		<u>Effective Date of Adjustment</u>
<u>Base Month</u>	<u>Measurement Month</u>	
March 1995	March 1996	
plus		
March 1997	March 1998	Dec. 31, 1999

(c)(i) Floor. The minimum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Minimum CPI Increase That Shall Be Taken Into Account</u>
Dec. 31, 1999	4% of March 1995 CPI plus 4% of March 1997 CPI

(ii) Cap. The maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That Shall Be Taken Into Account</u>
Dec. 31, 1999	6% of March 1995 CPI plus 6% of March 1997 CPI

(d) The cost-of-living allowance payable to each employee and rolled in to basic rates of pay on December 31, 1999 shall be equal to the difference between (i) the cost-of-living allowance effective on that date pursuant to this Part, and (ii) the lesser of (x) the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers' 1998 payment rate for foreign-to-occupation health benefits under the Plan over such payment rate for 1995, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, and (y) one half of the cost-of-living allowance effective on December 31, 1999 pursuant to this Part.

Part C - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2000

Section 1 - Cost-of-Living Allowance and Effective Dates of Adjustments

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2000 based, subject to paragraph (d), on the CPI for March 2000 as compared with the CPI for September 1999. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

<u>Measurement Periods</u>		<u>Effective Date of Adjustment</u>
<u>Base Month</u>	<u>Measurement Month</u>	
September 1999	March 2000	July 1, 2000
March 2000	September 2000	January 1, 2001

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

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

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

(d) (i) Cap. In calculations under paragraph (e), the maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1, 2000	3% of September 1999 CPI
January 1, 2001	6% of September 1999 CPI, less the increase from September 1999 to March 2000

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(ii) Limitation. In calculations under paragraph (e), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.

(iii) If the increase in the CPI from the base month of September 1999 to the measurement month of March 2000 exceeds 3% of the September 1999 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2000 during such measurement period.

(iv) Any increase in the CPI from the base month of September 1999 to the measurement month of September 2000 in excess of 6% of the September 1999 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

(v) The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.

pursuant to Section 1.

(c) The increase in the cost-of-living allowance payable to each employee effective July 1, 2001, shall be equal to the increase in the cost-of-living allowance effective on that date pursuant to Section 1 of this Part.

(d) The procedure specified in paragraphs (b) and (c) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.

(e) The definition of the carriers' payment rate for foreign-to-occupation health benefits under the Plan set forth in Section 8 of Article I shall apply with respect to any year covered by this Section.

(f) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 -- Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part C will be payable as provided in Section 2 and will not become part of basic rates of pay. Such allowance and the adjustments thereto will be applied as follows:

(a) Hourly Rates - Add the amount of the cost-of-living allowance to the hourly rate of pay produced by application of Article I.

(b) Daily Rates - Determine the equivalent hourly rate by dividing the established daily rate by the number of hours comprehended by the daily rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the daily rate shall be added to the daily rate produced by application of Article I.

(c) Weekly Rates - Determine the equivalent hourly rate by dividing the established weekly rate by the number of hours comprehended by the weekly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the weekly rate shall be added to the weekly rate produced by application of Article I.

(d) Monthly Rates - Determine the equivalent hourly rate by dividing the established monthly rate by the number of hours comprehended by the monthly rate. The amount of the cost-of-living allowance multiplied by the number of hours comprehended by the monthly rate shall be added to the monthly rate produced by application of Article I.

(e) Piece Work - Adjustment of piece-work rates of pay shall be based on the amount of increase applicable to the basic hourly rate for the class of work performed. Where piece-work rates of pay are in effect on carriers having special rules as to the application of any increase, or decrease, in such rates, such rules shall apply. In the absence of any definite rule governing, the equivalent of the hourly amount of the cost-of-living allowance shall be added to the established unit piece-work price.

(f) Minimum Daily Increases - The increase in rates of pay described in paragraphs (a) through (e), inclusive, shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.

Section 4 - Elimination of Prior Cost-Of-Living Provision

ARTICLE II, Part B, of the Imposed Agreement is eliminated.

ARTICLE - SUPPLEMENTAL SICKNESS

The January 9, 1980 Supplemental Sickness Benefit Agreement, as amended effective July 1, 1991 (Sickness Agreement), shall be further amended as provided in this Article.

Section 1 - Adjustment of Plan Benefits

(a) Benefits shall be provided under the Plan established pursuant to the Sickness Agreement as set forth in paragraph (b). Enactment of the agreed-upon RUIA legislation shall not cause the ratio of benefits to rates of pay to differ from that which existed on December 31, 1994.

(b) Section 4 of the Sickness Agreement shall be revised as follows:

	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earning (as of December 31, 1994)	\$14.71 or more	\$2,560 or more
Class II Employees Earning (as of December 31, 1994)	\$13.51 or more but less than \$14.71	Less than \$2,560 but more than \$2,351
Class III Employees Earning (as of December 31, 1994)	Less than \$13.51	Less than \$2,351

Basic and Maximum Amount Per Month

<u>Classification</u>	<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
Class I	\$855	\$870	\$1,725
Class II	\$748	\$870	\$1,618
Class III	\$632	\$870	\$1,502

Combined Benefit Limit

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$1,851
Class II	\$1,736
Class III	\$1,610

Section 2 - Adjustment of Plan Benefits During Agreement Term

Effective December 31, 1999, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

ARTICLE - BENEFITS ELIGIBILITY

Section 1 - Health and Welfare Plan

The Railroad Employees National Health and Welfare Plan ("the Plan") is amended to provide that in order for an Eligible Employee (as defined by the Plan) covered by this Agreement to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have in the aggregate at least fifteen (15) days of compensated service and paid vacation during the applicable qualifying month.

Section 2 - Vacation Benefits and Personal Leave Days

Existing rules governing eligibility for vacations and personal leave days for employees covered by this Agreement are amended to provide that to qualify either for an annual vacation or for personal leave days in any given year, an employee must have been credited with compensation for at least two hundred (200) days for work during the preceding calendar year.

Section 3 - Holiday Benefits

Existing rules governing holiday eligibility for employees covered by this Agreement are amended to provide that to qualify for a paid holiday, an employee must have worked or been available for service on the fifteen (15) days immediately preceding the holiday, must have been available for work on the holiday, and must have worked or been available for service on the fifteen (15) days immediately following the holiday.

