

KCS Engineer Addendum No. 36

MEMORANDUM OF AGREEMENT

Between

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

And The

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Pursuant to Article IX of the Award of Arbitration No. 458 of May 19, 1986, the Carrier may establish Interdivisional Service for pool freight and/or assigned freight crews between Shreveport, Louisiana and the Beaumont - Port Arthur, Texas Terminal, and between Shreveport, Louisiana and Lake Charles - Mossville, Louisiana under the conditions as set forth hereinafter.

Section 1

Leesville, Louisiana will be discontinued as the home terminal for crews operating on the Seventh Subdivision, including the Lake Charles Branch, and will be discontinued as the away-from-home terminal for pool freight crews on the Sixth Subdivision.

Section 2

Road freight trains will be operated in Interdivisional Service between the terminals of Shreveport, Louisiana and Beaumont - Port Arthur, Texas, and between Shreveport, Louisiana and Lake Charles - Mossville, Louisiana. Such interdivisional trains will be operated by pool crews, assigned through freight crews or extra crews. Shreveport, Louisiana will be the home terminal for this Interdivisional Service. Beaumont - Port Arthur and Lake Charles - Mossville, respectively, will be the away-from-home terminals for such service.

It is understood that trains operating in Interdivisional Service between Shreveport and Beaumont - Port Arthur under the provisions of this Agreement may be originated and/or terminated at Beaumont, Texas as well as Port Arthur, Texas, and that crews handling such trains may go on duty and/or off duty at either location. As set forth in Addendum No. 24 of the current BLE Agreement, the Beaumont - Port Arthur Terminal, including Vidor, is considered one terminal area.

In connection with Section 1, above, the engineer's guaranteed extra board at Leesville will be abolished and an engineer's guaranteed extra board, as provided for in Side Letter No. 20 to Arbitration Award No. 458, will be established at Lake Charles, Louisiana (Mossville) to protect all locals, dodgers (including the Many Dodger), work trains and any other service not specified in this Agreement which would have been protected by the Leesville extra board. The current Sixth Subdivision engineer's extra board at Shreveport will continue to protect Sixth Subdivision vacancies and, except where otherwise provided herein, will protect all vacancies in Interdivisional Service as well as any other Interdivisional Service not normally manned by assigned through freight and/or pool crews.

Engineers from the Shreveport and Lake Charles extra boards may be used to relieve Interdivisional Service engine crews who have expired due to the Hours of Service Law. When used in such manner, extra board engineers will handle the train to its destination and, once such train is delivered to its destination, the engineer will be returned promptly to the extra board point from which called. The Carrier will not be penalized when extra board engineers are handled in this manner.

Section 3

Crews in Interdivisional Service will protect interdivisional runs only and will not be used in turnaround service or any other service. If the extra board at Lake Charles - Mossville is exhausted, vacancies occurring at the away-from-home terminals will be filled pursuant to Addendum No. 9(c) of the current BLE Agreement.

Section 4

Crews will be called first in, first out, provided that the first-out crew will have eight (8) hours or more to work within the limitations of the Hours of Service Act. If the first-out crew does not have eight (8) hours or more to work, the next following crew who has eight (8) or more hours to work will be used. In the absence of a crew in the Interdivisional Service having eight (8) or more hours to work, an extra crew will be called at the home terminal to operate for one round trip. The use of crews as described herein will not be construed as a turnaround.

Engineers operating in Interdivisional Service who are not called in proper turn shall be allowed 100 miles for each time not called in proper turn and shall remain first-out.

When an engineer assigned in Interdivisional Service is called and not used, he will be allowed 50 miles and stand first-out; if held more than four (4) hours, he will be allowed 100 miles and stand first-out.

Crews in Interdivisional Service who are runaround on the road while en route will regain their turn at the destination terminal, if possible; otherwise, they will regain their turn at the home terminal with the same relative standing held before being runaround. Additionally, engineers not called in proper turn account of insufficient rest will regain their turn at the home terminal with the same relative standing held with other engineers at the destination terminal. At time of tying up, such engineers will notify the crew dispatcher which engineer, or engineers, they are entitled to be marked ahead of. When engineers are given their turn in accordance with the information furnished, the Carrier will not be penalized; however, failure to make such adjustment after having been notified will result in payment of a runaround. Failure to notify crew dispatcher on tie-up will forfeit the right to be restored to original position.

