



Tom Hilliard
Chief Signals and Communications/US Track Officer
17641 South Ashland Avenue
Homewood, Illinois 60430

January 27, 2023

This letter will confirm the understanding between the parties governing the terms and conditions of production gangs that will work a 7-on, 7-off schedule for the Maintenance of Way workforce from the Illinois Central/Chicago Central Pacific (IC/CCP) territories.

It is therefore agreed:

1. SCOPE OF WORK

- A. When the nature of the work is such that gangs are needed seven (7) days a week, it will be permissible for the Company to establish gangs with a seven (7) day work week – eleven (11) hours and twenty-five (25) minutes a workday followed immediately by seven (7) consecutive rest days. The Carrier will create such gangs, known as "System Production Gangs" (SPGs), that consist of multiple pieces of heavy equipment that will perform production work. There will be a minimum of two production gangs. Each gang will consist of a minimum of thirty-four (34) positions, each gang shall have at least one (1) foreman position assigned. The work will be performed on the North, South and West territories of the IC/CCP Agreement.

Production work will only consist of Production Rail Renewal, Production Tie Renewal, New Construction in excess of 500 track feet. Incidental work in connection with the identified Production work will be Material Distribution, Material pickup, (see side letter for distribution and pickup) and Surfacing (in connection with New construction, Rail and Tie SPGs only). Other work can be identified by mutual agreement between the Carrier and General Chairpersons to be performed under the terms and conditions of the SPG Agreement. Tie and Rail gangs will consist of two (2) relief machine operators for every twenty (20) employees. It is recognized that nothing in this Agreement will prevent the Carrier from having the identified work performed using Production District forces.

- B. SPGs shall be used only for work as outlined in Section 1 and will not be used in lieu of regularly assigned section gangs to perform maintenance or short-term project work customarily performed by said section gangs on their respective section territories.

2. TERRITORY ALLOWED TO PERFORM PRODUCTION WORK

SPGs will be allowed to perform production work on territories covered by the IC/CCP collective bargaining agreement.

3. POSITIONS OF ASSIGNMENT

Positions that can be used for assignments under this agreement will be as follows. These rates of pay will be subject to any general percentage increase that may apply to rates of pay as a result of a contract terms that comes from national contract negotiations.

- Foreman and Lead Work Equipment Foreman
Rate of Pay \$42.27
- Asst. Foreman
Rate of Pay \$40.49
- Trackman
Rate of Pay \$35.15
- Machine 1 and Relief operators
Rate of Pay \$38.74
- Machine 2
Rate of Pay \$36.47
- Work Equipment Mechanic
Rate of Pay \$40.49
- Welders
Rate of Pay \$38.74
- Welder Helper
Rate of Pay \$34.38
- CDL Drivers
Rate of Pay \$37.14

4. POSITIONS REQUIRING CDL

Assigned CDL drivers will be paid an additional thirty (30) minutes reporting allowance at their applicable straight time rate of pay for any day or part of a day's work that is performed for those employees. Vehicles will be identified by vehicle/machine numbers on the bulletin.

5. DISCIPLINE OR UNJUST TREATMENT HEARINGS

All discipline and unjust treatment hearing / conference requests will be handled in accordance with the home territory agreement of the employee charged or requesting

- C. Employees assigned to an SPG will be provided access to clean toilets and wash - up facilities throughout the workday.

8. START TIMES

All members of the same gang will have the same starting time. Starting times for SPGs must be between 4:00 am and 11:00 am. All starting times outside of 4:00 am and 11:00 am will receive a \$2.00/hour pay differential per hour worked, which will increase each year according to the GWI increase for the year. Effective January 1, 2023 the differential is \$2.28. Notice for start time changes outside 4:00 am and 11:00 am will be provided ninety-six (96) hours prior to the first work day at the altered start time. Notice for start time changes within the 4:00 am and 11:00 am will be provided no later forty-eight (48) hours before the start of shift.

9. HOLIDAYS

- A. Employees who hold a position assigning them to the SPG will be able to observe holidays falling under their respective agreement with a regularly scheduled day off with pay regardless of whether the Holiday falls on a rest day or regularly scheduled workday. The holiday pay will be for eleven (11) hours and twenty-five (25) minutes for a regularly scheduled workday assigned to the employee. The day off with pay will be observed on the first or last scheduled workday for the work period closest to the actual Holiday. Employees qualifying for holiday pay will be compensated for the same number of hours as a regularly scheduled workday for which the employee is assigned.
- B. Employees, with management concurrence, will be permitted to vote in writing to either observe or have additional Holiday pay for Holidays that fall on a Saturday. If paid and not observed, eleven hours (11) and twenty-five (25) minutes hours will be paid. Holidays worked will be paid for actual time on duty at the over-time rate of pay, plus (eight) 8 hours of holiday pay.
- C. The Carrier and the Organization will work together to move gang schedules as necessary to ensure all employees are home with sufficient travel time for the Thanksgiving, Christmas and New Year's Holidays.