Section 4

This Article shall become effective on January 1, 1996 and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - WORK JURISDICTION

Existing rules applicable to employees covered by this Agreement are amended as follows:

Section 1

An employee assigned to a position covered by this Agreement may be used to perform any task that the carrier deems he is capable of performing and that would contribute to the needs of the service without regard to any rules or practices that may otherwise reserve such task to a particular employee classification under the jurisdiction of the organization signatory hereto, and without claim or penalty to the carrier.

Section 2

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - TRAVEL TIME

Existing rules applicable to employees covered by this Agreement are amended as follows:

Section 1

Paid time for any employee who is assigned to a position that does not have a reporting point that remains fixed at the same location throughout the year shall begin and end at the work site or other location designated by the carrier.

Section 2

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - STARTING TIME

Existing rules applicable to employees covered by this Agreement are amended as follows:

Section 1

The carrier may establish starting times for employees covered by this Agreement as necessary to meet the needs of the service. The carrier shall have the right to adjust such starting times when and to the extent deemed necessary by the carrier because of customer service needs, environmental conditions, governmental requirements or to more efficiently utilize employees, provided, however, that at least twenty-four (24) hours notice shall be given to affected employees of any change to an established starting time, absent an emergency. Any rules or practices requiring a carrier to abolish and/or rebulletin a position in connection with a starting time adjustment pursuant to this Article are eliminated.

Section 2

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - WORK SCHEDULING

Existing rules applicable to employees covered by this Agreement are amended as follows:

Section 1

The carrier may establish and adjust work weeks and rest days, without additional cost to the carrier, for employees covered by this Agreement as follows:

(a) five (5) eight-hour days and two rest days during a seven-day period, with the right to designate any two days in that period as rest days; and

(b) four (4) ten-hour days and three rest days during a seven-day period or other compressed schedule, with the right to (i) designate any three days in that period as rest days and (ii) extend the number of days that can be worked consecutively (up to a maximum of eight), during which periods employees will accumulate rest days to be taken at the completion of the work period.

(c) established work weeks and rest days may be adjusted by the carrier when and to the extent deemed necessary by the carrier to meet customer service needs, environmental conditions, governmental requirements or to more efficiently utilize employees, provided, however, that at least twenty-four (24) hours notice shall be given to affected employees of any change to an established work week and rest days, absent an emergency. Any rules or practices requiring a carrier to abolish and/or rebulletin a position in connection with a work week and rest days adjustment pursuant to this Article are eliminated.

Section 2

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - ADJUSTMENT OF SENIORITY DISTRICTS

Existing rules applicable to employees covered by this Agreement are amended as follows:

Section 1 - Notice

A carrier shall give at least thirty (30) days written notice to the affected employees and their bargaining representative of its desire to combine or realign seniority districts, including all carriers under common control, specifying the nature of the intended changes.

Section 2 - Arbitration

(a) If the parties are unable to reach agreement within ninety (90) calendar days from the serving of the original notice, either party may submit the matter to final and binding arbitration in accordance with this Section.

(b) The arbitrator shall be selected by the parties. If they shall fail to agree within five days from the submission to arbitration, either party may request a list of five potential arbitrators from the National Mediation Board, from which the parties shall choose the arbitrator through alternate striking. The order of such striking shall be determined by coin flip unless otherwise agreed by the parties. The fees and expenses of the arbitrator shall be borne equally by the parties. The jurisdiction of the arbitrator shall be limited to a determination of how the seniority rights of affected employees will be established on the combined or realigned seniority rosters.

(c) Notwithstanding any other provision to the contrary, the carrier shall be free to implement its proposal on a provisional basis and without penalty at any time after ninety (90) calendar days have elapsed from service of its notice.

Section 3

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - CONTRACTING OUT

Section 1

Existing rules applicable to employees covered by this Agreement are amended as follows:

Section 2

Work that is reserved to the organization signatory hereto by express rule or by an exclusive system-wide past practice will not be contracted out, absent an emergency, unless one or more of the following are applicable: (i) managerial skills are not available on the property; or (ii) skilled manpower is not available at the location from active or furloughed employees; or (iii) the carrier does not possess and have available at the location necessary equipment; or (iv) such work cannot be completed within time frames dictated by operational requirements or customer service considerations; or (v) such work cannot be performed by the carrier except at a greater cost; or (vi) where otherwise justified because of special considerations such as work that requires particular expertise or governmental license, safety reasons (e.g. handling of hazardous materials and substances), warranties, customer service needs, operational efficiencies, or instances in which employees or equipment already engaged in the work of the carrier are not available.

Section 3

(a) If a carrier decides that in light of the criteria set forth in Section 2 it is necessary to contract out work covered by that Section, it shall give the organization's authorized representative(s) notice of intent to contract out and the reasons therefor. Advance notice shall not be required for a minor transaction, an item of work which requires forty (40) man-hours or less to perform. The organization representative may request a meeting with the carrier to discuss the proposed action. Such request must be received by the carrier not later than seven (7) calendar days after the date of the carrier's notice. Upon receiving such request, the carrier shall schedule a conference with the organization representative within five (5) working days thereafter. If no agreement is reached at the conference, either party may seek arbitration with respect to the dispute in accordance with subsection (b) of this Section.

(b) Disputes arising under this Article shall be progressed in the usual manner on the property and shall be resolved in accordance with Section 3 of the Railway Labor Act, provided, however, that the fees and expenses of the arbitrator shall be shared equally by the parties.

(c) Notwithstanding any other provision to the contrary, the carrier shall be free to implement its proposal on a provisional basis and without claim or penalty at any time after fifteen (15) calendar days have elapsed from service of its notice.

Section 4

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - EMPLOYEE UTILIZATION

Existing rules applicable to employees covered by this Agreement are amended as follows:

Section 1

An employee covered by this Agreement may be transferred to another seniority district (including seniority districts covered by separate agreements on carriers under common control) for up to sixty (60) calendar days to perform temporary service, without claim or penalty to the carrier. Such transfer may be extended until such time as a qualified employee is available to perform the service involved.