Assigned freight crews in Interdivisional Service will be called, within their assignment, as specified in this section.

Section 5

Except in emergency, where the railroad is impassable and crews must tie up on line, southbound crews expiring under the Hours of Service Act will be transported through to their destination terminal, and northbound crews expiring under the Hours of Service Act will be transported through to Shreveport.

Section 6

Engineers in Interdivisional Service will be paid actual miles run and the current actual miles being run are:

Shreveport to Beaumont	216 miles
Beaumont to Shreveport	216 miles
Shreveport to Port Arthur	234 miles
Port Arthur to Shreveport	234 miles
Shreveport to Mossville	183 miles
Mossville to Shreveport	183 miles

Engineers holding seniority as such on the Sixth & Seventh Subdivision on the effective date of this Agreement, who operate Interdivisional Service trains which terminate, or originate, at Beaumont, will be allowed the mileage they would have received had their train terminated, or originated, at Port Arthur.

All miles run in excess of the miles encompassed in the basic day shall be paid for at a rate calculated by dividing the basic rate of pay in effect on May 31, 1986, by the number of miles encompassed in the basic day as of that time.

Section 7

Interdivisional Service crews who are not permitted to stop and eat en route shall be paid an allowance of \$4.15 for the trip in lieu thereof.

Section 8

Engineers in Interdivisional Service, who are required to perform other than Interdivisional Service, will be paid not less than they would have earned in Interdivisional Service with their own assignment.

Section 9

Interdivisional Service crews will not be required to perform station switching while en route other than to place cars set out from their own train or pick up cars for their own train. If required to perform station switching other than on their own cars, they will be paid the additional time consumed with a minimum of one (1) hour at the pro-rata rate in addition to all other compensation for the trip.

Section 10

If a crew performing service on an interdivisional run, who is not already on overtime, does not complete its trip within the hours provided under the Hours of Service Act, they will be paid on a minute basis at the rate of 3/16 the basic daily rate per hour applicable to their trip from the expiration of the permissible "on duty" hours until they have arrived at (1) the terminal to which they were called, (2) their home terminal or (3) a location where lodging and meals are available. The provisions of Article II (Expenses Away From Home) of the June 25, 1964 Agreement, as amended, apply to Item (3) above.

Section 11

Current Meal and Lodging Agreement will apply to crews operating in Interdivisional Service.

Section 12

When crews in Interdivisional Service are required to report for duty, or are relieved from duty at a point other than the on or off duty points fixed for the service established hereunder, the Carrier shall authorize and provide suitable transportation for the crews. When ordered to deadhead, crews in Interdivisional Service will not be required to deadhead on freight trains, except in cases of emergency or when the normal highway route is impassable.

NOTE: Suitable transportation includes Carrier owned or provided passenger carrying motor vehicles, or taxi, common carrier buses but excludes other forms of public transportation.

Section 13

Current rules governing attending court, inquest or investigation apply to crews performing Interdivisional Service, however, an engineer who is ordered by the Carrier to appear for a formal investigation at a location other than his home terminal will be compensated for deadheading in connection therewith when suspended or dismissed.

Whenever possible, investigations will be held at the employee(s) home terminal. If held at other than the home terminal, the employee(s) will be permitted to obtain lodging at the Carrier's designated lodging facility at Carrier's expense and will also be entitled to a reasonable meal expense (supported by receipts) at the investigation point.

Any employee missing a trip in Interdivisional Service because of attending an investigation, who is not disciplined as a result thereof, will be paid the earnings he/she would have made if he/she had not been called to attend.

Section 14

When Interdivisional Service is established, engineers will not be expected to make qualifying trips over that part of the territory new to them on their own time; but this will not prevent the Carrier from calling such engineer to make an interdivisional run, accompanied by a supervisory official (or by another engineer if the Carrier so elects), until the Carrier's official considers such engineer qualified over the territory which may be new to him.

Section 15

Engineers in Interdivisional Service will be permitted to move starting date of vacation forward or back to coincide with rest days or layover days.

