

IMPLEMENTING AGREEMENT
BY AND BETWEEN
TRANSITAMERICA SERVICES, INC.
AND
UNITED TRANSPORTATION UNION

WHEREAS, TransitAmerica Services, Inc., (hereinafter "TASI") has agreed to assume certain responsibilities for the operation of the Caltrain commuter rail service for the Peninsula Corridor Joint Powers Board (hereinafter "JPB"), effective May 26, 2012, or an earlier transition date if authorized by the JPB;

WHEREAS, it is the desire of the parties to this Agreement to avoid any interruption of service in the interests of the public and to minimize impact on the commuter rail employees of Amtrak, the operator of JPB Caltrain commuter rail service prior to the date of transition;

WHEREAS, the assumption of this operation will result in the establishment by TASI of comparable positions necessary to perform certain work formerly performed by commuter rail employees of Amtrak as the operator; and

WHEREAS, the parties acknowledge that this Agreement does not supersede the obligations arising pursuant to 49 U.S.C. § 5333 (commonly referred to as "section 13(c)") and is thereby subject to the terms of any labor protective arrangements made applicable to TASI, including but not limited to the September 15, 1994 determination issued by the Department of Labor, and which is incorporated into all U.S. Department of Transportation contracts of assistance relating to Caltrain in which TASI is or has become a recipient, subrecipient, or flow-through beneficiary; and

WHEREAS, TASI intends to offer employment with TASI to certain commuter rail employees of Amtrak,

NOW, THEREFORE, IT IS AGREED:

PART I

1. TASI recognizes the United Transportation Union (hereinafter "UTU" or "Organization") as the bargaining representative of the Passenger Conductors and Assistant Passenger Conductors to be employed in the service covered by this Agreement.

2. The Rules Agreement noted below will become effective and applicable to employees performing service on JPB Caltrain Commuter Rail Service upon the assumption of service by TASI.
 - A. Nothing in this Agreement is intended to, or shall be construed to provide additional pay, benefits, or coverage of specific Collective Bargaining Agreement provisions to TASI employees which were not applicable to them during their employment with Amtrak, except as specifically provided herein.
 - B. The adoption by TASI of the current Collective Bargaining Agreement provisions between UTU and Amtrak, as amended herein, satisfies the obligation of TASI under Paragraph 33 – Labor Protections, Sections A and B., of the Agreement between TASI and JPB dated September, 1, 2011 the “Operating Agreement” and “sections dealing with the 13c protections (Attachment 1 to this document).
3. The service covered by this Agreement will be a single, separate seniority district and the employees securing a position in accordance with this Agreement will be placed on a separate seniority roster identified as the "Caltrain Seniority District Roster." There will be no commingling of service between the Caltrain service and any other service.
4. Within ten days of the adoption of this agreement, TASI will deliver a conditional offer of employment, along with other required documents to the home address of the following Amtrak employees:
 - A. All Passenger Conductors and Assistant Passenger Conductors working in Amtrak Work Zone CS2 (delivered by certified mail, return receipt requested).
 - B. Any other Passenger Conductor or Assistant Passenger Conductors currently holding seniority with Amtrak (delivered by 1st class mail to the list of such employees provided to TASI by the Union).
5. These documents must be completed and returned to TASI no later than March 8, 2012, postmark to govern, with a copy provided by TASI to the UTU General Chairman, in order for the Amtrak employee to be eligible for further participation in the employment process set forth in this Agreement. TASI shall have no further obligations to individuals who fail or decline to return the requisite completed documents within the time prescribed. Those Amtrak employees who timely complete the process described in this paragraph are referred to hereinafter as "eligible Amtrak employees." Individuals who timely complete the process described in this paragraph will also be considered eligible Amtrak employees.

- A. TASI will provide the General Chairman of the Organization with not less than thirty (30) days written notification of TASI's assumption of the operation, which notice will list the number of positions authorized to be established by TASI. Except for the minimum train crew requirements in Rule 11 - Crew Consist, nothing in this Agreement is intended to impose an obligation upon TASI to establish minimum staffing levels or requirements.
- B. The positions to be established by TASI will be advertised on or before April 16, 2012, also by mail, for a period of fifteen (15) calendar days via special bulletin notice to Amtrak employees who have timely accepted the conditional offer of employment referred to above. The advertisement of positions will show the TASI headquarters location, run description, starting time, rest days, rate of pay, crew base, etc. The bulletin notice will contain the following statement:

"This will serve as notice that these positions will be established on TASI for the TransitAmerica Services, Inc. operation effective 12:01 a.m., May 26, 2012. Bids will be accepted only from employees who have declared their eligibility by bidding on the Special Bulletin. Only those bids postmarked or personally delivered to the office of the undersigned and receipt obtained by May 1, 2012 will be accepted."

- C. Eligible applicants will be accepted in seniority order first from those employees assigned to the Caltrain Peninsula Commuter Service as of May 1, 2012, and such employees shall be ranked on the TASI Seniority Roster in accordance with their current standing on the Amtrak Work Zone CS2 Seniority Roster. Other Amtrak Passenger Conductors and Assistant Passenger Conductors whose applications are accepted shall be placed on the TASI Seniority Roster with seniority ranking among them based on their standing on the current Amtrak Trainmen National Roster, but behind all accepted employees assigned to the service as of May 25, 2012.
- D. Eligible Amtrak employees who apply for but are unable to secure a position under this Agreement because of insufficient seniority, prior to TASI assuming the service, will be placed in a TASI application pool. As positions become available, they will be offered in seniority order Passenger Conductor and Assistant Passenger Conductor positions which they must accept or relinquish their rights to employment as Passenger Conductors and Assistant Passenger Conductors. Upon accepting such positions, they will be placed on the TASI roster in the same relative standing they would have been given if they had been a successful bidder during the original application period.

- E. Eligible, qualified Passenger Conductors and Assistant Passenger Conductors, who are inactive for the entire application and bidding period by reason of sickness, pregnancy, temporary or occupational disability, disciplinary suspension or dismissal, military leave, furlough, vacation, or leave of absence (except as set forth in paragraph F below) pursuant to Rule 26 of the rules agreement or who are hired or enter into Amtrak Seniority Zone CS2 subsequent to the application period, shall have the right to make application within five (5) days of their return to active status or entry into the service. Such Passenger Conductors and Assistant Passenger Conductors possessing sufficient seniority to have been selected in accordance with Paragraph C., above, will be placed on the TASI Roster as if they had been in active status during the original application period, and will exercise their seniority in accordance with the applicable provisions of the Rules Agreement. Those Passenger Conductors and Assistant Passenger Conductors in this category who, upon return to active status, lack sufficient seniority to have been selected in accordance with Paragraph C., above, will be placed in the application pool with the same relative standing they would have had if they had been in active status during the original application period.

Note: With the exception of those employees on vacation or military leave during the application and bidding period, the provisions of Part II, Items 2 and 3 of this Agreement shall not apply to employees in this status on the effective date of the Agreement.

- F. Employees who were granted leaves of absence to take promotion to management (non-agreement) positions on Amtrak unrelated to TASI service must make application as set forth under this Section 4 and 5 or will forfeit any seniority rights on the TASI Caltrain Seniority District Roster.
- 6. Except as provided herein, existing Rules Agreement provisions pertaining to disapproval of employment application will not be applicable to those Amtrak employees who accept employment with TASI pursuant to the terms of this Agreement.
 - A. Amtrak employees will be required to sign a release instructing and authorizing Amtrak to provide TASI with a copy of the employee's Amtrak medical records. The Amtrak employee will also be required to complete TASI's Pre-employment Medical Questionnaire. Should TASI's Medical Department determine that additional information is required as a result of the information provided on that Questionnaire, the employee will be required to request his/her physician to provide such additional information. Any further action in this area, which may include a physician examination by a TASI designated physician, will be handled on

a case-by-case basis in accordance with the provisions of the applicable Collective Bargaining Agreement.

- B. The Amtrak employee will be required to undergo drug and alcohol testing. Any employee testing positive for a controlled substance will be provided the opportunity, upon his/her request, for a split sample test at the employee's expense, by a testing facility selected by TASI which will use another testing method that is specific for the substance(s) detected in the initial test.
7. In the event of a confirmed positive result, the employee may not be accepted for employment with TASI. The employee may, at no cost to TASI, seek self-recovery and/or provide a satisfactory test result within 45 days from the date of deferral, (but may use their current collectively bargained insurance). Upon such timely presentation, the employee will then be eligible to complete the employment process set forth in the Agreement. Upon such employment, seniority and other rights will be governed by the provisions of Part I, Section 3 of this Agreement. As a condition of employment, the employee will be required to agree and comply with the instructions set forth in Rule 54, Prevention Program.
8. Amtrak employees will be required to execute a release authorizing Amtrak to provide certain personnel records to TASI as a condition of employment by TASI, "list of documents required attached".
9. Employees with a previous drug and alcohol violation that resulted in a Waiver Agreement and probationary period that is still in effect on the effective date of this Agreement will be considered still bound by the terms of such arrangement while employed by TASI. This will include, but not be limited to, obligations of ongoing participation in EAP counseling, follow-up/random testing, and/or any other condition agreed to in conjunction with the Waiver Agreement. Upon completing the probationary requirements, the provisions of the Prevention Program and Rule G Bypass in Rules 54 and 55 will apply.
10. This Agreement does not supersede any action which TASI may be required to take under federal or other laws, federal or state regulations, or labor protective arrangements applicable to TASI by virtue of 49 U.S.C. § 5333.
11. Compensated days and years of service currently recognized by Amtrak shall be used in determining eligibility for vacation entitlements for Amtrak employees who accept a position with TASI pursuant to this Agreement. The Company anticipates it will receive information from Amtrak outlining such information, as well as the number of vacation and personal leave days each employee has accrued but has not taken for the calendar year. An individual employee who disputes the correctness of the information provided by Amtrak may request further review. In the event of disagreement, the Local Chairman and General Manager (or his designate) will meet for the purpose of informally resolving the

dispute. In the event this disagreement cannot be resolved, it will be subject to the existing grievance procedure as set forth in the rules agreement.

12. TASI recognizes its obligation pursuant to the Operating Agreement between TASI and JPB to provide health and welfare benefits equivalent to those in effect on Amtrak as of the day prior to TASI's commencement of service. TASI has sought input and participation from the Organization in its fulfillment of this obligation, and prior to date of the commencement of service, the parties will reach mutual agreement that the health and welfare benefits established by TASI as of the date operations commence satisfy such obligation as of that date.

It is acknowledged that the plan will include provisions equivalent to those in effect on Amtrak as of the day prior to TASI's commencement of service including, but not limited to, retirement coverage at age 60, a premium waiver and extended coverage for employees and dependents when an employee ceases work due to sickness, pregnancy or injury and recognition that such obligations may extend beyond the end date of any agreement for TASI to operate the service. The parent company of TASI shall provide to the Organization a letter in which they agree to assume the responsibilities set forth above in the event that TASI is not able to do so. (Attachment 2 to this document)

In addition, the plan will provide for an "opt out" payment of not less than \$100.00 per month to employees who decline coverage due to coverage under another plan.

The Health and Welfare plan agreed to by the parties shall be inserted into the Working Agreement as Rule 33.

13. There shall be no pyramiding or duplication of any benefit(s) in the application of any portion of this Agreement.

PART II

1. It is understood and acknowledged that the United Transportation Union is currently engaged in wage and rules negotiations with Amtrak pursuant to notices served under Section 6 of the Railway Labor Act (hereinafter "RLA") upon Amtrak on or about January 14, 2010, and counter-proposals served by Amtrak upon the Organization. In that regard, the parties agree as follows:
 - A. By executing this Agreement, it is agreed and understood that any and all outstanding notices served under Section 6 of the RLA by and between the Organization and Amtrak shall have no standing as between the parties to this Agreement. The Organization represents that such notices have not been settled with Amtrak.
 - B. Unless otherwise paid by Amtrak or other third party, within thirty (30) days of the date on which Amtrak employees receive payment for

retroactive compensation due as a result of a settlement of the pending collective bargaining agreement negotiations between Amtrak and UTU, TASI shall make a single lump-sum payment to each eligible employee covered under this Agreement equal to the retroactive pay due such employee from Amtrak.

2. Implementation Incentive. Effective 30 days after the date of TASI's assumption of the JPB Caltrain service, each eligible employee covered by this Agreement who remains employed by TASI will be entitled to a lump sum implementation incentive of one thousand five hundred dollars (\$1,500). The Company will make all reasonable efforts to pay the incentive within 60 days from the assumption of the JPB Caltrain service by TASI.
3. Additional Incentive. In order that TASI be able to determine the adequacy and qualifications of its work force, it is imperative that it receive commitments from eligible Amtrak employees at the earliest possible date regarding their intention to accept employment by TASI. In order to expedite that process, each employee who signs the employee commitment letter and other documents by March 8, 2012 (postmark to govern) and thereafter successfully completes TASI's employment process and becomes a TASI employee on May 26, 2012, and has no decertifiable incidents from May 26 to July 29, 2012, will be paid an incentive bonus of one thousand dollars (\$1,000). Payment of this bonus to eligible employees will be made on or about August 31, 2012.
4. The basic wage rates effective upon TASI assumption of service for Passenger Conductors and Assistant Conductors on the PCS will be as follows:

Passenger Conductor per hour	\$34.00
Assistant Passenger Conductor per hour	\$29.47

- A. First General Wage Increase. Effective July 1, 2012, the hourly base rates of pay of employees covered by this Agreement shall be increased in the amount of three percent (3%).
 - (i) Disposition of Fractions. Rates of pay resulting from application of this Section B. which end in a fraction of a cent will be rounded to the nearest whole cent; fractions less than one-half cent will be dropped, and fractions of one-half cent or more will be increased to the nearest full cent.
 - (ii) Application of Wage Increases. The increase in wages provided for in this Section B. shall be applied in accordance with the wage or working conditions agreement in effect. Overtime hours will be

computed in accordance with individual schedules for all overtime hours paid for.

- B. Second General Wage Increase. Effective July 1, 2013, the hourly base rates of pay of employees covered by this Agreement shall be increased in the amount of three percent (3%). The increase provided in this Section will be applied in the same manner as provided in Section A) (ii) hereof.
 - C. Third General Wage Increase. Effective July 1, 2014, the hourly base rates of pay of employees covered by this Agreement shall be increased in the amount of three percent (3%). The increase in this Section will be applied in the same manner as provided in Section A (ii) hereof.
 - D. Fourth General Wage Increase. Effective July 1, 2015, the hourly base rates of pay of employees covered by this Agreement shall be increased in the amount of three percent (3%). The increase provided in this Section will be applied in the same manner as provided in Section A (ii) hereof.
 - E. Fifth General Wage Increase. Effective July 1, 2016, the hourly base rates of pay of employees covered by this Agreement shall be increased in the amount of three percent (3%). The increase in this Section will be applied in the same manner as provided in Section A (ii) hereof.
5. In the event the Carrier reaches agreements with other Organizations (representing other crafts) which contain more favorable general wage increases or benefits during in the current round of negotiations or during the moratorium period of this agreement, such provisions will be incorporated into this agreement, unless such improvement(s) was made in consideration for modification(s) in other work rules in the agreement between the parties.