Section 2

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - SURPLUS EMPLOYEES

Section 1 - Transfer of Surplus Employees

A carrier may, at its option, serve written notice of its intention to transfer surplus employees to other locations throughout its merged or affiliated system (including all current and former carriers under common control) to fill positions within the craft or comparable positions in a different craft or class. Such notice shall include identification of the employee(s) to be transferred, the location(s) involved, and the estimated duration of such assignment(s). The carrier shall meet with the organization representative to discuss the notice, upon request of the organization, within ten (10) calendar days following service of such notice. The carrier shall be free to implement its proposal at any time after ten calendar days have elapsed from service of its notice. A surplus employee who refuses transfer under this Article shall forfeit seniority in all crafts and classes represented by the organization signatory hereto.

Section 2

This Article shall become effective on the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE - GENERAL PROVISIONS

Section 1 - Court Approval

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

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement, and to settle the disputes growing out of the notices dated November 1, 1994 served by and on behalf of the carriers listed in Exhibit A upon the organization signatory hereto, and the notices dated on or about November 1, 1994 served by the organization upon such carriers. This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organizations signatory hereto, and shall remain in effect through December 31, 1999 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(b) No party to this Agreement shall serve, prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal for the purpose of changing the subject matter of the provisions of this Agreement or which proposes matters covered by the proposals of the parties cited in paragraph 2(a) of this Article, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

(c) No party to this Agreement shall serve or progress, prior to November 1, 1999 (not to become effective before January 1, 2000), any notice or proposal which might properly have been served when the last moratorium ended on November 1, 1994.

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

CUSTOMER SERVICE COMMITMENT

In recent years the rail freight sector of the transportation market place has taken steps toward a more competitive discipline which, if successful, could point the rail industry toward real growth. The parties to this National Agreement are intent on nurturing these improvements. In this respect the parties recognize that an important reason underlying the recent improvement has been enhanced focus on customer needs and improved service as the framework for working conditions. Increased employee productivity and more immediate responses to customer needs by railroad employees at all levels have been and will continue to be at the very heart of this effort.

In order to continue these recent improvements, the parties intend to respond to customers' needs with even greater efforts. And to respond jointly.

Therefore, the signatories to this Agreement will establish promptly a Joint Committee on each rail property signatory hereto. The Joint Committee will consist of an equal number of representatives chosen respectively by the carrier and the signatory labor organization.

The purpose of the Joint Committee will be to seek more and better ways for achieving operational and service improvements through greater employee productivity and efficiencies. Where work rules exist which preclude those improvements while, on a relative basis, providing little or no benefit to the employees involved, the organization will work with the carriers to remedy this situation in any way which resolves the customer service issue while maintaining the benefits to employees to the greatest extent

practicable. While the Joint Committee's purpose is not to eliminate core craft jurisdictional lines, the Joint Committee may explore work team approaches that respect the need for qualified employees and the carrier's need to operate more efficiently to better serve the customer.

Each Joint Committee will have full discretion to set the rules and procedure under which it will operate. It is the intent of the signatories that the jurisdiction of Joint Committee shall be expansive, not limited; that each member be free to present suggestions for improvement; and that subjects such as utilization of surplus employees, quality of work life and security, team assignments, etc. be considered as well.

At any time after one year from the date of the National Agreement, the signatories will convene in order to review the work of the individual Joint Committees. Similar meetings will be convened no less than once every three months for the balance of this Agreement.

If a carrier believes the Joint Committee on its property has not resulted in substantially improved productivity and more effective operation by January 1, 1997, the carrier may notify the signatory organization in writing. If the dispute is not resolved within ninety (90) days, all increases in compensation will be suspended pending resolution of the dispute through the assistance of a third party neutral.

NCCC Chairman

BMW President

, 1995

#

Mr. Mac A. Fleming
President
Brotherhood of Maintenance
of Way Employes
26555 Evergreen Road
Suite 200
Southfield, MI 48076-4225

Dear Mr. Fleming:

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

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

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

Very truly yours,

Robert F. Allen

I agree:

M. A. Fleming

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

**1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103**

**Jed Dodd
General Chairman
Pennsylvania Federation BMWF**

**Perry Geller
General Chairman
Consolidated Rail System Federation BMWF**

**John Davison
General Chairman
Northeastern System Federation BMWF**

November 22, 1995

**Mr. Robert Reich III, Secretary of Labor
Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210**

Dear Secretary Reich:

**Re: National Mediation Board Number A-12718/1
Conrail versus BMWF**

The Pennsylvania Federation, the Northeastern System Federation and the Consolidated Rail System Federation of the BMWF are the Federations within the Union which represent the men and women who build, maintain and construct the railroad track; bridges and buildings for the Consolidated Rail Corporation. Our members perform unbelievably tough and dangerous jobs in all kinds of weather. We will try to make this letter as short as possible and hope that you take the time to read it.

Railroad management believes that they can defeat our legitimate bargaining demands if they can delay the process forever and if they can bargain with the Union in a National forum. This management strategy is spelled out in an internal letter from Robert Schmiede dated June 21, 1991

which is attached. President Clinton's National Mediation Board is doing everything that they can to assist railroad management in achieving their stated bargaining objectives. We expected this from the Mediation Board's appointed by Presidents' Reagan and Bush and suffered greatly because of it. The sense of betrayal that we feel from the actions of President Clinton's NMB cannot be overstated.

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We requested Chairwoman Jacobsen to release us from mediation from because our continued requests for Conrail management to meet with us for a ten day period to resolve our dispute have been repeatedly denied, the economic framework in which Conrail management has insisted a settlement be fashioned is not consistent with their clear ability to pay wage increases above the inflationary levels and to reform working conditions in an environment of job security. Despite her assurances to grant the release which we have requested, the release has not been issued.

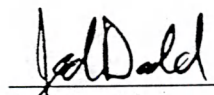
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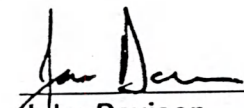
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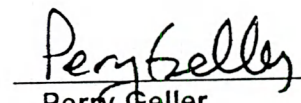
Yours truly,



Jed Dodd
General Chairman
Penn Fed BMW



John Davison
General Chairman
NES Fed BMW



Perry Geller
General Chairman
CRS Fed BMW

cc Mr. M. A. Fleming



June 21, 1991

One North Western Center
Chicago, Illinois 60606
312.319.6001

Robert Schenkel
Chairman, President and
Chief Executive Officer

Mr. Michael H. Walsh
Chairman and Chief Executive Officer
Union Pacific Railroad
1416 Dodge Street
Omaha, Nebraska 68179

RE: *Railway Labor Act*

Dear Mike:

As is clear from Bill Curtin's letter yesterday, a discussion is developing concerning whether the Railway Labor Act hinders the efforts of the railroad industry to achieve a rational approach to its labor costs, and if so, whether a change to the National Labor Relations Act would improve matters. I submit that, from the perspective of the railroads' strategic and economic self-interest, the Railway Labor Act remains the best alternative as a legal framework to govern railroad labor relations.