Section 16

When an interdivisional pool crew has made two deadhead trips not connected with service during the calendar month, and again stands first-out for a succeeding deadhead trip, the crew standing next out will be used in their stead, providing that such next-out crew has not performed deadhead service two or more times during the calendar month.

When interdivisional pool crews are handled as set forth above, the runaround penalty will be waived.

Section 17

Engineers in Interdivisional Service who are authorized to use their own automobiles for deadheading shall be allowed the regular per mile car mileage pay for the highway mileage travelled to and from the point to which deadheaded. Such usage of the employee's automobile is optional to the employee.

Section 18

Section 5 of Article VIII of the May 13, 1971 BLE National Agreement, as set forth in Side Letter Nos. 1 and 2 attached to this Memorandum of Agreement, will be applicable to any engineer who is required to change his residence as a result of the Carrier's establishment of Interdivisional Service between Shreveport and Beaumont - Port Arthur, and between Shreveport and Lake Charles - Mossville.

Section 19

The provisions of Article VIII of the May 13, 1971 BLE National Agreement shall apply to engineers adversely affected by the application of this Agreement.

Section 20

All references herein to the male gender are for convenience only and apply equally the feminine gender.

Section 21

Nothing herein shall be construed as modifying or amending any of the provisions of the current schedule agreements except as specifically set forth herein.

Section 22

This Agreement shall become effective September 1, 1991, and shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

Signed at Kansas City, Missouri, this 1st day of August, 1991.

FOR THE EMPLOYEES:
Brotherhood of Locomotive Engineers

H. A. Moseley
H. A. Moseley, General Chairman

FOR THE CARRIER:
The Kansas City Southern Railway Co.

A. H. Nance
A. H. Nance
Vice President - Human Resources

APPROVED:

E. L. Hayden
E. L. Hayden, Vice President
Brotherhood of Locomotive Engineers

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY**

*114 West Eleventh Street
Kansas City, Missouri 64105-1804*

August 1, 1991

Mr. H. A. Moseley, General Chairman
Brotherhood of Locomotive Engineers
Route #1, Box 106
Coushatta, Louisiana 71019

Side Letter No. 1
KCS Engineer's Addendum No. 36

Dear Sir:

Referring to KCS Engineer's Addendum No. 36 which becomes effective September 1, 1991, wherein the parties agreed to establish interdivisional service through Leesville, Louisiana, it is AGREED THAT:

1. Only Seventh Subdivision and Lake Charles Branch engineers who are working in Leesville or on the Lake Charles Branch on August 1, 1991, and who are required to change their point of employment as the result of the aforementioned Addendum will be accorded the moving/real estate provisions specified in Sections 10 and 11 of the Washington Job Protection Agreement (WJPA).
2. The Carrier, at its discretion, may offer qualified homeowners under paragraph 1 above the option of accepting a gross payment of \$12,000.00 (less income taxes, etc.) in lieu of all the benefits provided for in Sections 10 and 11 of the WJPA.
3. A homeowner under paragraph 1 who does not choose the option provided in paragraph 2, if offered, may elect to have his home purchased by the Carrier under the following terms:
 - (a) The homeowner employee will be paid the appraised value of his home as of September 1, 1991, as determined by two appraisers, one chosen by him and one chosen by the Carrier, from a list of qualified appraisers furnished by the Carrier. If the valuation of the home by the two appraisers is not within 5%, a third appraiser will be utilized.
 - (b) The employee will be paid the appraised value of this home and, in addition thereto, will be paid 10% of the appraised value, with a maximum payment \$10,000.00 upon delivery to the Carrier (or

its nominee) a good and sufficient title to the property. The title will be furnished at the employee's expense, as is customary in real estate transactions.