10. PERSONAL LEAVE DAYS AND BEREAVEMENT DAYS

Employees assigned to positions under this agreement who observe a personal leave day or bereavement leave day while working on a compressed work period arrangement will be compensated for the entire regularly scheduled workday (i.e., Eleven (11) hours and twenty-five (25) minutes at their respective rate of pay).

hearing/ conference. If an employee is removed from service, the hearing will be held within his home district/territory, or all expenses and wages will be paid in accordance with his last held assignment.

6. WORK SCHEDULE

- A. The company will establish SPGs with a seven (7) -day workweek— eleven (11) hours and twenty-five (25) minutes a workday followed immediately by seven (7) consecutive rest days. The first day of the workweek will be Wednesday. Such gangs will be paid the pro rata rate continuously during their regular assigned work hours. Except for the provisions of section nine (9)) all work in excess of their regularly scheduled work hours and all work performed on rest days will be paid at the overtime rate or double time rate as applicable per the IC/CCP Agreement. Any deviation from a seven (7) day work cycle must be agreed to by both parties.
- B. Calculation of days worked for benefits such as vacation will be calculated at 1.43 hours per workday.

Example: the gang is regularly scheduled 11.25 -hour workdays. The 11 hour and 25-minute workday will calculate to 1.43 days of credit towards vacation and any other benefit.

- C. Local support gangs or gangs working in the work windows will not have their schedules changed from their regular assigned hours / days.

7. MEAL/REST PERIODS AND SANITARY CONDITIONS

- A. Designated rest period(s) shall not be less than twenty (20) minutes – the paid lunch will be allowed between the beginning of the fifth hour and the ending of the sixth hour calculated from the regularly assigned start time (this will be designated as the second rest period). If an employee is not allowed to observe each twenty (20) minute rest period(s) the Carrier/Company will compensate the employee twenty (20) minutes at the overtime rate of pay for each individual rest period not observed.
- B. As measured from the beginning of the second 20 minute rest period, employees shall not be required to work more than four (4) hours without being given their third rest period. Employees should be given a second lunch period for each succeeding six (6) hours after the first lunch period. The second and subsequent meals shall be furnished by the Carrier/Company at no cost to the employees. If the Carrier/Company subsequently does not provide the meal periods or meals from the second lunch period, it is understood the Carrier/Company will compensate the employees one (1) hour at the overtime rate of pay for working through their subsequent lunch periods and failure to provide a meal. This will be the case for each instance.

11. VACATION

Employees assigned to SPG assignments such as 7/7 will take vacation for a full day off at the regular assigned hours scheduled for the workday. Example if there are 11.25 hours scheduled for the day employees will take 11.25 hours in order to obtain a full day off if that amount of vacation hours remain. If employees do not have the required 11.25 hours of vacation remaining, employees will be allowed to consider the remainder of the last partial day unpaid if desired in order to use their remaining vacation allotment. If employees choose not to use a portion of remaining vacation, they will be paid the remaining amount. This overrides Rule 45 (a) 2 for all employees moving to and from this SPG agreement from here forward.

Additionally, employees wishing to use a week of vacation in (40) hour blocks may choose to take their vacation period of five (5) days in eight (8) hour days and forgo the pay for the remainder of the scheduled hours in each of the five (5) workdays (the remaining 3.25 hours on each of the five (5) workdays would be unpaid). The same handling will allow employees to use eight (8) hours for a single day of vacation.

*See section 6 (B) for vacation accrual purposes.

12. ADVERTISING, AWARDING, AND FORCE ASSIGNMENTS TO SPG POSITIONS

- A. Advertisements for positions on SPGs will be advertised as Permanent positions and will be available to the North, South and West properties on the same seven-day bid cycle with a two-day award period. Bids will be advertised on Thursday by 3:00 pm and continuing until Wednesday at 11:59 pm. Awards will be issued at 3:00 pm Thursday after being posted for seven (7) days. Bids must be awarded with at least a 48-hour notice to the employees before start of shift on Wednesday.
- B. Awards to positions will be based on seniority order for the classification of the advertised position. It is further understood that if applicants for an advertised position include employees from more than one of the three seniority districts (Northern, Southern and Western), the applicant's seniority order of the classification of the advertised position will be used to make the assignment.
- C. No employees will be force assigned to or from SPG assignments. New employees hired onto the SPG, will establish seniority on their home hiring seniority district where their seniority will accumulate from the commencement of work. Ties will be broken by alphabetical order of the last name. Furloughed employees may be recalled to an SPG assignment.
- D. Prior rights are not applicable to the SPGs or support gangs.