The threshold question is how does the railroad industry achieve the most effective labor settlements. Unless we believe that our companies have the leverage to win traditional management-employee tests of economic strength (a belief that I do not share), our interests are best served by a system which avoids those tests. In other words, I do not believe that transportation companies have the inherent financial strength to sustain strikes of sufficient duration to very often force a union to capitulate. Moreover, when comparing the economic gain of lower future operating expense that might result from forcing a union to accept the company's offer against the economic loss of reduced earnings during a strike, a decision by management to force a collective bargaining dispute into a test of economic power rarely passes a cost/benefit analysis. Confronted as we are by multiple labor organizations who want, either jointly or severally, to cause multi-strikes, any enhancement of the opportunity to provoke a crisis would be to our detriment. The RLA's specific charter is to avoid strikes, and it is remarkably effective at preventing unions from achieving the legal right to strike. Any notion to change the RLA has as its premise the idea that somehow economic warfare would help us achieve more economically advantageous settlements. This premise, I believe, is not founded in fact.

As a service business, railroads depend to a great extent on their ability to operate without interruption, because they can not inventory product. We also depend on the good will of our customers and our employees. While individual railroads have varying ability to financially withstand a cessation of service, no transportation company has the ability to withstand a really long cessation, which often occurs in transportation strikes. After strikes, transportation companies often find it difficult to recover from the loss of goodwill that such action provokes among customers and employees. Similarly, the North

Mr. Michael H. Walsh
June 21, 1991
Page 2

Western learned in 1988 that replacing existing employees with strike replacements is not a viable option because of the shortage of unemployed locomotive engineers in the country. There are no recent examples of strikes in the railroad or airline industries which enhanced the carrier's ability to thrive as a service business. Transportation companies must effectively deal with managing their labor relations without the tactic of forcing issues to strike. Our only real leverage is delaying a wage settlement.

Under those circumstances, railroads need a legal framework which makes it difficult for unions to create economic tests of strength. Railroads need a framework that permits us to tactically manage the sequencing of the bargaining and mediation phases. Under the Railway Labor Act, there can be no legal strikes unless, pursuant to valid Section 6 notices, the National Mediation Board has concluded that its efforts have failed. Even then, the parties' conduct may be subject to review and recommendations by an Emergency Board, and by Congress. This extended process gives us the ability, although it has not been utilized until this year, to assure that wage settlements reflect what is acceptable in the economy in general. The lesson from the most current round is that when railroads have an identified and realistic goal, railroads can achieve that goal under the current legal framework.

The ancillary issues raised about the RLA, such as secondary activity, multiple unions and government-financed grievance procedures are largely irrelevant from a unit cost perspective, especially when viewed against the legal framework as a whole. While some administrative interests might be served, the danger in trying to fix these smaller problems is that the entire question is opened up.

This leads to the final thought - the effectiveness and importance of national handling. Without the threat that a labor crisis will affect the national economy, our companies are at a terrible disadvantage. Our maximum leverage comes with the unity of a national case. It is hard to imagine that our companies would have fared better had we chosen to bargain separately. Therefore, I respectfully submit that our efforts in the future should be directed, not at changing the Railway Labor Act, but at perfecting the strategies and institution of national handling.

Perhaps this subject should be discussed when we all next meet on July 25.

Sincerely,

Bob

cc: Messrs. Clayton, Edwards, Grinstein, Hagen, Kirk,
Krebs, McKinnon, Motian, Moyers, and Snow

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

**1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103**

**Jed Dodd
General Chairman
Pennsylvania Federation BMWF**

**Perry Geller
General Chairman
Consolidated Rail System Federation BMWF**

**John Davison
General Chairman
Northeastern System Federation BMWF**

November 22, 1995

**Mr. Fredico Pena, Secretary of Transportation
Department of Transportation
400 7th Street, SW
Washington, D.C. 20590**

Dear Secretary Pena:

**Re: National Mediation Board Number A-12718/1
Conrail versus BMWF**

The Pennsylvania Federation, the Northeastern System Federation and the Consolidated Rail System Federation of the BMWF are the Federations within the Union which represent the men and women who build, maintain and construct the railroad track; bridges and buildings for the Consolidated Rail Corporation. Our members perform unbelievably tough and dangerous jobs in all kinds of weather. We will try to make this letter as short as possible and hope that you take the time to read it.

Railroad management believes that they can defeat our legitimate bargaining demands if they can delay the process forever and if they can bargain with the Union in a National forum. This management strategy is spelled out in an internal letter from Robert Schmiede dated June 21, 1991

which is attached. President Clinton's National Mediation Board is doing everything that they can to assist railroad management in achieving their stated bargaining objectives. We expected this from the Mediation Board's appointed by Presidents' Reagan and Bush and suffered greatly because of it. The sense of betrayal that we feel from the actions of President Clinton's NMB cannot be overstated.