- (c) The special allowance of 10% over and above the established market value of the employee's home is included in the Agreement in lieu of any claim by the employee that the Carrier provide "comparable" housing at the locality to which the employee moved. The 10% figure was arrived at after due consideration of the two areas involved. The special allowance of 10% is not intended to be a blanket allowance for any other Interdivisional Service Agreement(s) but only applies to this case due to the specific facts and circumstances involving the moving of employees from Leesville to Shreveport or Lake Charles and/or the moving of employees from Lake Charles to Shreveport.
4. The provisions of this side letter will also apply to employees who own mobile/modular homes as their principal places of residence.
5. If an employee(s) holds an unexpired lease of a dwelling occupied by him as his home, the Carrier will protect him from any loss associated with breaking said lease in line with Section 11(a), paragraph 3 of the WJPA.
6. Any employee who avails himself of the provisions of either paragraph 3, 4, or 5 and changes his point of employment and permanent residence will be reimbursed for all expenses of moving his household and other personal effects, which must be approved by the Carrier prior to the actual move, and for traveling expenses of himself and members of his family, including living expenses for himself and his family and his own actual wage loss during the time necessary for such transfer, and for a reasonable time thereafter, not to exceed five (5) working days, used in securing a place of residence in his new location. No claim for expenses under this Section shall be allowed unless they are incurred within three (3) years from the date of implementation of the interdivisional run and the claim must be submitted within ninety (90) days after the expenses are incurred. Employees who relocate under Paragraphs 3, 4, or 5, above, will also be entitled to the \$400.00 "lace curtain" payment as provided for under the WJPA.
7. Any employee who is offered the option provided for in Paragraph 2 must accept such option in writing to the Carrier not later than ninety (90) days from the date such offer is made. No such offers will be made subsequent to three (3) years from date of implementation.
8. The Carrier shall instruct the appraisers not to reduce the fair market value of a home based upon the "average" length of market time required to sell a home on September 1, 1991. For example, if a home is worth \$100,000.00 without considering market time, the appraisal of the home will not be reduced because the home may require more than the "average" market time. The provisions of this Item 8 will not apply if the estimated selling time of the home is two times the "average" market time on the above date.

9. Competitive listings, supply and demand, overall market conditions, etc., will not be used to reflect the current market conditions which may be brought about by the relocation of engineers to Shreveport, but rather, the conditions of the market in Leesville and Lake Charles prior to September 1, 1991, will be used.

10. Only appraisers that are certified as an SRA (Society of Real Estate Appraisers) or an MAI (Member of Appraisal Institute) will be used to make appraisals. Also, any employee may submit the name of an appraiser carrying a rating of SRA or MAI to the Carrier and the appraiser will then be added to the list of names of appraisers to be used for making the appraisals. The group selected by the Carrier to handle the relocation service will in no way try to influence an appraiser.

If this Side Letter correctly reflects our understanding, please sign in the place provided.

Yours very truly,

A. H. Nance

A. H. Nance

Vice President - Human Resources

I CONCUR:

H. A. Moseley _____

H. A. Moseley, General Chairman
Brotherhood of Locomotive Engineers

AGREED UPON QUESTIONS AND ANSWERS TO SIDE LETTER NO. 1

To

KCS Engineer's Addendum No. 36

1. Q: Is it necessary for an employee to own his/her home free and clear to be covered by the provisions of Side Letter No. 1?

A: No, the provisions of Side Letter No. 1 also cover and apply to those employees who have a mortgage contract or other type of contract covering or relating to the purchase of their home.
2. Q: Are the provisions of Side Letter No. 1 applicable to the employee if the employee's home is in the spouse's name only?

A: Yes, the provisions of Side Letter No. 1 are applicable to the employee even if the home is solely in the spouse's name, provided the home is the employee's principle place of residence.
3. Q: Under the provisions of Paragraph 4, Side Letter No. 1, does the employee have to own the mobile/modular home free and clear to qualify for the provisions of Side Letter No. 1?

A: No, the provisions of Side Letter No. 1 also cover and apply to those employees who have a mortgage contract or other type of contract covering or relating to the purchase of their mobile/modular home.
4. Q: What is the purpose of Paragraph 8?

A: To insure that instructions are given to the appraisers which will result in the employee being offered a true and correct fair market value of his home.
5. Q: Are the appraisers instructed to discount the employee's home based on "normal market time"?

A: No, the appraisers are instructed not to reduce the appraisal of a home based on the average market time required to sell a home.
6. Q: Will an appraiser be immediately placed on the list of names of appraisers to be used for securing appraisals at the request of an employee?

A: Yes, if the appraiser is SRA (Society of Real Estate Appraisers) or MAI (Member of Appraisal Institute) certified.