E. All positions necessary for this agreement will be bulletined with the specific type of machine and identifying machine numbers and will be posted on the Western, Northern and Southern IC/CCP seniority districts.

i. In the event the Carrier obtains alternate equipment, those employees that are on the same equipment type will be allowed to choose which piece of equipment they want to operate and which location within the gang consist they will work (for example, front machine, out front of gang, QC etc.). This re-assignment process will be done in seniority order and the initial bulletin (position and assignment) will be updated accordingly.

13. OVERTIME WORK

A. There will be no forced overtime on SPGs scheduled rest days. There will be no planned overtime on the last day of the cycle, but overtime may be required if project or operational needs are present. If the employees work overtime on the last day of the work cycle, they will be eligible for an additional lodging night and an additional day of Meal and Incidental Expenses allowance if the employee requests a hotel room for the night of the last work day lodging and travels home the following day. Under certain circumstances, when the SPG is nearing the end of the bulletined work time on the final scheduled work day, and close-out circumstances need to be completed or the track needs to be put back in service, all employees assigned to the SPG will be required to finish out the day's work before being released from the work cycle. Any employee who is travelling home via pre-arranged travel (air, bus, train) will be released at the scheduled quitting time so that they can make their scheduled-travel home.

B. Where overtime work is needed to be performed, in situations where the entire gang is not required prior to, continuous with or following a regular assignment or on a rest day or holiday, such overtime will be offered to the incumbent of the position who would normally be assigned to perform such work. If the issue arises that the incumbent refuses the overtime work opportunity and the junior employees in the sub department are exhausted, employees by overall trackman seniority within the gang will be offered the overtime opportunity.

14. EXERCISE OF SENIORITY OR ASSIGNMENTS HOLD PERIOD

A. Employees' hours of service will not be reduced when exercising seniority to a SPG. Employees exercising seniority or assigned by bulletin to an SPG assignment will be required to remain in the assignment for forty-five (45) calendar days (Machine Operator hold down will be sixty (60) calendar days) unless the position is abolished, the employee is displaced, or the employee has an opportunity to bid on a bulletined position that is ranked a higher Classification or has a higher rate of pay. When differentials apply to a particular positions, such differential will be included when calculating higher rate of pay. In the event that an

employee is able to bid a position that is closer to their respective residence during the hold down period, they will be allowed to be re-assigned and released to that position in such cases where the position is a lateral position (Same model/type of machine or position) or higher rated position.

- B. Employees that are assigned advertised positions during a work cycle will be allowed to work at the current position through the end of the scheduled work cycle. The employees' displacement days begin the day after the work cycle concludes. Employees displacing into the SPG will be held to the same hold-down rules.
 - i. Employees assigned by bulletin or displacing to machine operator positions of Tampers equipped with computer/ laser will remain on the position for 60 days.
- C. Release from positions will be allowed at any point for documented hardship reasons that involve the personal health of the employee, the personal health of an immediate family member, or other extenuating reasons. The employee's Manager/Supervisor and the employee's General Chairperson will have to agree to such a release. If agreed, the employee will be able to exercise seniority rights pursuant to the terms of their home Collective Bargaining Agreement.

15. LODGING, TRAVEL AND EXPENSES

A. In the case of a complaint regarding the lodging accommodations, the General Chairman or his designee will be granted access to the lodging accommodations to inspect the lodge accommodations and raise any concerns to the undersigned company official or his designee. Hotel rooms will be provided based on overall trackman seniority when possible. Single occupancy rooms for employees on an SPG assignment will be provided by the Carrier, beginning on the day prior to the scheduled start of the work cycle and ending on the last day of the scheduled work cycle (i.e.: check-in day prior, check-out final day). All employees will be notified of their hotel location no later than forty-eight (48) hours before the start of shift. A violation of this notification will cause the carrier to pay out two (2) hours overtime penalty per person affected. Nothing herein precludes the Carrier from making lodging changes due to unforeseen circumstances, and such changes will not trigger the penalty payment. The parties recognize that in certain situations due to unforeseen conditions, such as but not limited to; flood, snowstorm, hurricane, earthquake, fire; it may be necessary to temporarily house SPG employees two (2) to a room until sufficient hotel accommodations become available. The General Chairman or his designee will be notified and will approve of housing two (2) employees in a single room when such a situation arises.