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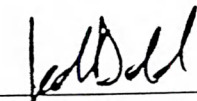
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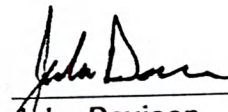
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Yours truly,



Jed Dodd
General Chairman
Penn Fed BMW



John Davison
General Chairman
NES Fed BMW



Perry Geller
General Chairman
CRS Fed BMW

cc Mr. M. A. Fleming



June 21, 1991

One North Western Center
Chicago, Illinois 60606
312.519.6001

Robert E. Schenck
Chairman, President and
Chief Executive Officer

Mr. Michael H. Walsh
Chairman and Chief Executive Officer
Union Pacific Railroad
1416 Dodge Street
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Mr. Michael H. Walsh
June 21, 1991
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Bob

cc: Messrs. Claytor, Edwards, Grinstein, Hagen, Kirk,
Krebs, McKinnon, Mohan, Moyers, and Snow

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

**1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103**

**Jed Dodd
General Chairman
Pennsylvania Federation BMWE**

**Perry Geller
General Chairman
Consolidated Rail System Federation BMWE**

**John Davison
General Chairman
Northeastern System Federation BMWE**

November 28, 1995

via fax

**Consolidated Rail Corporation
Dennis Arouca, Vice President
2001 Market Street
Philadelphia, Pa. 19103**

Dear Mr. Arouca:

**Re: A-12718/1
Conrail versus BMWE**

This is in reference to the telephone conversation between Mr. Jim Amidon of your staff and General Chairman Dodd on November 27, 1995 wherein you propose to meet over our contract dispute at Conrail's headquarters on November 29 and 30, 1995 and December 12 and 13, 1995. It is our position that your refusal to meet for several consecutive dates to either reach agreement or impasse demonstrates lack of good faith on the part of Conrail, especially nearly one year after the moratorium expired. The NMB's refusal to compel this kind of bargaining makes them, in the opinion of the BMWE, an agent of Conrail. The NMB has intentionally created needless complexity to the relatively every-day process of negotiating collective

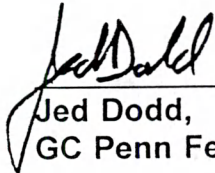
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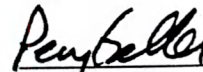
bargaining agreements within a suitable time frame.

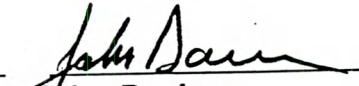
Nevertheless, without prejudice to the position of the Conrail BMW Committee that we are at deadlock and should be released, we will meet on the dates you suggested for the purpose of resolving our notices. This means that we are not meeting to discuss one or two issues -- we are meeting to either resolve our dispute or move to the next level.

Under the circumstances, we request that our Mediator, Faye Marie Landers-Crawford, be present at these sessions.

Yours truly,


Jed Dodd,
GC Penn Fed


Perry Geller
GC CRS Fed


John Davison
GC NES Fed

cc M. A. Fleming
H. Wise
M. Jacobsen
F. Landers-Crawford
J. Myron

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**

1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103
215-569-1285

Jed Dodd
General Chairman
Pennsylvania Federation BMW

Perry Geller
General Chairman
Consolidated Rail System Federation BMW

John Davison
General Chairman
Northeastern System Federation BMW

Hand Delivered

November 28, 1995

Consolidated Rail Corporation
Dennis Arouca, Vice President Labor Relations
2001 Market Street
Philadelphia, Pennsylvania 19103

Dear Mr. Arouca:

Pursuant to Section 6 of the Railway Labor Act, 45 U.S.C. 156, the Pennsylvania Federation, Consolidated Rail System Federation and the Northeastern System Federation of the Brotherhood of Maintenance of Way Employees (BMW) seek to add the following agreement between BMW and the Consolidated Rail Corporation (Conrail).

Proposal:

Provide the following protective benefits for those BMW represented employees of Conrail affected by the sale of the "Clearfield Cluster."

1. For those BMW represented employees hired by the entity acquiring the "Clearfield Cluster", a displacement allowance payable by Conrail that is the difference between the amount the employee earns for the acquiring

entity and the average monthly compensation earned by the employee at Conrail. (The average monthly compensation shall be based on the employee's total earnings in the last twelve months of employment divided by 12. The allowance shall be increased by any subsequent general wage increases applicable to BMWWE represented Conrail employees.)

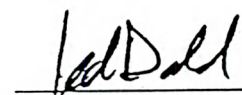
2. For those BMWWE represented employees required to exercise seniority outside of their home working zone as a result of the sale of the "Clearfield Cluster", a relocation allowance computed in the manner set forth in Article 1, Sections 9 and 12 of the New York Dock conditions.

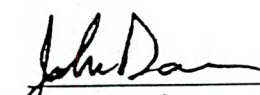
3. For those BMWWE represented employees affected by the sale of the "Clearfield Cluster", a displacement allowance computed in accordance with No. 1 above.

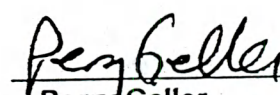
4. All of these protective benefits shall continue until the employee's death, retirement or discharge for cause.

We are prepared to meet with you at the address on this letterhead on December 1, 1995 to discuss this notice.

Yours truly,


Jed Dodd
General Chairman
Penn Fed BMWWE


John Davison
General Chairman
NES Fed BMWWE


Perry Geller
General Chairman
CRS Fed BMWWE

cc Mr. M. A. Fleming

CONRAIL

Working safely requires continuous improvement.

DENNIS A. AROUCA
VICE PRESIDENT
LABOR RELATIONS

November 28, 1995

Mr. J. J. Davison
General Chairman
Brotherhood of Maintenance of
Way Employees
450 Chauncy Street
Mansfield, MA 02048

Mr. Jed Dodd
General Chairman
Brotherhood of Maintenance of
Way Employees
1903 Chestnut Street,
Suites 607-09
Philadelphia, PA 19103

Mr. P. K. Geller
General Chairman
Brotherhood of Maintenance of
Way Employees
29 West 103rd Street,
Suite B
Hinckley, OH 44233

Gentlemen:

This will acknowledge your letter dated November 28, 1995, confirming discussions with this office, that the parties are agreeable to meet on November 29 and 30, 1995 and December 12 and 13, 1995, to continue a dialogue to resolve our outstanding local Section 6 issues.

As you are well aware, we are not refusing to meet, as shown by the above four dates, in addition to the dates of November 14, December 21, 1995 and January 9 and 10, 1996 which were previously offered to you and were subsequently declined.

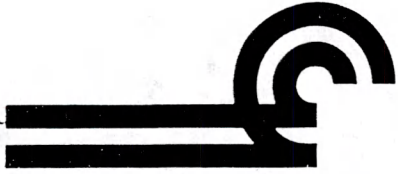
In light of the history of this dispute, we do not believe that it would be appropriate that Mediator Faye Marie Landers-Crawford be in attendance and participate at this time. We look forward to our discussions.