PART III - HEALTH CARE AND ASSOCIATED BENEFITS

- 1. Plan Changes
 - A. Continuation of Health and Welfare Plans

Benefits equivalent to the current AMPLAN, Dental, Vision, AD&D and Life Insurance coverage, modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.
 - B. Plan Design Changes to Contain Costs

The payment on behalf of a participant or beneficiary with respect to any visit to a hospital emergency room shall be \$75. Note: Where the

participant or beneficiary is admitted to the hospital, such payment is waived.

2. Employee Cost Sharing of Plan Cost Amounts

Employee cost sharing contributions towards the benefits equivalent to the current AMPLAN, Dental, Vision, AD&D, and life insurance coverage under this contract will be as follows:

- A. The per month employee cost-sharing contribution shall be the lesser of:
 - (1) 15% of Amtrak's total costs per employee of AMPLAN, Dental, Vision, AD&D and Life Insurance coverage for the prior calendar year, divided by 12, or
 - (2) 15% of TASI's total cost per employee for its Health, Dental, Vision, AD&D and Life Insurance coverage for the prior calendar year, divided by 12, or
 - (3) \$190.
- B. Effective July 1, 2012 the per month employee cost-sharing contribution shall be changed to the lesser of:
 - (1) 15% of the Amtrak's total costs per employee of AMPLAN, Dental, Vision, AD&D and Life Insurance coverage for the prior calendar year, divided by 12, or
 - (2) 15% of TASI's total cost per employee for its Health, Dental, Vision, AD&D and Life Insurance coverage for the prior calendar year, divided by 12, or
 - (3) \$210.
- C. Effective July 1, 2013 the per month employee cost-sharing contribution shall be changed to the lesser of:
 - (1) 15% of the Amtrak's total costs per employee of AMPLAN, Dental, Vision, AD&D and Life Insurance coverage for the prior calendar year, divided by 12, or
 - (2) 15% of TASI's total cost per employee for its Health, Dental, Vision, AD&D and Life Insurance coverage for the prior calendar year, divided by 12, or
 - (3) \$230.

- D. Last amount in the 2013 calculation will continue and not increase unless by agreement.

Notwithstanding the Moratorium provisions in Section 4 of Part IV to this document the parties agree to re-open Health Care with notice not to be served prior to May 1, 2014, not to be effective before July 1, 2014.

PART IV - GENERAL PROVISIONS

1. This Agreement is subject to ratification by the union in accordance with its internal rules and procedures.
2. Any dispute or controversy with respect to the interpretation, application or enforcement of the provisions of this Agreement which has not been resolved by the parties within thirty (30) days may be submitted by either party to a Special Board of Adjustment for final and binding decision thereon as provided by Section 3, Second of the Railway Labor Act.
3. This Agreement shall become effective May 26, 2012, or on the date TASI commences operation of the JPB Caltrain service and shall continue in effect thereafter unless or until changed pursuant to the terms of the Railway Labor Act, as amended.
4. The purpose of this Agreement is to fix the general level of compensation and the work rules that shall apply during the period of the Agreement. Except with respect to the agreed upon reopener for negotiation of medical insurance issues referred to in Part III, paragraph 1, no party to this Agreement shall serve, prior to October 1, 2016 (not to become effective before July 1, 2017) 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 in Negotiating this Agreement, subject to subparagraph five (5), below.
5. This Article will not bar management and the organization from agreeing upon any subject of mutual interest.
6. The parties agree to meet to resolve issues relating to the change in operations that may have been overlooked in preparing this Implementation Agreement.
7. The company and union recognize that TASI's success depends on delivering quality service to our customers. It is the mutual goal of the parties to promote quality service in every phase of TASI's operations. To meet this goal, the company and union pledge to cooperate in endeavors which promote and improve the quality of work, safety, efficiency of operation and harmonious work relationships. The parties recognize that everyone in the process - customers,

employees and supervisors - deserve respect, honesty and the best service every time.


The parties agree that a joint approach involving employees and supervisors at the local level is essential to continuous improvement. Local supervisors and employees are encouraged to work as a team to implement cooperative approaches to improve our operation and quality of customer service.


The focus of an employee involvement program is to be on team work, quality and customer service, not on personal or grievance issues, which will continue to be handled by UTU and TASI labor relations professionals in accordance with the provisions of the labor contract.

For the United Transportation Union:

For TransitAmerica Services, Inc.:


Dirk Sampson
General Chairperson


Robert J. Smith
President


John Previsich
International Vice President

February 8, 2012

If, as a result of the audit, it is determined by the JPB's auditor or staff that reimbursement of any costs including any fees under this Agreement was in excess of that represented and relied upon during price negotiations or represented as a basis for payment, CONTRACTOR agrees to reimburse the JPB for those costs within 60 calendar days of written notification by the JPB.

With regard to the Performance Fee Program, the JPB, or its authorized representatives, may conduct periodic independent validation and verification of the CONTRACTOR's performance and reported results. If as a result of the independent validation and verification, it is determined that the Performance Fee amount paid to CONTRACTOR was in excess of the amount due to the CONTRACTOR, CONTRACTOR agrees to reimburse the JPB for the excess amount within 60 calendar days of written notification by the JPB.

31. NON-DISCRIMINATION ASSURANCE - TITLE VI OF THE CIVIL RIGHTS ACT

CONTRACTOR shall not discriminate on the basis of race, color, creed, national origin, sex, or age in the performance of this Agreement. CONTRACTOR shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of U.S. Department of Transportation (DOT) assisted contracts. Further, CONTRACTOR agrees to comply with all provisions prohibiting discrimination on the basis of race, color, or national origin of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000d *et seq.*, and with U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act," 49 C.F.R. Part 21. CONTRACTOR shall obtain the same assurances from its joint venture partners, subcontractors, and subconsultants by including this assurance in all subcontracts entered into under this Agreement. Failure by CONTRACTOR to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the JPB deems appropriate.

32. EQUAL EMPLOYMENT OPPORTUNITY (EEO)

In connection with the performance of this Agreement CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, sex, gender, sexual orientation, age (over 40), marital status, pregnancy, medical condition, or disability as specified in Federal, State, and local laws. CONTRACTOR shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONTRACTOR further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

33. LABOR PROTECTIONS

A. Acknowledgment and Agreement to be Bound

CONTRACTOR acknowledges that its representatives have had an opportunity to review and assess the 13(c) arrangements and other certifying conditions required by the United States Department of Labor from time to time to permit the Federal Transit Administration to fund the JPB's grant applications in accordance with 49 U.S.C. §5333(b). CONTRACTOR acknowledges that it has been selected to operate Caltrain in part because of the JPB's reliance upon CONTRACTOR's representation that it fully understands these arrangements and other certifying

conditions and their implications and is fully capable of operating Caltrain while at all times fully complying with them. CONTRACTOR agrees to be bound by each and every arrangement to which the JPB is a party as required by the terms of those arrangements.

B. Responsibility for 13(c) Liability Arising from Changes of Agreement or CONTRACTOR

CONTRACTOR agrees that no provision of this Agreement will require it to dismiss or displace any employee or to rearrange the workforce covered by any 13(c) arrangement "as a result of the Project" as defined by the 13(c) arrangements to which CONTRACTOR has agreed to be bound. CONTRACTOR further understands that the 13(c) arrangements to which it has agreed to be bound require the JPB and CONTRACTOR to preserve and continue existing collective bargaining agreements, subject to any negotiated changes, and to staff positions for the provision of Caltrain service in compliance with the contractor-to-contractor protections of the 13(c) arrangements to which it has agreed to be bound. CONTRACTOR shall therefore be responsible for defending, and shall hold the JPB harmless from, any claims or controversies alleging any violation or breach of the 13(c) arrangements to which CONTRACTOR has agreed to be bound, whether made by CONTRACTOR's own employees, the employees of its subcontractors, or employees of any former Contractor of the JPB, arising from or related to any organization or reorganization of workforce or any modification of the terms and conditions of employment of employees hired to provide Caltrain services on the effective date of the Agreement or as a result of any increases or reductions in the level of staffing the Services thereafter, unless those later actions have been explicitly directed and required in writing by the JPB in exercising its rights under this Agreement or unless such claim or controversy is covered under Subsection C., below. Notwithstanding any other provision of this Agreement, no cost or liability for which CONTRACTOR is responsible under this paragraph shall be deemed an allowable cost payable to CONTRACTOR or a claim or liability for which CONTRACTOR is entitled to indemnification by the JPB.

C. Operating Efficiencies and Notice of Changes

CONTRACTOR understands and agrees that an important objective of this Agreement is to provide rail service to the public that is innovative and efficient. CONTRACTOR will collaborate with the JPB in an effort to identify and implement efficiencies which can be achieved while avoiding or minimizing claims or liabilities under 13(c) arrangements. The JPB agrees to indemnify and hold CONTRACTOR harmless from any 13(c) claims or liabilities arising from changes in methods or operations or any rearrangement of the workforces implemented by CONTRACTOR upon written order of the JPB following contract execution.

34. CONFLICT OF INTEREST

A. General

Depending on the nature of the work performed, a contractor of the JPB may be subject to the same conflict of interest prohibitions established by the Federal Transit Administration (FTA), Federal Highway Administration (FHWA) and California law that govern JPB's employees and officials (California Government Code Sections 1090 et seq. and 87100 et seq.). During the term of this Agreement, CONTRACTOR and its employees may be required to disclose financial interests.

The CONTRACTOR warrants and represents that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California

ATTACHMENT 2



203 North Britain Road
Irving, TX 75061
TEL: 972-438-5755
FAX: 972-554-9415

February 8, 2012

Dirk A. Sampson
General Chairman
United Transportation Union
1515 Market Street, Suite 708
Philadelphia, PA 19102

Dear Mr. Sampson,

This letter will serve to verify and guarantee certain obligations of HTSI's subsidiary corporation TransitAmerica Services, Inc. contained in the Implementing Agreement By and Between TransitAmerica Services, Inc. and United Transportation Union, dated February 8, 2012, Part I, 12.

Herzog Transit Services, Inc. hereby agrees to assume the responsibilities and obligations set forth in the aforementioned agreement including but not limited to, retirement coverage at age 60, a premium waiver and extended coverage for employees and dependents when an employee ceases work due to sickness or injury, pregnancy, and Rule 48 B. Herzog Transit Services, Inc. recognizes that such obligations may extend beyond the end date of any agreement for TransitAmerica Services Inc. to operate the service.

Sincerely,

HERZOG TRANSIT SERVICES, INC.

A handwritten signature in cursive script that reads "Robert J. Smith".

Robert J. Smith
President, CEO

February 9, 2012

Robert J. Smith,
President
TransitAmerica Services, Inc.
203 N. Britain Road
Irving, TX 75061

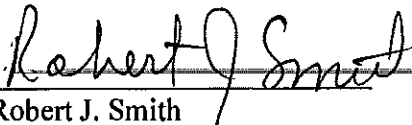
Dirk A. Sampson
General Chairman
United Transportation Union
1515 Market Street, Suite 708
Philadelphia, PA 19102

Dear Mr. Sampson:

This letter is to summarize certain modifications and supplements to the Agreement reached between TASI and the UTU dated February 8, 2012 to help ensure a smooth transition from Amtrak to TASI operation of the JPB Caltrain Commuter Rail Service.

1. UTU represented employees with a seniority date before October 27, 1999 who, had they remained employed by Amtrak, would have been eligible to receive a payment from Amtrak pursuant to the terms of the side letter dated October 27, 1999 between Amtrak and the UTU relating to a reduced crew on long haul passenger trains and a sharing of any resulting savings, will be entitled to receive such payment from TASI in the amount calculated each year to be due such Amtrak employees in the Off Corridor. The right to receive such payment from TASI shall terminate when such employee leaves TASI employment or accepts TASI employment in a position not represented by the UTU.
2. The penalties for operating with less than the minimum crew prescribed by Rule 11, Crew Consist will not take effect until TASI has been operating for 90 days or until it has an active roster at least 92 qualified Passenger Conductors/Assistant Passenger Conductors, whichever occurs first.
3. A Passenger Conductor or Assistant Passenger Conductor who is employed by TASI between the transition date and December 31, 2012, will be required to render 50 basic days of service for TASI to qualify for a vacation in 2013.
4. The parties will cooperate on the development of a Critical Incident Plan, as set forth in Rule 56 of the working agreement.

Sincerely,



Robert J. Smith
President
TransitAmerica Services, Inc.

Agreed,



Dirk A. Sampson
General Chairman
United Transportation Union

AGREEMENT

BY AND BETWEEN

TRANSITAMERICA SERVICES, INC.

AND

UNITED TRANSPORTATION UNION

**GOVERNING THE RATES OF PAY, RULES AND WORKING
CONDITIONS OF PASSENGER CONDUCTORS AND
ASSISTANT PASSENGER CONDUCTORS EMPLOYED IN
THE CALTRAIN COMMUTER RAIL SERVICE.**

February 8, 2012

RULES AGREEMENT

RULE 1 - SCOPE AND DEFINITIONS

- A. This Agreement will apply to the work or service of transporting passengers performed by the employees specified herein and governs the rates of pay, hours of service and working conditions of all employees, as defined in this Rule, engaged in the performance of work presently recognized as the exclusive work of passenger train service employees on main lines, or branch lines or within yard facilities.
- B. Transit America Services Inc. (hereinafter the "Corporation") recognizes the United Transportation Union, as the certified collective bargaining representative for the craft of Passenger Conductors and Assistant Passenger Conductors. The United Transportation Union shall have the exclusive right to represent all Passenger Conductors and Assistant Passenger Conductors in company-level grievance, claim and disciplinary proceedings.
- C. The words "employee" or "employees" as used in this Agreement refer to all train service operating craft personnel. Train service operating craft personnel will be classified as Passenger Conductor or Assistant Passenger Conductor.
- D. "Duly accredited representative" means a member of the Local Committee of Adjustment of the United Transportation Union having jurisdiction or a member of the United Transportation Union designated by the General Chairman.
- E. "Local Chairperson" means the Chairperson of a regularly constituted Local Committee of Adjustment of the United Transportation Union having jurisdiction.
- F. "General Chairperson" means the Chairperson of the regularly constituted General Committee of Adjustment of the United Transportation Union.
- G. "Crew Base" means the territory encompassed within a radius of 30 miles measured from the principal TASI

station or facility as designated by the Corporation for each crew base.