B. Employees on an SPG assignment will receive a daily Per Diem allowance of \$59 per workday. This per diem allowance will be increased to match the daily per diem rate provided by the terms of the BMWED National Agreement.

C. Employees on an SPG assignment will travel on the day prior to the start of the work cycle in order to be rested and available at the start of the work cycle. Employees who reside within 150 miles of the reporting site may report on the day of the start of the work cycle. Employees who reside more than 150 miles from the reporting site may report on the day of the start of the work cycle with prior Supervisor approval. Employees will be expected to be rested and ready for work at the start time.

D. An employee assigned to an SPG assignment who travels 0-4 hours to & from the employee's residence and the lodging facility or work location will receive two (2) hours of straight time pay.

E. An employee assigned to an SPG assignment who travels over 4 hours to & from the employee's residence and the lodging facility or work location will receive three (3) hours of straight time pay. Travel time as stated in this paragraph and paragraph D above is calculated based upon the route with the shortest travel duration between the employee's residence and lodging location as determined by "Google Maps" or a similar mapping program.

F. The Company will provide mileage reimbursement to employees working on the SPG according to the following terms:

Mileage

i. Each employee who drives a personal vehicle for travel between the employee's residence and reporting or work locations, and between work locations will be provided mileage reimbursement at the then-current IRS mileage rate for business travel via the most direct highway route to and from the work location, as well as other miles driven in connection with the Employee's performance of work for the carrier including traveling to and from their home and carrier-provided lodging, designated assembly points, gang startups and break ups, midweek worksite moves, changes in worksite, or worksite reporting, and to and from lodging. Employees will not be reimbursed for mileage for transportation from carrier provided lodging to a worksite and back to that lodging when the carrier provides transportation between that lodging and the work site.

ii. When lodging is not provided by the carrier, mileage for trips between the lodging and designated assembly point will not exceed the distance between the nearest appropriate lodging location that falls within the GSA's standard CONUS lodging rates and the designated assembly point.

G. Air travel along with necessary and reasonable expenses (airport parking and transportation to/from the airport to the lodging facility) may be utilized if travel to the lodging facility is over four hundred (400) miles from the employee's residence and if such arrangements are approved by the Carrier and will not result in an additional cost to the Carrier. Such arrangements may be pre-paid, direct billed and/or reimbursed to the employee.

H. An employee who chooses to forego overnight lodging and M&IE (meals and incidental expense) per diem during a work week or multiple day work assignment, regardless of whether the day the employee travels home is a weekday or weekend, will be eligible for mileage reimbursement and travel allowance payment according to the following terms:

i. The employee must advise his/her supervisor at least forty-eight (48) hours prior to hotel check-in or, if less than 48-hour notice, at the earliest opportunity to prevent unnecessary Company-provided lodging cost.

ii. Where an employee provides at least 48-hour notice or, if less than 48 hours, sufficient notice to prevent unnecessary Company-provided lodging cost, the employee will be eligible for the following travel allowance and mileage reimbursement:

If the job reporting point for the gang (either the hotel or job site as determined by the supervisor) is equal to or LESS than 50 miles from the employee's address of record, the employee will receive a travel allowance of \$6/hour for scheduled straight time hours for each day he/she travels home during a work week.

If the job reporting point is MORE than 50 miles and equal to or less than 75 miles from the employee's address of record, the employee will receive a travel allowance of \$4/hour for scheduled straight time hours for each day he/she travels home during a work week.

The employee will receive mileage reimbursement at the current IRS rate for round trip miles driven between the job reporting point and the employee's address of record, not to exceed 150 miles.

All mileage is measured using the most direct driving distance between the job reporting point and the employee's address of record according to Google Maps or similar product.

The employee is responsible for submitting his/her request for mileage reimbursement using current Company expense reimbursement processes.

iii. An employee who provides sufficient notice to prevent unnecessary Company provided lodging cost, who drives home, and whose address of record is greater than 75 miles from the job reporting point will not be eligible for any travel allowance payment stated above. The employee, however, will be eligible for reimbursement of round-trip driving mileage between the job reporting point and address of record, not to exceed 150 miles.

iv. An employee who travels home and who doesn't provide sufficient notice to avoid unnecessary Company-provided lodging cost is not eligible for mileage reimbursement.

v. An employee who opts out of lodging will be permitted to report directly to the reporting site with supervisor approval, provided sufficient parking space is available.