Sincerely,



cc: Ms. Faye Marie Landers-Crawford
Magdalena G. Jacobsen
Robert F. Allen
Mac Fleming
H. Wise
J. Myron

CONRAIL®



November 30, 1995

Mr. P. K. Geller
General Chairman, BMW
29 West 130th Street, Suite B
Hinckley, OH 44233

Mr. J. J. Davison
General Chairman, BMW
450 Chauncy Street
Mansfield, MA 02048

Mr. Jed Dodd
General Chairman, BMW
1930 Chestnut Street
Suites 607 - 609
Philadelphia, PA 19103

Gentlemen:

I am in receipt of your letter dated November 28, 1995 with regard to protective benefits for employees afforded by the sale of the Clearfield Cluster. Due to prior commitments, I am not available to meet on December 1, 1995. I suggest this matter be discussed at our scheduled meeting for December 12, 1995 in the Carrier's office.

Sincerely,

A handwritten signature in black ink, appearing to read "L. J. Finnegan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

L. J. Finnegan
Senior Director - Labor Relations

1901 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200 FAX 202-862-7230

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Chairman

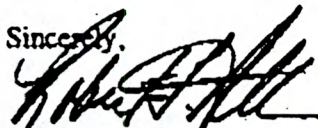
A.E. GRADIA
Director of Labor Relations
NATIONAL MEDIATION
BOARD

Should the National Mediation Board or some other authority disagree, please accept the enclosed copies of an application for mediation filed in accordance with the provisions of Section 5, First of the Railway Labor Act.

The Carriers are applying for mediation on this notice in order to eliminate any claim that a strike is justified. As you are aware, the issue of appropriate handling of our respective notices is before the court.

Again should the Board determine that the organization's November 28, 1995 notice is not covered under prior application or NMB proffer of mediation, please accept and docket the attached application for mediation services.

Sincerely,



Robert F. Allen
Chairman NCCC

cc: Mr. Mac A. Fleming
Mr. J. Dodd
Mr. J.J. Davison
Mr. P.K. Geller
NCCC Members

Form NMB-2
(Revised 6-94)

OMB No. 3140-0001

NATIONAL MEDIATION BOARD

Dec 28 3 02 PM '95

APPLICATION FOR MEDIATION SERVICES

NATIONAL MEDIATION
BOARD

TO THE NATIONAL MEDIATION BOARD
Washington, DC 20572

A dispute has arisen between the parties shown below which has not been adjusted between them, and the services of the National Mediation Board under Section 5, First, of the Railway Labor Act, are hereby invoked on specific questions set forth below. The approximate number of employees involved is 31,000.

SPECIFIC QUESTION IN DISPUTE

Dispute(s) between railroads represented by the National Carrier's Conference Committee shown on the statement attached hereto and made a part hereof, marked as Exhibit No. 2, and employees of such railroads represented by the Brotherhood of Maintenance of Way Employees, growing out of the notice to revise and supplement existing agreements dated November 1, 1994 served by and on behalf of the various railroads identified above on the Brotherhood of Maintenance of Way Employees (Exhibit 3), and/or notices dated on or about November 1, 1994 served by the Brotherhood of Maintenance of Way Employees on such railroads (Exhibit 4), including the notice dated November 28, 1995 served on Control and attached hereto.

(if necessary extend question on additional sheet or attach exhibit)

PARTIES TO DISPUTE

Carrier Represented by the NCCC
(Name of Carrier)
(See Exhibit 2)

Robert F. Allen, NCCC Chairman
(Labor Relations Officer)

1901 L Street, N.W., Suite 500
(Address)

Washington, D.C. 20036
(City, State and Zip)

Brotherhood of Maintenance of Way Employees
(Name of Organization or Individual)

Mac A. Fleming
(Organization Official)

26555 Evergreen Road, Suite 200
(Address)

Southfield, Michigan 48076-4225
(City, State and Zip)

WORKING AGREEMENT

If an agreement governing rates of pay, rules, or working conditions is in effect, give name of parties thereto and date thereof. If there is no such agreement, so state Imposed Agreement effective July 29, 1991 and various other agreements and dates.

COMPLIANCE WITH RAILWAY LABOR ACT

1. If this dispute involves change in the above-mentioned agreement, attach copy of the 30-day notice served by party desiring change and insert date of notice here. See Exhibit 4.
2. If this dispute involves the negotiation of a new or supplemental agreement, attach copy of request made by party desiring same and insert date of request here. See answer to Question No. 1.
3. If there has been a refusal to confer, so state and give reason; otherwise, give date of last conference here December 17 & 18, 1995.

Signed at Washington, D.C. this 28th day of December, 1995.

Name Robert F. Allen
(Signature of Carrier Official)

Title: Chairman, National Carriers' Conference Committee

Name
(Signature of Organization Official)

Title.....

(File this application in duplicate. If necessary, use and attach additional sheets)2

**Pennsylvania Federation
Northeastern System Federation
Consolidated Rail System Federation
Brotherhood of Maintenance of Way Employees**
1930 Chestnut Street - Suite 607
Philadelphia, Pennsylvania 19103
215-569-1285

Jed Dodd
General Chairman
Pennsylvania Federation BMWF

Perry Geller
General Chairman
Consolidated Rail System Federation BMWF

John Davison
General Chairman
Northeastern System Federation BMWF

sent via facsimile and US mail

January 9, 1996

Mr. Stephen E. Crable, Chief of Staff
National Mediation Board
1301 K. Street, NW
Suite 250 East
Washington, D.C. 20572

Dear Mr. Crable:

Re: December 28, 1995 letter of Mr. Allen invoking
mediation on the "Clearfield Cluster" dispute

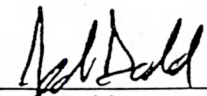
As you are aware, it is the position of the BMWF that the "Clearfield Cluster" dispute and Section 6 Notice are separate from the Section 6 Notice the BMWF Conrail Committees served on Conrail on or about November 1, 1994. We therefore are confused as to why you have not assigned a Case Number to Conrail's request for mediation of our Section 6 Notice regarding the Clearfield Cluster dated November 28, 1995.

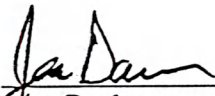
We realize that the Board has been functioning at a greatly reduced level since December 15, 1995 due to the budget showdown causing a government shutdown. Please give your earliest consideration to this matter and assign a Case Number to the Clearfield Cluster dispute.