RULE 2 - CLASSIFICATIONS AND BASIS OF PAY

- A. The basic wage rates effective upon TASI assumption of service for Passenger Conductors and Assistant Conductors on the PCS will be as follows:

Passenger Conductor	\$34.00
per hour	
Assistant Passenger Conductor	\$29.47
per hour	

- B. Employees will be paid for each trip or tour of duty at the straight-time rate for the first eight hours between the time they are required to report for duty until the time they are released on completion of service, and at the time and one-half rate for all time in excess of eight hours. Employees paid 40 straight-time hours for service performed in a workweek will be paid at the time and one-half rate for all additional time paid for in the workweek. Except as provided in Rule 17, regularly assigned employees and employees assigned to a guaranteed extra board will be paid a minimum of eight hours for each tour of duty.

Note: The term "work week" for regularly assigned Passenger employees will mean a week beginning on the first day on which the assignment is bulletined to work, and for employees assigned to an extra board will mean a period of seven consecutive days, starting with Monday.

- C. Employees whose assignments include short turnaround passenger runs, no single trip of which is scheduled to exceed three hours will be paid overtime for all time actually on duty, or held for duty, in excess of eight hours within nine consecutive hours, with all time counted as continuous service.
- D. When employees are used as pilots, they will be paid the Passenger Conductor's rate of pay for the entire trip or tour of duty.
- E. It is understood that employees held off their assignments for Company Business and compensated for

such time will be considered to have worked their assignments for starts, overtime, guarantee and vacation qualification purposes.

- F. Passenger Conductors and Assistant Passenger Conductors shall be paid a certification allowance of Ten (\$10.00) per day for each day that an employee renders compensated service, except that no more than one certification allowance shall be paid for any single tour of duty.
- G. In the interest of providing the best possible training and practical operating experience to employees requiring such training pursuant to TASI's approved training program trainees will be assigned to work alongside a Conductor on a yard or road assignment with the understanding that the Conductor will provide the necessary instructions in safe train operation. The Conductor so assigned will receive one (1) hour's pay at the straight time rate in addition to all other earnings. It is further understood that said allowance will not be off-set by any guaranteed extra board earnings that may be due.
- H. Employees shall receive their pay by direct deposit into an account with a bank, credit union, financial-services organization, or similar institution. An itemized statement will contain a record of all deductions from employees' earnings.
- I. All employees will be paid weekly, for the purposes of Payroll calculation, the pay cycle and work week will be a period of seven (7) consecutive days beginning with Monday at 12:01 a.m. The corresponding rules of the agreement regarding work week are modified accordingly.

RULE 3 - ENTRY RATES

In any class of service or job classification, rates of pay, additives, and other applicable elements of compensation for an employee whose seniority in train or engine service is established after the date of this Agreement will be at 85% of the rate for present employees and will increase in increments of 5 percentage points for each year of active service until the new employee's rate is equal to that of

present employees. A year of active service shall consist of a period of 365 calendar days in which the employee performs a total of 80 or more tours of duty. This Rule does not apply to employees whose seniority in either train or engine service precedes the date of this Agreement.

RULE 4 - SENIORITY

- A. Employees hired by TASI in a classification covered by this Agreement will establish seniority as of the time and date they are scheduled and first report to the medical examiner. When two or more such employees start at the same time on the same day, they will be ranked in alphabetical order according to their last names.
- B. The seniority of any employee whose seniority in train service is established after the date of this Agreement and who is furloughed for 365 consecutive days will be terminated if such employee has less than three (3) years of seniority.
- C. The Local Chairperson will be offered the opportunity to be involved in the interview and selection process for all new employees covered by this agreement.

RULE 5 BLANK

RULE 6 - SENIORITY ROSTER

- A. A roster showing seniority dates, promotion dates and seniority standing will be posted in a conspicuous place at all crew bases for the information of Passenger Conductors and Assistant Passenger Conductors, with a copy to the General Chairperson and Local Chairperson.
- B. The roster will be revised and posted in January of each year and will be open to protest for a period of 60 calendar days from date of posting. Protests on seniority dates will be confined to names added or changes made since posting the previous rosters.

Upon an employee's presentation of proof of error, such error will be corrected. Employees who are off on leave of absence, vacation, sickness, disability or suspension at the time the rosters are posted will be given 60

calendar days from the date of their return to duty in which to protest. If no protest is made during this time, their seniority dates will be deemed correct.

RULE 7 - PROMOTION

A. New employees who are hired for train service positions after the date TASI assumes the service will be given instruction as Assistant Passenger Conductors as part of their formal training. Upon successful completion of training, such employees will be eligible to work as Assistant Passenger Conductors. Such employees will obtain a Passenger Conductor seniority date which will be the 200th calendar day after they first established seniority as an Assistant Passenger Conductor consistent with Rule 4(b).

1. Assistant Passenger Conductors must complete a Passenger Conductor Training Course, including a written promotional examination and re-test if necessary, within twelve (12) months from their start of work as an Assistant Passenger Conductor.

2. Assistant Passenger Conductors who fail to pass their first Passenger Conductor promotional examination will be given fifteen (15) days to prepare for a second Passenger Conductor promotional examination and will be re-tested within fifteen (15) days thereafter.

A. If they pass the second Passenger Conductor promotional examination they will be senior to any junior Assistant Passenger Conductor who passed the Passenger Conductor promotional examination ahead of them.

B. Assistant Passenger Conductors that fail the second Passenger Conductor promotional examination or decline to take any Passenger Conductor promotional examination shall cease to be employees of the corporation.

3. An Assistant Passenger Conductor can request to take the Passenger Conductor promotional examination any time after six (6) months within the twelve (12) month period referenced in A.1 Above. The corporation can require an Assistant Passenger Conductor to take the Passenger Conductor promotional examination after the Assistant Passenger Conductor has completed eight (8) months of service.

B. Subject to the provisions of Paragraph c of this Rule, and the Corporation's legal obligations in the

employment of Engineers, employees represented by the United Transportation Union, who have established seniority as Passenger Conductor or Assistant Passenger Conductor will be considered for transfer to positions of Engineer in preference to hiring individuals who have not established seniority as Passenger Conductor or Assistant Passenger Conductor with the Corporation.

- C. The Corporation will establish a procedure which will:
 - (1) ensure that such employees have knowledge of Engineer job openings; and (2) provide an opportunity for them to apply for transfer to the Engineer craft. In selecting an employee from among those making application for an Engineer position, the Corporation will take into consideration the relative seniority standing of the applicants and Corporation's physical and other employment standards.
- D. An employee accepting a transfer to an Engineer position in accordance with this Rule, shall retain seniority standing and all other rights in train service. However, such employee shall be permitted to exercise such rights only when unable to hold any position or assignment in engine service.

RULE 8 - BULLETINS AND ASSIGNMENTS

- A. New assignments, assignments subject to re-advertisement, extra board positions and vacancies, will be advertised every Friday. The advertising period will close 11:59 p.m. the following Tuesday, and assignments will be made effective 12:01 a.m. the following Monday.

NOTE: Paragraph "a" of this rule will not affect the current method of advertising and awarding jobs incident to the change of timetable, nor will it apply to the optional displacement.

- B. Vacancies caused by sickness, temporary disability, suspension or leave of absence, when it is known that the employee will be off for a period of 30 or more days or when such employee will have been off duty for a period of 30 days, will be advertised in accordance with paragraph "a" of this Rule.
- C. For regular assigned service, the advertisement bulletin will show: the crew base, reporting and relieving point, turn-around or layover point, days on which the assignment is scheduled to work, assigned reporting time, assigned off duty time, and train or crew numbers.

- NOTE: Unless otherwise agreed to by the Local Chairperson and the Division Manager-Labor Relations, the reporting and the relieving point for any assignment will be the same point.
- D. An employee who bids for and is awarded another assignment will not be permitted to bid for his/her former position until it has been filled and again advertised or has been advertised twice in accordance with part "a" of this rule without being assigned. The employee will be permitted to exercise seniority to the former assignment if displaced from the position to which the employee bid.
 - E. Regular assignments will be re-advertised when any of the following permanent changes are made in such assignments:
 - 1. changing the crew base, layover or turnaround point;
 - 2. changing advertised starting time at the crew base or arrival time and/or tie up time at the end of the assignment, one hour or more;
 - 3. changing the assigned rest days.
 - 4. changing any run of the assignment from a working run to a deadhead run or vice-versa.
 - 5. changing any run of the assignment to working a different train.
 - F. An employee who is occupying a regular assignment which is re-advertised in accordance with the provisions of this Rule may elect to exercise his seniority to another assignment with 24 hours after the effective date and time of the change causing the re-advertisement. An employee who elects to remain on the assignment will not be required to bid on said assignment. If a senior employee bids and is assigned to said assignment the employee will be allowed twenty-four (24) hours from the time the senior employee is available to protect said assignment in which to exercise seniority and may select any job held by a junior employee.
 - G. An employee returning to duty after being absent less than 30 days by reason of sickness, temporary disability, suspension, leave of absence or vacation, will be permitted to exercise seniority on an assignment advertised and filled during his/her absence, provided such right is exercised before the employee performs any service. An employee absent because of a reason listed

in this paragraph (except vacation) for a period of 30 days or more, upon his return to duty, may exercise his seniority on any assignment. An employee returning to duty after being on vacation for a period of 30 days or more will be permitted to exercise his seniority on an assignment advertised and filled during his/her absence, provided such right is exercised before the employee performs any service.

- H. Assignments will be made to employees in seniority order from bids submitted prior to the close of an advertisement period. Employees will be given confirmation for bids submitted.

NOTE: Paragraph "H" of this rule will not affect the current method of advertising and awarding jobs incident to the change of timetable, nor will it apply to the optional displacement.

- I. When an extra board is to be increased, the required number of employees may be added to the list during the advertisement and assignment period with the understanding that they are bidders for the board.
- J. When regular runs are rearranged, the local representative of the Corporation and the duly accredited representative(s) having jurisdiction will arrange to meet for the purpose of grouping such runs, with the understanding that the Corporation reserves the right to place a schedule in effect to protect the service when no agreement is reached.

RULE 9 - REDUCING AND INCREASING FORCES

- A. In reducing forces, seniority will govern. Employees affected by a reduction of force or abolishment of positions will be given five (5) calendar days advance notice. A copy of such notice will be posted on bulletin boards, with a copy to the local chairman.

Except where shorter time periods are provided for elsewhere in this agreement, employees whose positions are abolished and/or who have a displacement right and who elect to exercise such displacement right must exercise such right within two (2) calendar days after the date of abolishment. Employees displaced must exercise their seniority in the same manner within two (2) calendar days after the date displaced. Employees who are able to but fail to exercise their displacement rights in the prescribed time limit will revert to the extra board at their crew base. Employees not possessing sufficient seniority to displace any employees will be placed in furlough status.

The two (2) day calendar period begins at midnight the day of notification of the right to a displacement.

Employees will be permitted to select a vacant assignment that is under advertisement. Employees who exercise displacement rights to assignments subject to or being advertised shall be considered automatic bidders for such assignments. An employee who exercises seniority to a vacancy as a result of this Agreement who is not fully qualified on such assignment will not be permitted to occupy such assignment until fully qualified. It should also be noted that in the event a senior employee is awarded the assignment after the advertisement is closed, the junior employee who picked the vacancy will be required to exercise seniority to another assignment within twenty-four (24) hours after the effective date and time of the award.

Employees who have exercised displacement rights under this Rule must meet all the qualifications required of the position to which they have displaced before being permitted to work the assignment.

- B. Employees will promptly notify the Corporation in writing to their direct manager and receive a receipt from said manager of any change of name or address, and provide a copy to the local chairman.
- C. When forces are increased, furloughed employees will be notified by certified mail, copy to the local chairperson, sent to the last address given, and will be required to return to service in seniority order.
- D. Furloughed employees who fail to return to service within 15 calendar days after being notified in accordance with paragraph "C" of this Rule will be considered as having resigned, unless they present sufficient proof that circumstances beyond their control prevented their return.

RULE 10 - ANNULMENT OF ASSIGNMENTS

- A. When it is known that the assignment of a regular assigned employee is to be annulled for one day or longer, the employee will be notified at least eight (8) hours in advance of reporting time, and if not so notified, will be paid the bulletin earnings of the assignment.

When a regular assignment is annulled, except holidays and as provided in paragraphs B and C below, an employee holding the assignment may elect to remain on it or exercise seniority to another assignment that has not been annulled. If the employee elects to exercise seniority to another assignment, he/she must do so

within eight hours of the time notified of the annulment or completion of the trip or tour of duty preceding the date of annulment.

- B. Advance notice before annulling assignments is not required under emergency conditions such as flood, snow storm, hurricane, tornado, earthquake, fire, strike or derailment, provided that such conditions result in suspension of the Corporation's operation in whole or in part. Such emergency annulments will be confined solely to those work locations directly affected by any suspension of operation.

Employees who are affected by an emergency annulment and report for work without having been previously notified not to report, will be paid the bulletin earnings of the assignment. If employees work any portion of the day, they will be paid in accordance with Rule 2. When it is known the emergency annulments are to be in excess of one calendar day, those employees affected by said emergency annulments will be permitted to exercise their seniority. Upon termination of the emergency conditions and restoration of the service, all positions and incumbents thereof will be restored to the status prevailing prior to the emergency.

- C. At those times when TASI/JPB desires to run a reduced schedule necessitating the modification of the regular bulletin assignments the Local Chairperson will work with the corporation to modify the individual assignments to meet the needs of the service. Employees affected by this modification will be paid their regular bulletin earnings or the assignment as modified whichever is greater.

RULE 11 - CREW CONSIST

- A. For passenger trains consisting of one revenue passenger car, the minimum crew will be a Passenger Conductor.
- B. For passenger trains consisting of two to six revenue passenger cars, and for yard crews, hours of service relief crews, wire trains, work trains, wreck trains or deadhead passenger equipment, the minimum crew will be a Passenger Conductor and one Assistant Passenger Conductor.
 - (1) Except under emergency conditions, as outlined in Rule 10 (b), a Conductor forced to work any part of his trip "Conductor Only" will be entitled to the bulletin earnings of the missing Assistant Conductor.