16. BEGINNING AND ENDING OF WORKDAY

Time-on duty will start and stop at the employees designated lodging. The Carrier will provide transportation to and from the assembly point to the work location(s) at no cost to the employee.

17. TEMPORARY SPLITTING OF WORK GROUP

If operational necessity requires separate assembly points for a single gang, they will not have assembly points more than 50 miles apart. If the gang is split into two locations, there will be a foreman on each gang. The Carrier management/supervisor will ensure that each gang member is notified of an assembly point change during regularly scheduled work hours and with notification given by the end of the previous workday. All parking shall be provided free of charge to the employees. If the parking location is in a high crime area, either the Carrier will provide secure fenced parking or security personnel.

18. ASSEMBLY POINT CHANGE

Assembly point moves more than 100 miles will not be made during employee's rest hours. All other moves will be made during regularly assigned hours. To ensure employees receive proper rest the following applies when the Carrier needs to move SPG employees from one assembly point to another. Employees will be notified by the end of assigned hours the day prior. Each SPG employee will be allowed travel time of 1 hour for each fifty (50) miles, with no more than five hundred (500) miles traveled in any twenty-four (24) period. IRS allowable reimbursement rate will apply to all miles driven for assembly point changes.

19. QUALIFICATION PERIOD

It is recognized that the regularly assigned hours scheduled per day will be broken down into fractions of days in order to qualify for vacation and any other recorded benefit. This includes the "30 continuous working days" qualification in rule 3b, so the continuous working days would also accrue at the 1.43 rate, making the qualification period a minimum of 21 SPG assignment days. The Carrier may extend this qualification period up to thirty (30) SPG assignment days with written notice provided to the General Chairman.

20. FEBRUARY 7, 1965 AGREEMENT

- A. Employees will not be required to exercise their seniority to an SPG position to retain their seniority or to protect any benefits derived from the February 7, 1965 Agreement.
- B. Pertinent parts of February 7, 1965, protection in order to establish new employee protection (those that have not yet established protection) will be established while assigned to the SPG positions.

21. MACHINE OPERATORS REQUIRING ADDITIONAL TRAINING

In the event that the operator of a bid machine needs additional training, the Carrier may temporarily re-assign operators to a machine of the same type for a period not to exceed one (1) full work cycle.

22. WORK SCHEDULES FOR PRODUCTION SEASON

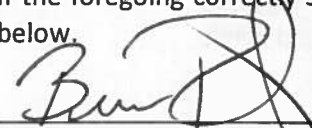
On an annual basis, the Carrier will provide the Organization with tentative production and work schedules for all planned SPGs by December 1st for the upcoming year. The parties will meet to discuss the tentative SPG schedules prior to finalization.


23. GENERAL PROVISIONS


- A. While employees are assigned to an SPG, the governing rules will be the provisions outlined in this Agreement. If a situation arises that is not covered by this Agreement, the employee will be governed by their home agreement.
- B. It is understood that if issues arise out of implementing this Agreement that cannot be met under this Agreement or existing agreements, the parties will notify the other of the issue that has arisen, and the parties will immediately (within 30 days) arrange to meet to resolve the issue.
- C. For the duration of this agreement, no employees on the IC/CCP Southern, Northern and Western seniority districts will be furloughed. In addition, there will be no contractors on the IC Northern, Southern and Western properties for production work except in the case of an emergency such as flood, hurricane, tornado, earthquake, fire or a labor dispute.
- D. The parties agree to initiate discussions regarding the utilization of contractors no later than January 31, 2024.


E. The terms of this Agreement will become effective upon execution of the Agreement. The Agreement will thereafter remain in full force and effect, with the understanding that a signatory party may withdraw from this Agreement upon 90 days' advance notice. Any subsequent modification(s) to, and/or cancellation of the Agreement will require consultation among all the parties' signatory hereto.

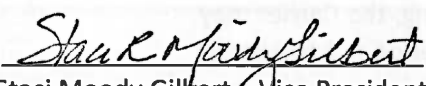
If the foregoing correctly sets forth the parties' understanding, please sign in the space provided below.


 3-7-23
Brian Rumler, USD General Chairman


Tom Hilliard – Chief Engineer S&C, US Track

 3-7-23
Rolando Del Muro, EJ & E General Chairman


Patrick A. Crain – Manager – Labor Relations


Staci Moody Gilbert – Vice President - Northwest Region


Galen Owen, Vice President – West Region