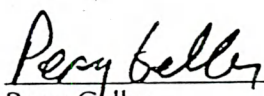
January 9, 1996
Clearfield Cluster
Page 2

We also wish to point out that Conrail refused to meet with the BMWF Conrail Committee for bargaining on December 12, 13, 14, and 15, 1995. As we have told the Board repeatedly, the time is NOW for a release on Conrail in our dispute that is docketed as A-12718/1. One year has passed since the moratorium expired and Conrail feels free to practice surface bargaining or non-bargaining because it has confidence in the NMB's willingness to protract the process. Protraction of the process merely serves the interests of the railroads. Please release the BMWF on Conrail immediately.

Thank you for your anticipated cooperation.


Joe Dodd
General Chairman
Penn Fed BMWF


John Davison
General Chairman
NES Fed BMWF


Perry Geller
General Chairman
CRS Fed BMWF

cc Mac Fleming
J. Sweeny
R. Trunka
R. Allen
D. Arouca
J. Myron
R. Reich
J. O'Conner
F. Pena
F. Landers-Crawford
All Federation Officers



NATIONAL MEDIATION BOARD
WASHINGTON, D.C. 20572

January 24, 1996

Mr. Robert F. Allen, Chairman
National Carriers' Conference Committee
1901 L Street, N.W.
Washington, DC 20036

Mr. Dennis A. Arouca
Vice President-Labor Relations
Conrail
2001 Market Street, 15-A
Philadelphia, PA 19103

Mr. Mac A. Fleming, President
Brotherhood of Maintenance of Way Employees
26555 Evergreen Road, Suite 200
Southfield, MI 48076-4225

Gentlemen:

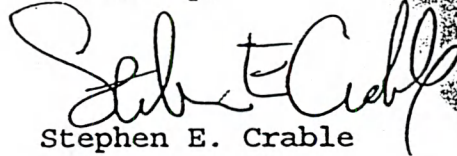
This will acknowledge receipt of a letter and application for mediation, dated and received December 28, 1995, from Mr. Robert F. Allen, Chairman, National Carriers' Conference Committee regarding a dispute or disputes between the National Carriers' Conference Committee/Conrail and the BMWE. This dispute or disputes is described in Mr. Allen's December 28 letter, and is related, in part, to a dispute pertaining to the "Clearfield Cluster".

I also am in receipt of a letter dated January 9, 1996, from Jed Dodd, John Davison and Perry Geller responding to Mr. Allen's December 28, 1995, letter.

Please be advised that this dispute is docketed as NMB Case No. A-12718 Sub. 1 (A). This docketing action is a ministerial act taken without prejudice to or indorsement of the positions taken by Messrs. Allen, Dodd, Davison and Geller in their respective letters.

Faye Marie Landers-Crawford will be the mediator assigned to this case.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stephen E. Crable". The signature is fluid and cursive, with the first name "Stephen" and last name "Crable" clearly distinguishable.

Stephen E. Crable
Chief of Staff

Copy to:

Mr. Jed Dodd
Mr. Perry Geller
Mr. John Davison
Ms. F.M. Landers-Crawford

CONRAIL®

Working safely requires continuous improvement.

DENNIS A. AROUCA
VICE PRESIDENT
LABOR RELATIONS

February 1, 1996

Mr. J. Dodd
General Chairman
Brotherhood of Maintenance
of Way Employes
1930 Chestnut Street
Suites 607-609
Philadelphia, PA 19103

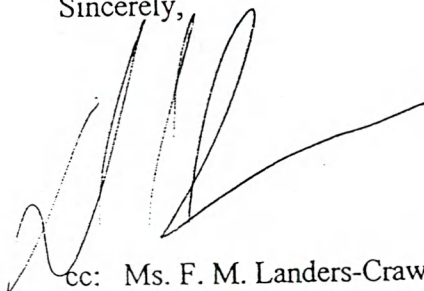
Mr. P. K. Geller
General Chairman
Brotherhood of Maintenance
of Way Employes
29 West 130th Street,
Suite B
Hinckley, OH 44233

Mr. J. J. Davison
General Chairman
Brotherhood of Maintenance
of Way Employes
P. O. Box 138
Mansfield, MA 02048-0138

Gentlemen:

Enclosed is Conrail's conceptual proposal which augments the comprehensive proposal offered by the National Carriers' Conference Committee by letter dated November 20, 1995. This is responsive to various BMWF proposals dated November 1, 1994 and several concerns of Conrail and is offered consistent with and as part of all the representations and limitations regarding our negotiations.

Sincerely,



cc: Ms. F. M. Landers-Crawford (w/enclosure)
Mr. R. F. Allen (w/enclosure)

CONRAIL'S PROPOSAL

BMWWE

I. EMPLOYEE PROTECTION

A. Relocation Assistance

- Benefits payable to employees who transfer to positions requiring change in residence. (Benefits not to exceed \$30,000)
- Carrier must have a need to hire.
- Employees must be qualified.
- Carrier must be able to fill resulting vacancy.
- May also apply to inter-craft transfer.

B. Enhanced SUB Plan

- Expand benefit to active employees with 10 years service and those attaining 10 years of service subsequent to date of Agreement.
- Benefits \$42 per day.
- Capped at \$25,000.
- Can be applied to training benefits.

C. System Seniority

- Greater work opportunity
- Retained District Seniority

II. Grievance and Discipline Appeal Procedure

- Submission of claims within 30 days of occurrence.
- Agreed to form for claims.
- Notification of Carrier's decision within 60 days of receipt.
- Appeal of Carrier's written decision to Carrier's highest designated official may be made within 60 days from date of denial. Appeal will be by Ex Parte Submission.
- Such appeal will be heard at the next monthly meeting. The Carrier shall provide its decision within 60 days of the discussion.
- Any claim or grievance appeal shall be considered closed unless filed to a Board within 6 months of Carrier's decision.
- Carrier may implement electronic mail communications or video or telephone conferencing where practicable.

III. ASSIGNMENT OF POSITIONS

- Amend Rule 3, Section 1 to provide that awards will be made using order of sub-department, seniority district and then other seniority districts when no qualified bids are received from respective roster.

IV. LIST OF POSITIONS

- Provide access to employees.
- Copy to General Chairmen of a list of all positions twice annually.