- C. For trains consisting of seven or more revenue passenger cars, the minimum crew will be a Passenger Conductor and two Assistant Passenger Conductors.
 - (1) Except under emergency conditions, as outlined in Rule 10 (b), a Conductor and Assistant Conductor forced to work any part of their trip without the second Assistant Conductor will be entitled to the missing Assistant Conductor's bulletin earnings shared equally.
 - (2) Except under emergency conditions, as outlined in Rule 10 (b), a Conductor forced to work any part of a trip "Conductor Only" will be entitled to the bulletin earnings of both missing Assistant Conductors.
- D. The definition of a revenue passenger car is one in which seats or accommodations may be purchased by passengers. Deadhead passenger equipment except as noted above will not be counted in determining the minimum crew requirement.
- E. Nothing in this Rule will prevent the Corporation from using more than the minimum crew requirement, if it so chooses, or to establish single employee assignments without the payment of any Reduced Train Crew Allowance, Productivity Allowance or Long Haul Allowance. The term "single employee assignments" refers to those independent assignments which have historically been referred to in the railroad industry as "back out," "couplet," "piper," "pin up," "house" and/or "utility" assignments, but does not refer to a Passenger Conductor used as a minimum crew pursuant to paragraph "a" of this Rule.

RULE 12 - EXTRA BOARD

- A. Except as noted below, an employee assigned to an extra board and who is available for service during an entire weekly period or who does not lay off or miss a call, will be guaranteed a money equivalent of 40 straight-time hours each weekly period. The term "weekly period" means a period of seven consecutive days, starting with Monday. The Corporation will determine the locations of and the number of employees assigned to an extra board. Extra board positions will be advertised with a specific relief day.
- B. After these positions are awarded, the following procedures will govern relief days on the extra boards:

1. Employees assigned to extra boards will submit a preference list of relief days, no later than the 20th day of the month, which will remain on file until changed by the employee. Each month the preference bids will be reviewed and relief days assigned in seniority order. Employees who have not submitted a preference bid will be assigned a rest day by TASI. An employee occupying an extra board position who has not submitted a preference bid will have the rest day to which assigned considered his first preference when adjustments are to be made. It will be the responsibility of an employee who is off duty to submit his preference request in a timely manner.
2. The awarding of relief days will be effective on the first day of each month on which positions are awarded in connection with Rule 8(a). A notice will be posted by the 28th day of each month indicating extra board employees' relief days.

Employees exercising seniority to the extra board between monthly relief day adjustments will select a vacant rest day or assume the rest day of the junior employee on the extra board until the next adjustment.
3. If an extra board employee is called for an assignment which runs over into his relief day, such relief day will be a twenty-four (24) hour period following the time he marks up from the assignment.
4. Employees will be marked up at the bottom of the extra board following completion of their relief day.
5. Employees who desire to remain available on their relief day may elect to do so by notifying the crew dispatcher no later than 8:00 p.m. the day preceding their scheduled relief day. Employees who elect to remain available on their relief day will retain their relative standing on the extra board.

- C. Extra employees will be called first in, first out, as registered on the extra board. Employees assigned to an extra board must be qualified to work any assignments protected by the extra board.
- D. Extra employees will be registered to the extra board on the scheduled tie up time of their assignment. Extra employees are not required to register to the extra board upon completion of their assignment. Extra board employees whose train is delayed enroute will register to the extra board based on the arrival time of their train plus the bulletin tie up allocation for their assignment unless otherwise directed by local management. In such cases the extra employee is required to notify crew management immediately upon release.
- E. Except as indicated below, extra employees missing a call for an assignment for which they stand or who mark-off, will remain off the board for a period of eighteen hours, after which, they will be allowed to mark-up for service at the bottom of the extra board.

Exceptions:

- a. In order to satisfy the service requirements, an extra board employee may be used prior to the expiration of the eighteen hour period with the understanding the employee does not have to remain available to protect service under such circumstances.
 - b. Laying off for company compensated business.
 - c. Duly accredited union representatives laying off to perform union business.
- F. Extra employees travelling to their home crew base under pay will not be marked up on the board until released at their relieving point.
- G. Except in emergencies, extra employees will be called at least two hours before the time required to report for duty.
- H. Extra employees will not be called to fill vacancies unless they have sufficient rest to complete the

assignment being called, regardless of their standing on the extra board.

- I. Extra employees sent away from their crew base will not be required to remain there longer than the days assignment for which sent.
- J. Extra employees who are not called in their turn will be paid four hours and will retain their place on the extra board. Employees will be paid four hours for each such runaround.

RULE 12A HOLD DOWN

- A. Only Passenger Conductors and Assistant Passenger Conductors assigned to the extra board to which the vacancy accrues may request a hold down for the vacancy.
- B. For the purpose of this rule vacation vacancies must be for 5 or more days and the successful applicant will hold down the position for the entire duration of the vacancy.
- C. Vacations will be posted at the crew base to which the vacancy accrues. Such will be posted no later than noon on Wednesday preceding the date the vacancy is scheduled to commence. The Local Chairperson will oversee that the carrier posts an accurate list.
- D. The employee will have 24 hours from Friday 12:01 PM to Saturday 12:01 PM to file his or her request. The employee can request more than one vacancy, but the assignments will be based on seniority. An employee who displaces to the extra board after 12:01 PM on Friday can displace a junior employee who is to commence a hold down, but his/her intention must be made no less than 24 hours before the hold down is to commence.
- E. Passenger Conductors and Assistant Passenger Conductors marked-up and available prior to working a hold down, who subsequently mark-up at the end of the tour of duty, on the last working day of the vacancy, will be considered as having protected the guarantee for the applicable period.

- F. An Extra Passenger Conductor or an Extra Assistant Passenger Conductor working a hold down may not be displaced unless the displacing Passenger Conductor or Assistant Passenger Conductor exercising his/her seniority is displacing the regularly assigned Passenger Conductor or Assistant Passenger Conductor on that assignment. At such time, the vacancy will cease to exist, and the Extra Passenger Conductor or an Extra Assistant Passenger Conductor will revert to the extra board without displacement rights.
- G. This provision shall not impede the full displacement rights of any Passenger Conductor or Assistant Passenger Conductor exercising seniority as a result of being in displaced status.
- H. Extra Passenger Conductors or Extra Assistant Passenger Conductors assigned in the application of this rule will be treated as if regularly assigned. Except as previously stated, Extra Passenger Conductors or Extra Assistant Passenger Conductors, as such, will assume all relief days on the assignment being worked and will not be required to protect the extra board on such days. Passenger Conductors and Assistant Passenger Conductors assigned to a hold down may work the relief day(s) of the assignment. However, in order to be considered available and subject to call for such work, the applicable provisions of Rule 49 will govern.
- I. An extra board employee about to start a hold down; for example on a Monday, will not be called for work on Sunday if it appears he or she will not be rested to work the hold down on Monday. If however, the employee is called for work on Sunday and, as a result is not rested to commence the hold down, he or she will be compensated in accordance with Rule 50. He or she will then commence the hold down on Tuesday.
- J. Employees will be allowed to take hold downs of five or more days that result from unforeseen conditions such as long-term illness or injury. In such instances, a notice will be posted in advance of the next upcoming hold down request period (Friday 12:01 pm to Saturday 12:01 pm), appraising of the unexpected duration of the vacancy. The employee who is awarded the vacancy will be required to cover the vacancy for its entire duration, unless bulletined otherwise.

RULE 13 - FILLING CONDUCTOR VACANCIES

- A. Assistant Passenger Conductors used as Passenger Conductors during a portion of their tour of duty will be paid the Passenger Conductor's rate for the entire tour of duty.
- B. A Passenger Conductor vacancy of less than 30 days will be filled on a daily basis in the following order:
 - 1. By the Passenger Conductor's extra board protecting the assignment at the crew base where the assignment reports;
 - 2. By a qualified Passenger Conductor regularly assigned as an Assistant Passenger Conductor on the assignment; if more than one Assistant Passenger Conductor is a qualified Passenger Conductor, the senior will have the option of accepting the Passenger Conductor assignment or of remaining as Assistant Passenger Conductor;
 - 3. By the first out promoted and qualified Assistant Passenger Conductor who is available and assigned to the Assistant Passenger Conductor's extra board at the crew base where the assignment reports;
 - 4. By the senior qualified employee who is marked up on the combined Passenger Conductor/Assistant Passenger Conductor relief day extra board at the crew base where the assignment reports.
 - 5. By the first out promoted and qualified Passenger Conductor who is available and assigned to the Passenger Conductor extra board at the nearest adjacent crew base.
 - 6. By the first out promoted and qualified Assistant Passenger Conductor who is available and assigned to the Assistant Passenger Conductor' extra board at the nearest adjacent crew base.
 - 7. By the senior qualified employee who is marked up on the combined Passenger Conductor/Assistant

Passenger Conductor relief day extra board at the nearest adjacent crew base.

RULE 13A - FILLING ASSISTANT CONDUCTOR VACANCIES

- A. A Passenger Conductor vacancy of less than 30 days will be filled on a daily basis in the following order:
 1. By the Assistant Passenger Conductor's extra board protecting the assignment at the crew base where the assignment reports;
 2. By the Passenger Conductor's extra board protecting the assignment at the crew base where the assignment reports;
 3. By the senior employee who is marked up on the combined Passenger Conductor/Assistant Passenger Conductor relief day extra board at the crew base where the assignment reports.
 4. By the Assistant Passenger Conductor extra board at the nearest adjacent crew base.
 5. By the Passenger Conductor's extra board at the nearest adjacent crew base
 6. By the senior employee who is marked up on the combined Passenger Conductor/Assistant Passenger Conductor relief day extra board at the nearest adjacent crew base.

RULE 14 TRAVEL TIME

Employees called for assignments outside their crew base will be paid travel time as denoted below:

SF <-> SJ 1 Hour

SF <-> Gilroy 1 Hour 45 minutes

SJ <-> Gilroy 45 minutes

- a. Employees so called are required to provide their own transportation. Employees called for assignments outside

their crew base will be paid mileage at the current IRS rate from their crew base to the reporting location.

- b. Call times will be travel time plus standard two hour call.
- c. Extra board employees will be marked to the extra board at the bulletin signoff time of the assignment worked plus above noted travel time.
- d. Travel time will be considered continuous in conjunction with assignment for which called.
- e. It is understood that travel time under this Rule is that time from the employees' crew base to assignment and/or that time returning from assignment to the employees' crew base.

RULE 15 BLANK

RULE 16 - LAYING OFF/REPORTING

- A. Regularly assigned employees laying off due to sickness must notify the appropriate official in sufficient time to call a replacement. Employees who desire to lay off for personal reasons may do so only when such absence is authorized in advance by the proper officer of the Corporation.
- B. A regularly assigned employee who has laid off will mark up for his/her regular assignment not less than four (4) hours in advance of the reporting time.

RULE 17 - CALLS

- A. 1. Employees called, or required to report without being called, and released without having performed service will be paid for actual time held with a minimum of four hours and, in the case of extra employees will remain first out on the extra board; if held over four hours and released without having performed service, they will be paid eight hours and, in the case of extra employees, will be placed at the bottom of the extra board.

2. A regular assigned employee who is displaced from his/her assignment and no attempt was made to notify such employee at least two (2) hours prior to reporting time of his assignment and such employee reports for the assignment without being notified and is not permitted to work, the displaced employee will be allowed the earnings of the assignment from which displaced. In the application of this Rule, an employee may not physically displace onto an assignment less than four (4) hours prior to the reporting time of the assignment.
- B. Employees who are called in an emergency situation after having already performed compensated service on the day involved will be paid for the actual time worked at the time and one-half rate, with a minimum of eight hours.
 - C. If an employee is called on a day on which not scheduled to work the employee will be paid for actual time worked at the time and one-half rate with a minimum of eight hours, provided the employee has worked all the hours of his/her regular assignment since his/her last scheduled relief day.

RULE 18 - CUTOFF ENROUTE

- A. Crews in passenger service will not be released from duty before arriving at their advertised crew base unless it is apparent that the trip cannot be completed under the laws limiting the hours on duty. Employees will be released from duty under this Rule only upon instructions from the proper officer of the Corporation.
- B. Crews released from duty under the law will then deadhead into their crew base and will be paid continuous time at the hourly rate until released at their crew base.

RULE 19 BLANKED

RULE 20 - TRAINING, QUALIFYING AND EXAMINATIONS

- A. Employees will be required to attend training classes and take examinations connected with their duties as Passenger Conductors or Assistant Passenger Conductors. Examinations may be written or oral and include promotion examinations, physical examinations, territorial qualification examinations and service examinations (on the Operating Rules, Safety Rules, ticket and revenue collection or enforcement procedures, air brake and other equipment rules).
- B. Subject to the exceptions listed below, employees required to attend a training class or an examination will be compensated for the time engaged in such training or examination, and travel time under Rule 14, if required to travel from their crew base. If no time is lost, employees will be compensated for the actual time consumed in such training class or examination and travel time if required, with a minimum of eight hours' pay at the rate of the last position worked or the entry rate, if applicable. If required to lose time, employees will be paid the earnings of their assignment or compensation for the actual time consumed in such training class or examination and travel time if required, whichever is greater.

Exceptions:

- 1. Any qualification examinations or familiarization trips necessary in the voluntary exercise of seniority.
- C. Unless otherwise specified by the Corporation, employees will arrange to schedule their own physical examinations.
- D. Employees required to attend training, safety or other classes, take examinations or conduct other company paid business connected with their duties as Passenger Conductors or Assistant Passenger Conductors will be considered to have worked their assignments for starts, overtime, guarantee and vacation qualification purposes.

RULE 21 - ATTENDING COURT OR CORONER'S INQUEST

- A. Regular employees attending court or inquest or giving a deposition or stenographic statement in connection with other legal proceedings as a witness on behalf of the Corporation at the direction of a proper officer of the Corporation, will be paid for the time actually lost on their assignments each day. Necessary expenses, including travel expenses, will be paid when away from home.
- B. An extra employee attending court or inquest, or giving a deposition or stenographic statement in connection with other legal proceedings as a witness on behalf of the Corporation at the direction of a proper officer of the Corporation, will be paid 8 hours pay for each day and placed at the bottom of the extra board upon completion of duties to court or inquest. Necessary expenses, including travel expenses, will be paid when away from home.
- C. Employees attending court or inquest as a witness on behalf of the Corporation or giving a deposition or stenographic statement in connection with other legal proceedings at the direction of a proper officer of the Corporation, when no time is lost, will be paid eight hours for each day at the rate of the last service worked. Necessary expenses, including travel expenses, will be paid when away from home, and extra employees will hold their same relative standing on the crew board.
- E. Witness fees and mileage allowance will be remitted to the Corporation.
- F. Employees attending court or inquest as a witness on behalf of the Corporation or giving a deposition or stenographic statement in connection with other legal proceedings at the direction of a proper officer of the Corporation, will be considered to have worked their assignment for starts, overtime, guarantee and vacation qualification purposes.

RULE 22 - BEREAVEMENT LEAVE

Bereavement leave will be allowed in case of the death of an employee's brother, sister, parent, child, grandparent or grandchild, spouse or spouse's parent not in excess of three calendar days following the date of death. In such cases, eight hours' pay will be allowed for each work day lost during bereavement leave. Employees involved will make provision for taking leave with their supervisor in the usual manner.