7. Q: Who will pay the appraisers that an employee picks from the list of names of appraisers furnished to the employees under Side Letter No.1, Paragraph 3(a)?
- A: The Carrier.
8. Q: Is it possible to appeal the valuation of the home given by one or more appraisers under Paragraph 3(a) of Side Letter No. 1 without invoking the provisions of Section 11(d) of the Washington Job Protection Agreement (WJPA)?
- A: Yes, informal appeals may be made by setting forth the facts and reasons for disagreement with the appraisers valuation in writing to the third party buyer.
9. Q: Will copies of all instructions from the Carrier to the "third party buyer" be furnished to the General Chairman as soon as possible, but no later than 10 days after the instructions are given to the "third party buyer"?
- A Yes.
10. Q: Will a copy of the instructions from the "third party buyer" to the appraisers be furnished to the General Chairman as soon as possible, but no later than 10 days after the instructions are first given to the appraisers?
- A Yes.

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY**

*114 West Eleventh Street
Kansas City, Missouri 64105-1804*

August 1, 1991

Mr. H. A. Moseley, General Chairman
Brotherhood of Locomotive Engineers
Route #1, Box 106
Coushatta, Louisiana 71019

Side Letter No. 2
KCS Engineer's Addendum No. 36

Dear Sir:

Referring to KCS Engineer's Addendum No. 36 effective September 1, 1991, wherein the parties agreed to establish interdivisional service through Leesville, Louisiana, it is AGREED that the following shall govern in the application of Section 11(d) of the Washington Job Protection Agreement (WJPA):

1. The Carrier will make an offer in writing to purchase an employee's home in accordance with Section 3(a) of Side Letter No. 1.
2. An employee who desires to invoke Section 11(d) of the WJPA must notify the Carrier in writing of his/her intent to do so within 60 days of receipt of the written offer.
3. After notifying the Carrier of invocation of Section 11(d), the employee will select a competent, qualified appraiser certified as an SRA (Society of Real Estate Appraisers) or an MAI (Member of Appraisal Institute), and will furnish the Carrier a copy of the appraisal made by the employee's appraiser, together with the appraiser's certification.
4. The Carrier will review the employee's appraisal and advise whether it is acceptable. If not acceptable, the Carrier will notify the employee of the name of the Company's appraiser and will instruct that appraiser to contact the employee's appraiser for the purpose of selecting a qualified third or neutral appraiser who is certified as an SRA or an MAI.

5. The Company will give the third and neutral appraiser a copy of the employee's appraisal and a copy of one of the two or three Carrier appraisals with instructions to determine which one should be accepted as representing fair market value of the home or make his/her own appraisal of the property and determination of fair market value.

6. The salary and expenses of the third and neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the salary of the appraiser selected by such party.

7. The decision of the neutral appraiser shall be binding. If the employee elects not to accept the neutral's appraisal of the employee's home, the Carrier is under no further obligation in connection therewith.

If this Side Letter correctly reflects our understanding, please sign in the place provided.

Yours very truly,

A. H. Nance

A. H. Nance

Vice President - Human Resources

I CONCUR:

H. A. Moseley

H. A. Moseley, General Chairman
Brotherhood of Locomotive Engineers

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THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY

*114 West Eleventh Street
Kansas City, Missouri 64105-1804*

August 1, 1991

Mr. H. A. Moseley, General Chairman
Brotherhood of Locomotive Engineers
Route #1, Box 106
Coushatta, Louisiana 71019

Side Letter No. 3
KCS Engineer's Addendum No. 36

Dear Sir:

Referring to KCS Engineer's Addendum No. 36 effective September 1, 1991, wherein the parties agreed to establish interdivisional service through Leesville, Louisiana, it is AGREED that, in connection with paragraph 1 of Side Letter No. 1, Seventh Subdivision and Lake Charles Branch employees who are now in a dismissed status will also be entitled to the moving/real estate provisions if and when they are reinstated to service provided, however, that such employee(s) was working at Leesville or Lake Charles at the time dismissed from service.

If this Side Letter correctly reflects our understanding, please sign in the place provided.

Yours very truly,

A. H. Nance

A. H. Nance
Vice President - Human Resources

I CONCUR:

H. A. Moseley _____

H. A. Moseley, General Chairman
Brotherhood of Locomotive Engineers