V. ACCEPTING POSITIONS UNDER OTHER AGREEMENTS

- **Amend Rule 8 to protect BMWWE seniority during probationary period in other craft.**

VI. CALLS

- **Amend Rule 16 (a) to provide continuous time if employee is called and reports within one hour of assigned working hours.**

VII. GRIEVANCE COMMITTEE

- **Provide for one conference per quarter between Division Engineer or designate and the General Chairmen or their designate.**

VIII. SAFETY SHOES

- Amend Rule 41 to increase safety shoe reimbursement from \$60.00 to \$90.00 annually.

IX. REPRINT OF AGREEMENT

- **Inserts for pages modified in CBA to be provided to the General Chairmen for distribution to employees.**

X. B & B INSPECTORS

- Establish right of appointment and removal for B & B Inspector positions and exclude from advertisement and displacement. B&B Inspectors may cross seniority district boundaries.
- Establish rate of pay which correspond to ARSA Bridge Inspectors.

XI. SCOPE

- **Eliminate any restriction with regard to class or craft in the assignment of incidental work.**
- **Work zone shall be defined as the seniority district.**

XII. MEAL PERIOD

- Amend Rule 18 to provide first meal period between 4th and 6th hours after starting time.
- No pay for subsequent meal periods if provided at headquarters or off duty point and employee is not required to resume work thereafter.

XIII. DISPLACEMENT PERIOD

- Reduce displacement period to 2 working days.

XIV. SELECTION OF POSITIONS

- **Amend Rule 3 to allow for extension of effective date of award for operational reasons.**

XV. TOOLS

- **Amend Rule 23(c) to provide exception for the carrying of personal tools.**

XVI. SENIORITY

- **Amend Rule 4, Section 2 to provide for forfeiture of Foreman seniority when employee voluntarily exercises to lower class.**

XVII. HEADQUARTERS

- **Eliminate any restriction in headquartering 4-day 10-hour group without paying meals, lodging and travel allowance.**

XVIII. PILE DRIVER OPERATOR

Provide that Pile Driver Operator can work systemwide without restriction.

XIX. OVERTIME

- **Modify Rule 11 to provide for overtime after 40 hours service in the workweek.**
- **Eliminate payment of double time.**

XX. PARTIALLY EXCEPTED POSITIONS

- Allow for right of appointment and removal of PEP positions to operate sophisticated equipment which are not subject to advertisement and displacement.

XXI. HOLIDAYS

- Eliminate holiday pay on rest days.
- Eliminate holiday pay during vacation period.

XXII. CAMP COOKS

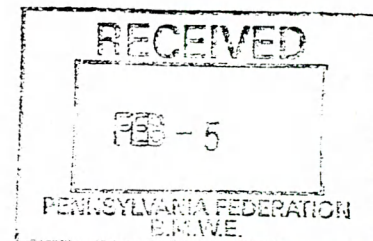
- Amend Rules 11 and 24 to provide that Camp Car Cooks and Attendants will be paid same hours worked by gang regardless of the amount of time on duty.

Working safely requires continuous improvement.

DENNIS A. AROUCA
VICE PRESIDENT
LABOR RELATIONS

February 2, 1996

Mr. Stephen E. Crable
Chief of Staff
National Mediation Board
1301 K Street, N.W.
Suite 250 East
Washington, DC 20572



Dear Mr. Crable:

I have received a copy of the January 9, 1996, letter from the Brotherhood of Maintenance of Way General Chairmen on Conrail, sent to you regarding Mr. R. F. Allen's December 28, 1995, letter concerning mediation of disputes between the parties. In their January 9th letter the General Chairmen asserted that Conrail refused to meet with the BMWE Conrail Committee for bargaining on December 12, 13, 14 and 15, 1995. This is simply not the case.

Conrail had meetings scheduled with the BMWE Committee for December 12 and 13, 1995 in Philadelphia, PA to discuss Conrail specific issues as well as December 14 and the morning of December 15, 1995, in Olive Branch, Mississippi to discuss issues common to all the railroads in the parties' non-prejudicial "dual track" talks.

As you will recall, the BMWE struck Conrail on Monday, December 11, 1995, over the pending sale of its Clearfield Cluster, in Clearfield, PA. The Carriers secured a hearing before Judge Thomas F. Hogan, of the U. S. District Court for the District of Columbia. In the afternoon of December 15th Judge Hogan rendered a Memorandum Opinion and Order stating that the BMWE work stoppage violated his preliminary Injunction issued in April 1995, and ordered the BMWE defendants to immediately cease any strike or picketing activity or face civil contempt judgment and fines.

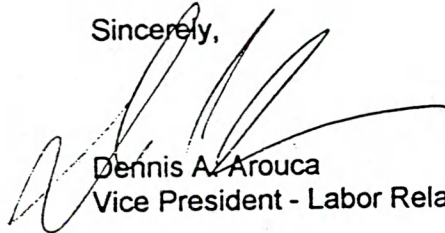
With respect to the scheduled meetings, Conrail representatives did meet with the Organization on December 12 and 13, 1995, for the purpose of satisfying any Railway Labor Act obligation with respect to the BMWE Section 6 Notice dated November 28, 1995, involving the Clearfield Cluster. In light of the presence of coercive picketing of Conrail, the BMWE was informed at that time that ongoing discussions on various proposals previously exchanged between the parties would not take place. Even so, representatives from both Conrail and the National Carriers' Conference Committee (NCCC), which represents Conrail in these negotiations, were present on December 14 and 15 at Olive Branch, Mississippi to continue the previously scheduled negotiations. Those negotiations did not

Mr. Stephen E. Crable
February 1, 1996
Page 2

take place due to the continued BMW picketing of Conrail. Historically, it has been the practice and policy in the rail industry, not to negotiate with any party who is attempting to coerce the other by means of a strike or picketing.

As the NMB assigned mediator can confirm, Conrail and the NCCC negotiators were willing to continue the negotiation process on December 12, 13, 14 and 15, 1995. But for the illegal picketing, negotiations would have continued as planned. The General Chairmen's characterization of a refusal to meet is simply untrue.

Sincerely,



Dennis A. Arouca
Vice President - Labor Relations

cc: R. F. Allen
F. M. Landers-Crawford
M. Jacobsen - With copy of 1/9/96 letter.
J. Dodd
P. K. Geller
J. J. Davison
M. A. Fleming