Agreed to questions and answers to the National Agreements where applicable are by reference hereto in Appendix A.

RULE 23 - JURY DUTY

When employees are summoned for jury duty and are required to lose time from their assignments they will be paid their lost earnings or basic day if no time lost. From this amount will be deducted the amount allowed for jury service for each such day, except allowances paid by the court for meals, lodging or transportation. These payments are subject to the following requirements and limitations:

1. An employee must furnish the Corporation with a statement from the court of jury allowance paid and the days on which jury duty was performed.
2. The number of days for which jury duty pay will be paid is limited to a maximum of 60 days in any calendar year.
3. No jury duty pay will be allowed for any day the employee is entitled to vacation.

Rule 24 - Time Limit on Claims

- A. A claim for compensation alleged to be due may be made only by a claimant or, on his behalf, by a duly accredited representative. No later than sixty (60) days from the date of the occurrence on which the claim is based, a claimant or his duly accredited representative must submit two (2) time slips alleging the claim to the officer of the Company designated to receive time slips. The representative of the Company who receives the time slips from the claimant or from

his duly accredited representative must acknowledge receipt of the time slips by signing and dating them, and return the duplicate copy to the claimant or his duly accredited representative. If not presented in the manner outlined in this paragraph, a claim will not be entertained or allowed, but improper handling of one (1) claim will not invalidate other claims of a like or similar nature. No monetary claim will be valid, unless the claimant was available, qualified, and entitled to perform the work.

- B. If a claimant is absent because of sickness, temporary disability, leave of absence, vacation or suspension, the sixty (60) day time limit will be extended by the number of days the claimant is absent.
- C. To file a claim, a claimant or his duly accredited representative will be required to furnish sufficient information on the time slip to identify the basis of the claim, such as:
 - 1. Name, occupation, employee number, division.
 - 2. Train symbol or job number or engine number(s).
 - 3. On and off duty time.
 - 4. Date and time of day work performed.
 - 5. Location and details of work performed for which claim is filed.
 - 6. Upon whose orders work was performed.
 - 7. Description of instructions issued to have such work performed.
 - 8. Claim being made, rule if known, and reason supporting claim.

Items normally associated with the service time slip, such as travel time, late lunch, deadheading will be submitted as part of the service time slip.

- D. When a claim for compensation alleged to be due is not allowed, or should payment be made for less than the full amount claimed, the claimant will be informed of the decision and reasons for it, in writing, within sixty (60) days from the date that claim is received. When the Claimant is not so notified, the claim will be allowed, but such payment will not validate any other such claims, nor will such payment establish any precedent.

1. Passenger Conductors and Assistant Conductors will furnish all information required on time slips so that the proper identification of payments can be made.
 2. An itemized statement of the employee's daily earnings for each pay period will be furnished with the employee's pay draft. A brochure type pamphlet containing applicable codes will be provided each employee to enable him to determine what payments were made for each date.
 3. The requirement set forth in paragraph (d) of Rule 24 for initial denial of monetary claims for compensation alleged to be due will be satisfied when a monetary claim is identified and disallowed on an itemized statement of earnings form issued within the time limit specified in Rule 24. If an employee feels he has been improperly paid on the itemized statement of daily earnings form, he will submit his claim or grievance to the duly accredited representative for appeal handling in accordance with paragraph (e) of Rule 24.
 4. The itemized statement of daily earnings form will serve as notification of payment of claims and no further notification will be required.
 5. Employees should use the itemized statement of daily earnings as the basis of reporting any overpayment.
- E. A claim for compensation, properly submitted, which has been denied, will be considered closed unless the duly accredited representative, within sixty (60) days from the date of denial, lists the claim appeals the denial in writing for discussion with the designated TASI management representative, setting forth the facts upon which the appeal is based and the Organization's position. In said appeal, duly accredited representative shall either request discussion of the claim or waive discussion and request a written response. If the duly accredited representative waives discussion and requests a written response, the TASI management representative

will provide the response, setting forth, if the appeal is denied, the facts upon which the appeal is denied and the Company's position, within sixty (60) days from the date of the appeal. If discussion is requested, the management representative will schedule and hold the discussion within sixty (60) days from the date of the appeal. When a claim for compensation is denied following such discussion, the management representative will notify the duly accredited representative in writing within sixty (60) days from the date of such discussion, setting forth the facts upon which the appeal is denied and the Company's position. When the duly accredited representative is not so notified as required by this paragraph, the claim will be allowed as presented, but such payment will not validate any other such claim nor will such payment establish any precedent.

F-H. Intentionally Left Blank

- I. The decision of the highest TASI management representative designed to handle claims will be final and binding unless, within six (6) months after the date of that decision, the TASI Vice President of Operations is notified in writing that said decision is not accepted. In the event of such notification, the claim will become invalid unless, within one (1) year from the date of the Company's decision, the claims are disposed of on the property or submitted to a tribunal having jurisdiction pursuant to law or agreement, unless the parties mutually agree to other proceedings for final disposition of said claims.
- J. The time limit provisions in this Rule may be extended at any level of handling in any particular case by mutual consent of the duly authorized officer of the Company Corporation or and the duly accredited representative of the Organization.
- K. The time limits set forth herein do not apply in discipline cases.

RULE 25 - DISCIPLINE AND INVESTIGATION

- A. Except as provided in paragraph "c," no Passenger Conductor or Assistant Conductor will be reprimanded, disciplined, suspended or dismissed from the service until a fair and impartial formal investigation has been conducted by an authorized TASI officer.

- B.
 1. Except when a serious act or occurrence is involved, a Passenger Conductor or Assistant Conductor will not be held out of service in disciplinary matters before a formal investigation is conducted. A serious act or occurrence is defined as: Rule "G", Insubordination, Extreme Negligence, and Stealing.

 2. If a Passenger Conductor or Assistant Conductor is held out of service before a formal investigation for other than a serious act or occurrence, he will be paid for what he would have earned on his assignment had he not been held out of service beginning with the day he is taken out of service and ending with the date the decision is rendered or he is returned to service, whichever is later, excluding the day of the formal investigation, whether or not he is disciplined. Holding a Passenger Conductor or Assistant Conductor out of service before a formal investigation or paying him for being out of service for less than a serious act or occurrence is not prejudging him.

 3.
 - a. An employee who is required to make a statement prior to the trial in connection with any matter, which may eventuate in the application of discipline to any employee, may if he/she desires to be represented, be accompanied by a duly accredited representative. An employee will be allowed a maximum of 12 hours to make said statement. A copy of his/her statement, if reduced to writing and signed by him/her, will be furnished to him by the Corporation upon his request and to the duly accredited representative when requested. Only one such statement may be required.

 - b. Employees who are required to attend investigation immediately after having finished work, or just prior to reporting for work and who

do not thereby lose time on their assignments or extra boards, will be allowed continuous time at their regular hourly rate, including overtime rates when applicable, for the time spent in attending the trial, unless they are found guilty of the offense involved.

c. If an employee is required to lose time in order to make such statement and is not assessed discipline in connection with the incident involved, he/she will be paid the greater of the amount actually earned on the date(s) of such statement and the amount he/she would have earned had he/she not been required to make the statement.

d. If required to attend investigation at other than the times mentioned in paragraph "2" hereof, and without losing time thereby on their assignments or extra boards, they will be compensated for time spent with a minimum of eight (8) hours at a rate of the last service performed for the time spent attending investigation, unless they are found guilty of the offense involved.

e. No payment except such as may be required under paragraph "1," "2," or "3" of this Rule will be made to employees for any traveling necessary for attendance at a trial except witnesses not under charge if required to attend a trial at other than their bulletin on and off duty location will be compensated travel time in accordance with Rule 14.

f. Except when held off duty because of a major offense, extra employees required to attend investigation will retain their relative standing on the extra board.

g. This Rule will apply to employees required to attend trial and also to employees required to attend investigation or trial as witnesses.

h. Employees required to attend trials and are compensated will be considered to have worked their assignment for starts, overtime, guarantee and vacation qualification purposes.

i. It is understood that employees required to attend trials will be considered as performing comingled service pursuant to Federal Hours of Service.

C. Formal investigations, except those involving a serious act or occurrence, may be dispensed with

should the Passenger Conductor or Assistant Conductor involved and/or the duly accredited representative and an authorized officer of the Company, through informal handling, be able to resolve the matter to their mutual interests. Requests for informal handling must be made at least 24 hours before a formal investigation is scheduled to begin. No formal transcript, statement, or recording will be taken at the informal handling. When a case is handled informally and the matter of responsibility and discipline to be assessed, if any, is resolved, no formal investigation will be required. A written notice of the discipline assessed and the reason therefore will be issued to the Passenger Conductor or Assistant Conductor responsible, with a copy to the duly accredited representative if he participated in the informal handling, at the conclusion of the informal handling. Discipline matters resolved in accordance with this paragraph are final and binding.

- D. 1. A Passenger Conductor or Assistant Conductor directed to attend a formal investigation to determine his responsibility, if any, in connection with an act or occurrence will be notified in writing within seven days from the date of the act or occurrence or in cases involving stealing or criminal offense within seven days from the date the Company becomes aware of such act or occurrence. The notice will contain:
 - a. The time, date and location where the formal investigation will be held.
 - b. The date, approximate time and the location of the act or occurrence.
 - c. A description of the act or occurrence which is the subject of the investigation and rules which may be involved.
 - d. A statement that he may be represented by his duly accredited representative.
 - e. The identity of witnesses directed by TASI to attend.
2. When a letter of complaint against a Passenger Conductor or Assistant Conductor is the basis for requiring him to attend the formal investigation, the Passenger Conductor or Assistant Conductor will be furnished a copy of the written complaint together with the written notice for him to attend the investigation.

- E. 1. The investigation must be scheduled to begin within seven days from the date the Passenger Conductor or Assistant Conductor received notice of the investigation. Furthermore, provided timely written application is made to TASI by the duly accredited representative, the Organization will have the right of discovery to all documents, with a sufficient time for review, that the Company intends to enter into evidence for the purpose of proving the charge(s) alleged.
2. A Passenger Conductor or Assistant Conductor who may be subject to discipline will have the right to have present desired witnesses who have knowledge of the act or occurrence, to present testimony, and TASI will order employee witnesses to be in attendance.
3. The time limit is subject to the availability of the principal(s) involved and witness(es) to attend the formal investigation and may, by written notice to the Passenger Conductor or Assistant Conductor involved, be extended by the equivalent amount of time the principal(s) involved or necessary witness(es) are off duty due to sickness, temporary disability, discipline, leave of absence or vacation.

When a Passenger Conductor or Assistant Conductor is being held out of service for a serious act or occurrence pending the investigation and other principal(s) or witness(es) are not available for the reasons cited, he may request commencement of the investigation. If either the Passenger Conductor or Assistant Conductor or the TASI officer is of the opinion that the testimony of the unavailable principal(s) or witness(es) is necessary for the final determination of the facts and discipline has been assessed against the Passenger Conductor or Assistant Conductor as a result of the investigation, such discipline will be reviewed when the testimony of the missing principal(s) or witness(es) is available.

4. When a formal investigation is not scheduled to begin within the time limit as set forth in this

Rule, no discipline will be assessed against the Passenger Conductor or Assistant Conductor.

5. A Passenger Conductor or Assistant Conductor who may be subject to discipline and his duly accredited representative will have the right to be present during the entire investigation. Witnesses appearing at the request of the Corporation at a trial will be called upon prior to the employee subject to discipline and those witnesses testifying on his/her behalf. The employee charged will not be required to give testimony. All witnesses will be required to be present at the trial and will be examined separately.
- F. When a Passenger Conductor or Assistant Conductor is assessed discipline, a true copy of the investigation record will be given to the Passenger Conductor or Assistant Conductor and to his duly accredited representative with the notice of discipline.
- G. 1. If discipline is to be imposed following a formal investigation, the Passenger Conductor or Assistant Conductor to be disciplined will be given a written notice of the decision within 10 days of the date the formal investigation is completed, and at least 15 days prior to the date on which the discipline is to become effective, except that in cases involving serious acts or occurrences, discipline may be effective at any time.
2. When a Passenger Conductor or Assistant Conductor is required to perform service during a period of suspension, the balance of said suspension will be eliminated.
- H. 1. When a Passenger Conductor or Assistant Conductor or his duly accredited representative considers the discipline imposed unjust and has appealed the case in writing to management's representative having jurisdiction within 15 days of the date the Passenger Conductor or Assistant Conductor is notified of the discipline, the Passenger Conductor or Assistant Conductor will be given an appeal hearing.

Dismissal cases involving claims for time lost will be handled in accordance with the provisions of paragraph "K".

2. The hearing on an appeal, if requested, will be granted within 15 days of management's representative receipt of the request for an appeal hearing.
 3. Except when discipline assessed is dismissal, or when a Passenger Conductor or Assistant Conductor has been held out of service under paragraph "b" and assessed discipline, this appeal will act as a stay in imposing the discipline until after the Passenger Conductor or Assistant Conductor has been given an appeal hearing.
 4. At appeal hearings, a Passenger Conductor or Assistant Conductor may, if he desires to be represented at such hearings, be accompanied by his duly accredited representative.
 5. The management representative having jurisdiction will advise the Passenger Conductor or Assistant Conductor of the decision, in writing at the conclusion of the appeal hearing, with a copy to the duly accredited representative. If the decision is to the effect that the discipline will be imposed, either in whole or for a reduced period, the stay referred to in paragraph "h 3" will be lifted, and the discipline will be effective on the day following the day of the appeal hearing.
- I. If a decision rendered by the management representative is to be appealed, the General Chairman must, within 60 days after the date the decision is rendered by the management representative, make an appeal in writing to the Vice President of Operations, the highest appeals officer of TASI, requesting either that he be given a written response or that the case be held in abeyance pending discussion in conference with the highest appeals officer of the Company. When a written response is requested, the TASI Vice President of Operations will give written notification of his decision to the General Chairman within 60 days

after the date of his receipt of the appeal. When a request is made for the case to be held in abeyance pending discussion in conference, the conference will be arranged within 60 days after the highest officer of TASI receives the request for a conference. The highest appeals officer of TASI will give written notification of his decision to the General Chairman within 60 days after the date of the conference.

- J. The decision of the highest appeals officer of TASI will be final and binding unless, within 60 days after the date of the written decision, that officer is notified in writing that his decision is not accepted. In the event of such notification, the decision on a case involving other than dismissal is still final and binding, unless the case is submitted to a tribunal having jurisdiction pursuant to law within one year computed from the date the decision was rendered.

K. Expedited Procedure for Handling Dismissal Cases

- 1. When a Passenger Conductor or Assistant Conductor is dismissed, his case may be given expedited handling by his General Chairman to a Special Board of Adjustment, which will convene in **San Francisco, CA**, and will be composed of three members:
 - a. A representative of the United Transportation Union.
 - b. The TASI Vice President of Operations or the designated representative.
 - c. A neutral member selected by the parties.

In the event the parties are unable to agree upon a neutral member, they will request the National Mediation Board to appoint a neutral. Such Special Board will be established pursuant to Public Law 89-456 89th Congress, H. R. 706 June 20, 1966, within 30 days of the effective date of this Agreement.

- 2. Before invoking the services of the Special Board of Adjustment, the General Chairman must, within 30 days after the date of a notice of dismissal, appeal the case in writing directly to the highest appeals officer of the Company.

3. In the written appeal, the General Chairman should either request a conference or waive the conference and request a written decision. When a conference is requested, a meeting date will be arranged as promptly as possible but not later than 30 days after the highest appeals officer of TASI receives the request. The highest appeals officer will render a decision in writing to the General Chairman as promptly as possible, but no later than 15 days after the date the case is discussed in conference. When a written decision is requested, the highest appeals officer of TASI will render a decision in writing to the General Chairman as promptly as possible, but not later than 30 days after the date the appeal is received.

4. The decision of the highest appeals officer of TASI will be final and binding unless, within 30 days after the date the General Chairman receives the decision, the General Chairman notifies the highest appeals officer of the Company in writing of his desire to submit the case to the Special board of Adjustment.

After the highest appeals officer of TASI receives such notification, the Board will be convened as promptly as possible. The Board will render a final and binding decision as promptly as possible.

5. Claim for time lost will be waived in any dismissal case which the Organization does not progress under the Expedited Procedure for Handling Dismissal Cases. This will not preclude the Organization from progressing such a case to a tribunal having jurisdiction pursuant to law without regard to any time limits in this Rule. The progression of such a case will not be considered a request for leniency.

a. 1) Time limits provided for in this Rule may be extended or waived by agreement in writing between the applicable officer of TASI and the Passenger Conductor or Assistant Conductor's

General Chairman or duly accredited representative.

- 2) If discipline assessed is not appealed within the time limits set forth in this Rule or as extended, the decision will be considered final, except as provided in paragraph "k5". If the decision on the appeal is not rendered within the time limits set forth in this Rule or as extended, the discipline assessed will be expunged.

- M. When notification in writing is required, personal delivery or proof of mailing within the specific time limit will be considered proper notification.

RULE 26 - LEAVE OF ABSENCE

- A. Employees will be allowed up to 30 days off duty upon receipt of permission, in writing, from the proper official of the Corporation. Employees must request in writing a leave of absence when they are to be off duty for more than 30 consecutive days.
- B. A written leave of absence without impairment of seniority will be granted upon request to an employee for the following reasons:
 1. To accept an official position with the Corporation, another railroad company or related national railroad agencies.
 2. To perform union committee work or to accept full-time union position.
 3. To accept an elective or appointive public office for which a competitive examination is not required.
 4. To accept an appointive public office for which a competitive examination is required if such public office is related to railroad work.
 5. To accept a position as a Train Dispatcher.

- C. An employee granted a leave of absence in accordance with paragraph "B1" or "B2" will be granted that leave of absence for the duration of the assignment.
- D. Upon request, an employee will be granted a written leave of absence to perform military service in accordance with current applicable reemployment statutes.
- E. A request for a leave of absence for reasons other than those outlined in paragraphs "B" and "D" will be considered only when the requirements of the service permit. If a request for a leave of absence is denied, the General Chairman will, upon request, be advised the reason for denial.
- F. A request for a leave of absence or for an extension must be made in writing to the highest appeals officer of the Corporation, with a copy to the General Chairman.
- G. Except as set forth in paragraphs "C" and "D", no leave of absence or extension thereof will exceed one year.
- H. An employee who fails to report for duty within 15 days after the expiration of an authorized leave of absence or an extension thereof or fails to furnish satisfactory reason for not doing so will have his seniority terminated and record closed. An employee whose seniority has been terminated may, through his General Chairman, appeal such termination to the highest appeals officer within 30 days of the notice of termination.
- I. An employee granted a leave of absence under paragraph "B1" or "B2" will be required to return to duty in the craft within 60 days after being relieved of his assignment, or he will be subject to conditions set forth in paragraph "".
- J. An employee who absents himself without a written authorized leave of absence as provided in this Rule will have his seniority terminated.
- K. A leave of absence is not required when an employee is unable to perform service for the Corporation due to a bona fide sickness or injury.

- L. An employee absent in accordance with paragraph "A" who engages in other employment will forfeit all of his seniority under this Agreement.

RULE 27 BLANK

RULE 28 - APPROVAL OF APPLICATION

- A. Applications of new employees will be approved or disapproved within 90 calendar days after completing initial classroom training. If applications are not disapproved within the 90-day period, the applications will be considered as having been approved. The Corporation will return all documents furnished by applicants, if requested within 90 calendar days from the date of employment.
- B. In the event it is discovered within the first year of employment that applicants gave materially false information, the 90-day time limit will not apply, and the employee may be terminated without an investigation. If such information is discovered after the first year of employment, the employee will be entitled to a hearing under Rule 25 of these work rules. Giving materially false information on applications will be grounds for termination.

RULE 29 - PHYSICAL REEXAMINATION

- A. Employees will be subject to periodic medical examination in accordance with Corporation policy.
- B. When it is obvious that an employee is medically (physically or mentally) impaired in a way that affects his service, the Corporation may hold that employee out of service pending the outcome of a medical examination. Employees held out of service by the Corporation because they are medically unable to perform service may have an examination by a doctor of their own choosing without expense to the Corporation. In case of disagreement on the employee's fitness to work, the two doctors will select a third doctor, who is a specialist in the medical area involved, and the decision of the majority of the three as to the employee's fitness will be final.

The expense of the third doctor will be shared equally by the parties. If it is determined that the employee's condition does not warrant being held out of service, such employee will be returned to service, and if it is determined that the employee was medically fit to perform service at the time he was held out of service, the employee will be paid for all time lost.

- C. An employee who has accepted medical disqualification or who was found to be properly disqualified by a neutral physician may, if there has been a change in his medical condition as evidenced by a report of his personal physician, request a reexamination. There will be no claim for time lost in such case, unless the Corporation refused to grant the reexamination or there is unreasonable delay in applying the terms of this paragraph.
- D. Where an indoor test discloses a deficiency of vision, color perception or hearing, the employee will, on request, be granted a field test, the result of which will determine his physical qualification for service. In case of a failure to pass a vision test when examined without corrective lenses, the employee will be given the opportunity for a reexamination with corrective lenses.

RULE 30 - LOCKER FACILITIES

Locker, toilet, and lavatory facilities will be provided at crew bases where employees go on and off duty.

RULE 31 - UNIFORMS

- A. The Corporation shall prescribe the uniform, accessories, badges and insignia to be worn by Conductors and Trainmen at all times when on duty in Peninsula Commuter Service (PCS) passenger service. Specifications for said uniforms shall be subject to change from time to time as required by the Corporation. Initially, uniforms will consist of navy blue pants with light blue button down collar shirts which can be long or short sleeve at the employee's preference, and will include a medium weight windbreaker for optional wear. A tie will not be required. If specifications are changed

and a new uniform is required, it will be the responsibility of the Corporation to provide new uniforms at no cost to the employee. All uniforms shall be purchased only through the Corporation.

- B. 1. Conductors and Trainmen will receive thirteen (13) uniform sets when commencing employment with the corporation. Employees will receive up to three (3) replacement uniform sets every calendar year at no cost to the employee.
- 2. The cost of all subsequent replacement uniforms in excess of the thirteen (13) initially and the three (3) replacement per year will be shared equally (50-50) by the Corporation and the employee.
- C. The Corporation will supply, free of charge, badges, buttons and such other insignia as they may required to be worn upon such uniforms. Conductors and Trainmen will be responsible for the safekeeping of such items and when a new uniform is purchased they will transfer usable badges, buttons and insignia from the old uniform to the new uniform.
- D. 1. The Corporation will be responsible for the expense of cleaning and will provide a weekly pick up and drop off service on a designated day. Employees will wear the prescribed uniform while on duty in PCS passenger service.
- 2. Uniform or parts thereof will not be worn while off duty but may be worn while enroute to or from assignments.

RULE 32 - VACATION

- A. An employee who renders service amounting to 100 days of compensated service in a calendar year will qualify for a vacation in the next calendar year.

<u>Years of Continuous Service</u>	<u>Weeks of vacation</u>
Less than 2 years	1
2 to 7 years	2
8 to 16 years	3
17 to 24 years	4

25 to 29 years	5
30 or more years	6

- B. Employees will be entitled to the increased vacation allotment in their anniversary year.
- C. Employees with prior railroad service shall have such service included in years of continuous service when calculating the vacation entitlement set forth in Section A, above.
- D. Employees who transferred to train service (without a break in railroad service) from a class of service not covered by the operating crafts vacation agreement dated, April 29, 1949, shall be entitled to count both continuous length of service rendered for the carrier and the "qualifying days" of service rendered in such former craft for purposes of determining vacation entitlements in the craft of Train Service
- E. Compensated days and years of service currently recognized by Amtrak shall be used in determining eligibility for vacation entitlements for Amtrak employees who accept a position with TASI pursuant to this Agreement. Amtrak, or other Railroad, employees subsequently hired for this service with continuous service with Amtrak, or other Railroad, will be eligible for vacation and entitlements based upon such continuous service.
- F. A passenger Conductor or Assistant Passenger Conductor receiving a vacation, or pay in lieu thereof, shall be paid for each week of vacation $\frac{1}{52}$ of the compensation earned by such Passenger Conductor or Assistant Passenger Conductor while engaged in train or engine service for the Company during the calendar year preceding the year in which the vacation is taken, but in no event, shall such payment be less than five (5) eight hour days at the Passenger Conductor rate if working as such at the time the vacation is taken or at the Assistant Passenger Conductor rate if working as such at the time the vacation is taken. Employees taking a single day vacation will be paid $\frac{1}{5}$ of the $\frac{1}{52}$.
- G. Employees absent for work to perform military service will continue to accrue years of service for vacation

qualification as provided in the federal Uniformed Services Employment and Reemployment Rights Act.

- H. Time off on account of vacation will not be considered as time off account employee's own accord under any guarantee rules and will not be considered as breaking such guarantees. The absence of an employee on vacation with pay, as provided in this agreement, will not be considered a vacancy, temporary or otherwise, in applying the bulletin rules of Rule 7 of this agreement.
- I. Vacation must be taken in increments of calendar weeks. Employees may take up to two weeks (10 days) vacation in single days. Except for single day vacations and vacations beginning on January 1 or ending on December 31 all vacations will begin on Monday and end on Sunday. Employees may not mark up from their assigned vacations until the end of their assigned vacation.
- J. Except for single day vacations employees must apply for vacation scheduling on or before December 1 for the following calendar year. If an employee chooses to hold one or two weeks in abeyance for use as single days that request must be noted in their vacation application due December 1.
- K. Single day vacation requests must be made a minimum of 48 hours prior to the requested vacation date. The requested vacation date will be allowed by carrier consistent with the requirements of the service, on a first come first served basis. In application of the single day vacation rule the employee may take a period of two (2), three (3), or four (4) days.
- L. Due regard, consistent with requirements of the service, shall be given to the preference of the employees in seniority order when granting vacations. Representatives of TASI and of the employees will cooperate in arranging vacation periods, administering vacations and releasing employees when requirements of the service permit.

RULE 33 - HEALTH AND WELFARE BENEFITS

The Health and Welfare plan agreed to by the parties as referenced in the Implementation Agreement will be inserted here as Rule 33.

RULE 34 - UNION SHOP

- A. All employees of the Corporation subject to this Agreement will, as a condition of their continued employment, become members of the United Transportation Union within sixty (60) calendar days of the date they first perform compensated service and will maintain membership in good standing while subject to this Agreement; provided, however, that the foregoing requirement for membership in the United Transportation Union will not be applicable to:
1. Employees to whom membership is not available upon the same terms and conditions as are generally applicable to any other member, or
 2. Employees to whom membership has been denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the United Transportation Union, or
 3. Employees covered by this Agreement who maintain membership in any one of the other labor organizations, national in scope, organized in accordance with the Railway Labor Act and admitting to membership employees of a craft or class in engine, train, yard or hostling service; provided, that nothing contained in this Rule will prevent an employee from changing membership from one organization to another organization admitted to membership employees of a craft or class in any of said services.
- B. Employees who retain seniority under this Agreement who are assigned or transferred for a period of thirty (30) calendar days or more to employment not covered by this Agreement, or who are on leave of absence for a period of thirty (30) calendar days or more, will not be required to maintain membership as provided in paragraph "a" of this Rule so long as they remain in such other employment, or on such leave of absence, but they may do

so at their option. If and when such employees return to any service covered by this Agreement, they will, as a condition of their continued employment, comply with the provisions of paragraph "a" of this Rule within thirty (30) calendar days of such return to service.

- C. An employee whose membership in the United Transportation Union is terminated while on furlough due to reduction in force, or while off duty on account of sickness or injury for a period of thirty (30) calendar days or more, and who is required to maintain membership under the provisions of paragraph "a" of this Rule, will be granted upon his return to service in any of the crafts or classes represented by the United Transportation Union a period of thirty (30) calendar days within which to become a member of the United Transportation Union.

- D. Every employee required by the provisions of this Rule to become and remain a member of a labor organization will be considered by the Corporation to be either a member of the United Transportation Union or to be a member of any of the other labor organizations referred to in paragraph "a", unless the Corporation is advised to the contrary in writing by the United Transportation Union. The United Transportation Union will be responsible for initiating action to enforce the terms of this Rule.

- E.
 - 1. The General Chairman will, between the fifteenth day and the last day of any calendar month, furnish to the Regional Manager Labor Relations involved, in writing and in duplicate, the name and roster number of each employee whose seniority and employment the United Transportation Union requests be terminated by reason of failure to comply with the membership requirements of this Rule.

 - 2. In the event that the Regional Manager Labor Relations wishes to dispute the correctness of the United Transportation Union's position, he will so notify the General Chairman within ten (10) calendar days of receipt of the notice from the latter, stating the reasons therefore. If no such exception is taken by the Regional Manager Labor Relations or if the General Chairman does not withdraw the notice within ten (10) calendar days

from the date of the Regional Manager's notice of exception, the Regional Manager Labor Relations will transmit to the employee at his last known address through registered United States mail with return receipt requested, the original of the General Chairman's notice, accompanied by an explanatory letter.

3. Within ten (10) calendar days from the date of the Regional Manager Labor Relations' mailing notice to the employee, as provided in paragraph "E", the said employee's seniority and employment in the crafts or classes represented by the United Transportation Union will be terminated, unless the notice is withdrawn by the United Transportation Union in the interim, or unless a proceeding under the provisions of paragraph "G" of this Rule is instituted.

F. The provisions of this Agreement pertaining to investigations, trials and appeals are inapplicable to the termination of seniority and employment provided for in this Rule.

- G. 1. For the sole purpose of handling and disposing of disputes arising under this Rule, a System Board of Adjustment is hereby established, in accordance with Section 3, Second, of the Railway Labor Act, as amended, which will consist of four members, two to be appointed by the Corporation and two by the United Transportation Union.

2. An employee notified in accordance with the provisions of paragraph "E" that he has failed to comply with the membership requirements of this Rule and who wishes to dispute the fact of such failure will, if he submits request to the Secretary of the System Board of Adjustment within a period of ten (10) calendar days from the date of mailing of such notice, be given a hearing. The Secretary of the Board will notify the employee in writing the time and place at which such hearing will be held. The hearing will be confined exclusively to the question of the employee's compliance with the provisions of this Rule. The employee will be required at this hearing to

furnish substantial proof of his compliance with the provisions of this Rule.

3. The decision of the System Board of Adjustment will be by majority vote and will be final and binding.
 4. In the event the System Board of Adjustment is unable to reach a decision, the matter will be submitted to a neutral arbitrator to be selected by the National Mediation Board, whose decision as to whether or not the employee has complied with the provisions of this Rule will be final and binding.
 5. Receipt by the Secretary of the Board of notice from an employee that he wishes to dispute the charge that he has failed to comply with the membership requirements of this Rule will operate to stay action on the termination of his seniority and employment pending final decision and for a period of ten (10) calendar days thereafter.
 6. The fee and expenses of the neutral arbitrator, which will be limited to the amount regularly established by the National Mediation Board for such service, will be borne equally by the Corporation and the United Transportation Union.
- H. 1. No provision of this Rule will be used as a basis for a grievance or time or money claim against the Corporation, nor will any provision of any other agreement between the Corporation and the United Transportation Union be relied upon in support of any claim that may arise as the result of the operation of this Rule.
2. In the event that seniority and employment in the crafts or classes covered by this Rule are terminated under the provisions of this Rule, and such termination of seniority and employment is subsequently determined to be improper, the employee whose seniority and employment was so terminated will be returned to service in said crafts or classes without impairment of seniority rights. In the event an employee brings an action for allegedly wrongful discharge, the United Transportation Union and the Corporation will share equally any liability imposed in favor of such

employee, except in a case where the Railway Labor Act, as amended, and this Rule under it are held by a court of competent jurisdiction to be illegal or unconstitutional or in violation of State Statutes; or where the Corporation is the plaintiff or moving party in any action; or where the Corporation acts in collusion or collaboration with an employee seeking damages, resulting from termination of his seniority and employment.

RULE 35 - DUES DEDUCTION

- A. The Corporation will withhold and deduct from wages due employees represented by the United Transportation Union amounts equal to periodic dues, assessments and insurance premiums (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the United Transportation Union.
- B. No such deduction will be made except from the wages of an employee who has executed and furnished to the Corporation a written assignment of such periodic dues, assessments and insurance premiums. Such assignment will be on the form specified in Attachment "1" to this Rule and will, in accordance with its terms, be irrevocable for one year from the date of its execution, or upon the termination of this Agreement, whichever occurs sooner.
- C. Deductions as provided for herein will be made by the Corporation in accordance with a typewritten deduction list furnished by the Treasurer of each Local of the United Transportation Union. Such list will be furnished to the Director, Payroll Operations, of the Corporation, separately for each Local, on or before the 20th day of the month preceding the month in which the deductions listed thereon are to become effective, and will be in the form and will contain such information as are specified in Attachment "2" to this Rule. Thereafter, a list containing any additions or deletions of names, or changes in amount, will be so furnished to the Corporation on or before the 20th day preceding the month in which the deduction will be made.
- D. Deductions as provided in this Rule will be made monthly by the Corporation from wages due employees for the

first complete pay period in each calendar month and the Corporation will pay, by draft, to the order of the General Secretary and Treasurer of the United Transportation Union, the total amount of such deductions, less sums withheld in accordance with Paragraph "g" hereof, on or before the 28th day of the month in which such deductions are made. With said draft, the Corporation will forward to the said General Secretary and Treasurer of the United Transportation Union a list setting forth the deductions made and containing a computation of the sum withheld.

- E. No deduction will be made from the wages of any employee who does not have due to him for the pay period specified an amount equal to the sum to be deducted in accordance with this Rule, after all deductions for the following purposes have been made:

1. Federal, State, and Municipal Taxes;
2. Other deductions required by law, such as garnishment and attachment;
3. Amounts due Corporation.

- F. Responsibility of the Corporation under this Rule will be limited to remitting to the United Transportation Union amounts actually deducted from the wages of employees pursuant to this Rule, and the Corporation will not be responsible financially or otherwise for failure to make proper deductions. Any question arising as to the correctness of the amount deducted will be handled between the employee involved and the United Transportation Union, and any complaints against the Corporation in connection therewith will be handled by the United Transportation Union on behalf of the employee concerned.

- G. An employee who has executed and furnished to the Corporation an assignment may revoke said assignment by executing the revocation form specified herein within fifteen (15) days after the end of the year, but if the employee does not so revoke the assignment, it will be considered as re-executed and may not be revoked for an additional period of one year, unless within such year this Rule is terminated, and the re-executed assignment will similarly continue in full force and effect and be

considered as re-executed from year to year, unless and until the employee will execute a revocation form within fifteen (15) days after the end of any such year. Revocations of assignment will be in writing and on the form specified in Attachment "3" to this Rule, and both the assignment and revocation of assignment forms will be reproduced and furnish as necessary by the United Transportation Union without cost to the Corporation. The United Transportation Union will assume the full responsibility for the procurement of the execution of said forms by employees, and for the delivery of said forms to the Corporation. Assignment and revocation of assignment forms will be delivered with the deduction list herein provided for to the Corporation not later than the 20th of the month preceding the month in which the deduction or the termination of the deduction is to become effective.

- H. No part of this Rule 35 will be used in any manner whatsoever, either directly or indirectly, as a basis for a grievance or time claim by or in behalf of any employee; and no part of this or any other agreement between the Corporation and the United Transportation Union will be used as a basis for a grievance or time claim by or in behalf of any employee predicated upon any alleged violation of, or misapplication or noncompliance with, any part of this Rule.
- I. The United Transportation Union will indemnify, defend and save harmless the Corporation from any and all claims, demands, liability, losses or damage resulting from the entering into or complying with the provisions of this Rule.

ATTACHMENT "1"

WAGE DEDUCTION AUTHORIZATION
TRANSITAMERICA SERVICES INC
AND
UNITED TRANSPORTATION UNION

____ EMPLOYEE IDENTIFICATION NO.

EMPLOYEE'S LAST NAME: FIRST NAME: MIDDLE INITIAL:

(PRINT)

EMPLOYEE'S HOME ADDRESS:

STREET AND NUMBER: TOWN: STATE:

DIRECTOR PAYROLL OPERATIONS
TRANSIT AMERICA SERVICES INC.

I hereby assign to the United Transportation Union that part of my wages necessary to pay periodic dues, assessments and insurance premiums (not including fines and penalties) as reported to the corporation by the Treasurer of the Local Lodge of the United Transportation Union in a monthly deduction list certified by him as provided in the Deduction Agreement, entered into by the Corporation and the United Transportation Union; and I authorize the Corporation to deduct such from my wages and pay it over to the Treasurer of the Local Lodge of the United Transportation Union in accordance with the Deduction Agreement.

DATE: _____ SIGNATURE: _____ LOCAL NO. 1732

ATTACHMENT "2"

DEDUCTION LIST

DIRECTOR PAYROLL OPERATIONS
TRANSITAMERICA SERVICES INC:

Please deduct monthly the amount shown opposite the name of each employee listed beginning with the first complete payroll period of _____, 20_____. If you have been previously advised to make deduction from the employee listed, the amount shown will be a correction in the amount to be deducted.

Sheet _____ of _____ Sheets.

EMPLOYEE IDENTIFICATION NUMBER	EMPLOYEE'S NAME	AMOUNT TO BE DEDUCTED	REMARKS
LINE			
1			
2			
3			
Etc.			

TOTALS

(NAMES TO BE LISTED IN
IDENTIFICATION NUMBER ORDER)

Signature)

(Title) Local 1732

(Address)

SUMMARY TOTALS:

Sheet No. 1: _____
Sheet No. 2: _____

Total of _____ Sheets _____

ATTACHMENT "3"

WAGE ASSIGNMENT REVOCATION
TRANSITAMERICA SERVICES INC
AND
UNITED TRANSPORTATION UNION

_____ EMPLOYEE IDENTIFICATION NO.

EMPLOYEE'S LAST NAME: FIRST NAME: MIDDLE INITIAL:

(PRINT)

EMPLOYEE'S HOME ADDRESS:

STREET AND NUMBER: TOWN: STATE:

DIRECTOR PAYROLL OPERATIONS
TRANSIT AMERICA SERVICES INC.

Effective in the next calendar month, I hereby revoke the Wage Assignment Authorization now in effect assigning to the United Transportation Union that part of my wages necessary to pay my periodic dues, assessments and insurance premiums (not including fines and penalties), and I hereby cancel the Authorization.

DATE: _____ SIGNATURE: _____ LOCAL NO. 1732

RULE 36 - MEAL PERIOD

- A. Employees working in switching, pin up, utility and classification service will be allowed 20 minutes for lunch without deduction in pay. The lunch period must be given and completed within four and one-half and six hours after starting work. In the event conditions do not allow the lunch period to be taken between four and one-half and six hours after starting work, the employees will be paid an additional 20-minutes at the straight-time rate and will be allowed a 20-minute lunch period as soon as conditions permit.
- B. Employees in work, wire, wreck, construction and snow plow service will be given a reasonable time to eat during their trip or tour of duty.

RULE 37 BLANKED

RULE 38 - SELF-PROPELLED MACHINES

- A. The following will govern the manning by employees of self-propelled vehicles or machines used in maintenance, repair, construction or inspection work:
 - 1. A Passenger Conductor will be employed on on-rail self-propelled vehicles or machines when operating in main line territory, provided such machines are equipped with a drawbar and are operating under train orders.

NOTE 1: Self-propelled machines for the purpose of this Rule means such equipment operated on rails.

NOTE 2: Drawbar means a device capable of being used in moving standard freight cars.

NOTE 3: "Train orders" is used in the vernacular of employees as defined in the Operating Book of Rules.

- B. A Passenger Conductor will be employed on on-rail self-propelled vehicles or machines operating within crew base limits, except on main lines, provided such machines have sufficient power to move freight cars and, if more than two cars are handled at any one time, an Assistant Passenger Conductor will also be employed. This provision will not apply to the operation of self-propelled vehicles or machines in confined areas such as shop tracks, supply areas, tie yards and so forth. In confined areas where the Corporation determines that one employee is required, the Passenger Conductor rate of pay will apply

RULE 39 - CABOOSES AND RIDER CARS

The furnishing and use of cabooses and/or rider cars will be governed by the terms and conditions of the National Agreement.

RULE 40 - HOLIDAYS

Regularly Assigned Employees

- A. Each regularly assigned employee who meets the qualifications set forth in paragraph "c" hereof will receive eight (8) hours' pay at the straight-time rate for each of the following enumerated holidays:

New Year's Day
 Washington's Birthday
 Good Friday
 Memorial Day
 Fourth of July
 Labor Day
 Veterans Day
 Thanksgiving Day
 Christmas Eve
 Christmas Day

Only one eight (8) hour payment will be paid for the holiday, irrespective of the number of trips or tours of duty worked.

NOTE: When any of the above-listed holidays falls on Sunday, the date observed by the Nation will be considered the holiday.

- B. If a designated holiday falls within an employee's vacation period and on a day which he would normally work, the employee will receive vacation pay for that day and have the option of the following: 1) eight hours holiday pay; 2) a day added on to the vacation; or 3) an additional personal leave day. An employee who fails to specify his option prior to his vacation will automatically be credited with eight hours holiday pay.

- C. Any regularly assigned employee who works on any of the holidays listed in paragraph "a" will be paid at the rate of time and one-half for all services performed on the holiday. Not more than one time and one-half payment will be allowed, in addition to the one eight (8) hour holiday payment, for service performed during a single trip or tour of duty on a holiday which is also a workday or a vacation day.

- D. To qualify, a regularly assigned employee must be available for or perform service as a regularly assigned employee on the workdays immediately preceding and following such holiday, and if his assignment works on the holiday, he must fulfill such assignment. However, a regularly assigned employee whose assignment is annulled, canceled or abolished, or a regularly assigned employee who is displaced from a regular assignment as a result thereof on (1) the workday immediately preceding the holiday, (2) the holiday, or (3) on the workday immediately following the holiday will not thereby be disqualified for holiday pay, provided he does not lay off on any of such days and makes himself available for service on each of such days, excepting the holiday in the event the assignment does not work on the holiday. If the holiday falls on the last day of his workweek, the first workday following his "days off" will be considered the workday immediately following. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek will be considered the workday immediately preceding the holiday. When one or more designated holidays fall during the vacation period of an employee, the qualifying days for holiday pay purposes will be his

workdays immediately preceding and following the vacation period.

NOTE: A regular assigned employee who qualified for holiday pay under paragraph "c" will not be deprived thereof by reason of changing from one regular assignment to another regular assignment on the workday immediately preceding or following the holiday or on the holiday.

- E. Nothing in this Rule will be considered to create a guarantee or to restrict the right of the Corporation to annul assignments on the specified holidays.
- F. The terms "workday" and "holiday" refer to the day to which service payments are credited.

Extra Employees

- G. Each extra employee who meets the qualifications provided in paragraph "g" will receive eight (8) hours' pay at the straight-time rate on any of the following enumerated holidays:

New Year's Day
Washington's Birthday
Good Friday
Memorial Day
Fourth of July
Labor Day
Veterans Day
Thanksgiving Day
Christmas Eve
Christmas Day

Only one eight (8) hour payment will be paid for the holiday irrespective of the number of shifts worked. If more than one shift is worked on the holiday, the allowance of one eight (8) hour payment will be at the rate of pay of the first tour.

NOTE: When any of the above-listed holidays falls on Sunday, the day observed by the Nation will be considered the holiday.

- H. To qualify, an extra employee must perform service or be available for service on the full calendar day of the holiday and on the full calendar days immediately preceding and immediately following the holiday, unless off committee work.

NOTE 1: An extra employee whose service status changes from an extra employee to a regularly assigned employee or vice versa on one of the qualifying days will receive the basic day's pay provided in paragraph "f", provided (1) he meets the qualifications set forth in paragraph "g" on the day or days he is an extra employee, and (2) he meets the qualifications set forth in paragraph "b" on the day or days he is a regularly assigned employee, provided further, that a regularly assigned employee who voluntarily changes his service status to an extra employees on any of the three qualifying days will not be entitled to receive the pay provided for in paragraph "f".

NOTE 2: An extra employee will be deemed to be available if he is ready for service and does not lay off of his own accord.

NOTE 3: When one or more designated holidays fall during the vacation period of an extra employee, his qualifying days for holiday pay purposes will be his workdays immediately preceding and following the vacation period.

- I. Any extra employee who works on any of the holidays listed in paragraph "f" will be paid at the rate of time and one-half for all services performed on the holiday. Not more than one time and one-half payment will be allowed, in addition to the one eight (8) hour holiday payment for service performed during a single tour of duty on a holiday.
- J. The terms "calendar day" and "holiday on which service is performed refer to the day to which service payments are credited.
- K. Employees covered by this Rule will receive a "personal holiday" as an eleventh holiday, in lieu of a workday,

subject to the qualifying requirements of this Rule, except that they will not be required to work or to be available for work on the "personal holiday" to qualify for holiday pay for such "personal holiday" if they so elect. Such day will be selected by the employee, consistent with the requirements of service, upon 48 hours' advance notice to the Corporation. The "personal holiday" request must be made before October 12 of each year. Failing to do so, such "personal holiday" will be assigned by management.

- L. Holiday assignments will not be bulletined in accordance with Rule 8. The Corporation will work with the Local Chairperson to develop holiday roster assignments and such assignments will be posted in the crew bases a minimum of 10 days prior to the holiday.

RULE 41 - APPEALS IN MATTERS OTHER THAN DISCIPLINE

When it is considered that an injustice has been done with respect to any matter other than discipline, the employee affected or a duly accredited representative, on behalf of the employee, may within fifteen (15) days present a case, in writing, to the General Manager. In the case of claims for compensation alleged to be due, the time limits specified in Rule 24 will be observed.

RULE 42- HANDLING LOCAL DISAGREEMENTS

Controversial matters on which the Local Chairperson or Chairpersons (or Local Committee or Committees) of the Organization signatory hereto and the General Manager are unable to reach agreement may be handled by the General Chairperson or General Chairpersons of the Organization signatory hereto with the Director, Labor Relations.

RULE 43 - PORTABLE RADIOS

- A. A radio in good working order will be furnished each employee covered by this agreement.
- B. Portable radios furnished employees will not exceed three pounds in weight and will be equipped with a suitable holder which will firmly hold the radio close to the body and will be of such size as to permit it to be placed in coat or trouser pockets.

- C. Employees will not be held responsible for accidents caused by failure of radio equipment to properly function.
- D. At locations where radios are used, there must be sufficient frequency channels to insure safe communications.
- E. Employees will not be censured, disciplined or suffer loss of wages for refusing to begin work until they are supplied with radios in good working order.
- F. If a radio becomes inoperative after a crew begins service, employees may be required to continue working until arrival at a location where a replacement radio in good working order is available, at which location a replacement will be made.

RULE 44 - SEVERABILITY

If any Rule or provision of this Agreement is at any time determined to be in conflict with any law, such Rule or provision will continue in effect only to the extent permitted by law. If any Rule or provision of this Agreement is or becomes invalid or unenforceable, such invalidity or unenforceability will not affect or impair any other term or provision of this Agreement.

RULE 45 - SHORTAGE ADJUSTMENT

When an employee's actual earnings are short one day or more, adjustment will be made upon request.

RULE 46 - STARTING TIMES

- A. Regularly assigned employees engaged in switching and classification service will each have a fixed starting time which will not be changed without at least 48 hours' advance notice.
- B. Where three eight-hour shifts are worked in continuous service, the time for an assignment on the first shift to begin work will be between 6 a.m. and 10 a.m., the

second shift, 2 p.m. and 6 p.m., and the third shift, 10 p.m. and 2 a.m.

- C. Where two shifts are worked in continuous service, the time for an assignment on the first shift to begin work will be during any one of the periods names in paragraph "b".
- D. Where two shifts are not worked in continuous service, the time for an assignment on the first shift to begin work will be between the hours of 6 a.m. and 11 a.m., and on the second shift, not later than 2 a.m.
- E. At points where there is only one regular yard assignment, the assignment may be started at any time subject to paragraph "a".
- F. Where an independent assignment is worked regularly, the assignment may be started during one of the periods provided for in paragraph "b" or "d".
- G. An extra yard assignment may be started during one of the periods provided for in paragraph "b" or "d".
- H. If an employee is started at a time other than provided for in paragraph "b" or "d", he will be paid from the last permissible starting time until released from duty.

RULE 47 BLANK

RULE 48 - MILITARY TRAINING

- A. When employees assigned to regular and/or extra board positions who are members of the Reserves or National Guard are required to be absent from work for the purpose of annual summer training exercises, they shall be paid the lost earnings during their regular workdays or workweeks for each day lost. Compensation received by the employees for other than meals, lodging or transportation, shall be remitted to the Corporation. Such employees must furnish the Corporation with a statement signed by their Commanding Officer for compensation paid and the days on which such military training service was performed.

- B. The Corporation will continue to provide health and welfare benefits for employees dependents without monthly premium for employees called up for active duty.

RULE 49 - RELIEF DAY EXTRA BOARDS

- A. Regular assigned employees who desire to work on a relief day of their assignment shall be permitted to make themselves available for assignment to the combined "Relief Day Extra Board" at their home crew base.
- B. Regular assigned employees who desire to be called for service on a relief day must notify "Crew Management Services" no later than 8:00pm on the day immediately preceding the respective relief day.
- C. Employees will be marked up on the "Relief Day Extra Board" in seniority order and will be called for assignments on which they are qualified and for which they are available under the Hours of Service Law. Employees will not be considered if they will be unavailable to work their regular assignment due to the "Hours of Service Law". Employees called to perform service from the "Relief Day Extra Board" shall be paid at the rate of the assignment worked.
- D. Employees who fail to accept or miss a call will be held off the "Relief Day Extra Board" for that calendar day.
- E. In filling conductor vacancies, qualified employees marked up on the respective "Relief Day Extra Board" will be called if the assignment cannot be filled in accordance with the provisions of Rule 13, items 1, 2, and 3.
- F. In filling assistant conductor vacancies, employees marked up on the respective "Relief Day Extra Board" will be called if the assignment cannot be filled in accordance with the provisions of Rule 14, items 1 and 2.

RULE 50 - HOURS OF SERVICE

A regularly assigned employee who is unable to work in service to which entitled as a result of working on the preceding trip and not being available due to the Hours of Service Law will be allowed the earnings of the missed assignment. Extra employees will not be deducted guarantee for time unavailable due to the Hours of Service requirements.

RULE 51 OPTIONAL DISPLACEMENT

- A. Employees will be allowed an Optional displacement twice a year in the months of April and October.
- B. Employees may elect to make an optional displacement to an assignment held by a junior employee or to an assignment that is subject to or being advertised for bid, until the advertisement for the assignment is closed. The application for an optional displacement must be submitted in writing by 12:00 noon on the first Monday of the months indicated above. The optional displacement shall become effective at 12:01 a.m. the second Wednesday thereafter. Except as noted below, employees displaced as a result of this optional displacement shall be notified as soon as possible and shall have twenty-four (24) hours from the time notified to exercise seniority against a junior employee or to an assignment subject to or being advertised for bid, until the advertisement is closed. All employees exercising displacement rights to another assignment as a result of this Agreement who are not fully qualified on such assignments will not be permitted to occupy such assignments until fully qualified. Additionally, the incumbents of such assignments will not be considered displaced until the displacing employees fulfill such qualifying requirements. Employees who exercise seniority to assignments subject to or being advertised shall be considered automatic bidders for such assignments.

RULE 52 ITEMIZED STATEMENT OF EARNINGS

- A. Passenger Conductors and Assistant Passenger Conductors will furnish all information required on time slips so that proper identification of payments can be made.
- B. An itemized statement of the employee's daily earnings for each pay period will be furnished with the employee's pay draft. A brochure type pamphlet containing applicable codes will be provided each employee to enable him to determine what payments were made for each date.
- C. The requirement set forth in paragraph (e) of Rule 24 for initial denial of monetary claims for compensation alleged to be due will be satisfied when a monetary claim is identified and disallowed on an itemized statement of earnings form issued within the time limit specified in Rule 24. If an employee feels he has been improperly paid on the itemized statement of daily earnings form, he will submit his claim or grievance to the Local Chairman for appeal handling in accordance with paragraph (f) of Rule 24.
- D. The itemized statement of daily earnings form will serve as notification of payment of claims and no further notification will be required.
- D. Employees should use the itemized statement of daily earnings as the basis of reporting any overpayments.

RULE 53 RELIEF DAYS FOR EXTRA BOARD EMPLOYEES

- A. All Extra board positions will be advertised with a specific relief day.
- B. After these positions are awarded, the following procedures will govern relief days on the extra boards:
 - 1. Employees assigned to extra boards will submit a preference list of relief days, no later than the 20th day of the month, which will remain on file until changed by the employee. Each month the preference bids will be reviewed and relief days assigned in seniority order. Employees who have

not submitted a preference bid will be assigned a rest day by the corporation. An employee occupying an extra board position who has not submitted a preference bid will have the rest day to which assigned considered his first preference when adjustments are to be made. It will be the responsibility of an employee who is off duty to submit his preference request in a timely manner.

2. The awarding of relief days will be effective on the first day of each month on which positions are awarded in connection with Rule 8(a). A notice will be posted by the 28th day of each month indicating extra board employees' relief days.

Employees exercising seniority to the extra board between monthly relief day adjustments will select a vacant rest day or assume the rest day of the junior employee on the extra board until the next adjustment.

3. If an extra board employee is called for an assignment which runs over into his relief day, such relief day will be a twenty-four (24) hour period following the time he marks up from the assignment.
4. Employees will be marked up at the bottom of the extra board following completion of their relief day.
3. Employees who desire to remain available on their relief day may elect to do so by notifying the crew dispatcher no later than 8:00 p.m. the day preceding their scheduled relief day. Employees who elect to remain available on their relief day will retain their relative standing on the extra board.

RULE 54 PREVENTION PROGRAM

TASI and the United Transportation Union jointly recognize that safety is the paramount concern and, further, that an alcohol and drug free environment is an essential element

in maintaining a safe work place, agree to the following to ensure the utmost compliance with Rule G:

- A. An employee charged with violating Rule G will be eligible to enroll in the Employee Assistance Program (EAP), and will not be disciplined (other than loss of pay for time held out of service) for the Rule G violation, provided:
 1. The employee has had no Rule G violation on his or her record for at least ten (10) years, and;
 2. The employee has not participated in the Rule G Employee Assistance Program for at least ten (10) years, and;
 3. The incident giving rise to the Rule G charge did not involve significant rule violations other than Rule G, and;
 4. Waives investigation of the Rule G charge.
- B. The employee must contact the EAP counselor within 5 working days of electing to participate in the EAP.
- C. After being contacted, the EAP Counselor shall evaluate the employee to determine whether or not the employee may safely be returned to service and the course of treatment which the employee should follow.
- D. If the evaluation indicates that the employee may safely return to service, he or she will be returned to service on a probationary basis for a period of two years and will be subject to periodic alcohol and/or drug tests during that time as determined by and only under the direction of the EAP Counselor. Following return to service, the employee must follow the course of treatment established by the counselor during the probationary period.
- E. If the evaluation indicates that the employee may not safely be returned to service, he or she will be given a leave of absence until subsequent evaluation(s) indicate that it is safe to return the

employee to service on a probationary basis as described in paragraph 4 above.

- F. If, at any time during the 24-month probationary period, the employee fails to follow the course of treatment established by the EAP Counselor or fails a periodic alcohol and/or drug test required by the Counselor, Amtrak will remove the employee from the EAP. If the employee has been returned to service, Amtrak will remove the employee from service and the employee will revert to the status of a dismissed employee.
- G. An employee may withdraw from the EAP at any time by notifying, in writing, the EAP Counselor and the Amtrak Officer who signed the Rule G charge. If the employee has been returned to service, Amtrak will remove the employee from service and the employee will revert to the status of a dismissed employee.
- H. If the employee successfully completes the EAP Program, a notation to that effect will be placed on the employee's personal record and the employee's probationary status will terminate.
- I. No claims will be progressed by or on behalf of the employee based on time lost as a result of the incident leading to the employee's participation in the Rule G Employee Assistance Program.

RULE 55 "RULE G BYPASS"

The parties to this agreement recognize that the use of alcohol and/or drugs is a serious problem within the railroad industry. TASI and the United Transportation Union in an effort to help the apparent Rule "G" violator retain an employment relationship and seek rehabilitation, jointly consider a change in the Rule "G" policy desirable. The objective of this Agreement is to encourage mutual cooperation between labor and management in addressing alcohol and drug use problems in the railroad industry.

- A. If any member(s) of a crew believe that another member of a crew may be in an unsafe condition, such employee may immediately contact a TASI officer. If the TASI Officer, upon investigation, determines

there is an apparent violation of Rule G, the employee will be removed from service.

It is understood that when a removal from service takes place, transportation will be furnished back to the employee's home. If the employee does not have a means to return to his home crew base, he or she will be furnished transportation by TASI.

- B. Once an employee has been relieved from service under paragraph (1), he or she must contact TASI's Employee Assistance Program (EAP) Counselor within five (5) working days of the removal from service. If the employee contacts the EAP Counselor and accepts counseling, he will be paid for the full tour of duty or trip lost (one way) as a result of his or her removal from service.
- C. If the employee does comply with the requirements set forth in paragraph (2), and the EAP Counselor determines that the employee is not in need of counseling, the employee will be returned to service not later than forty-eight (48) hours unless a physical examination is required. There will be no claim progressed for any time lost as a result of the removal from service other than as provided in paragraph (2) unless the forty-eight (48) hours for return to service is exceeded.
- D. If the employee does comply with the requirements set forth in paragraph (2), and the EAP Counselor determines that the employee is in need of employee assistance, and the employee accepts counseling, then the employee will be returned to service upon a favorable recommendation from the EAP Counselor. Successful completion of a physical examination will be required if the employee has been off more than 30 days. In addition, the employee will be subject to such continuing review and testing as deemed appropriate by and only under the direction of the EAP Counselor for up to two years to ensure the effectiveness of treatment. If a subsequent test conducted at the discretion of the EAP Counselor is positive, the employee will be removed from service and required to re-enter treatment or counseling, and will again be subject to continuing review and testing for a two-year period commencing upon the

completion of treatment. An employee will be permitted no more than two re-enters after the initial enrollment in the EAP. There will be no claim progressed for any time lost as a result of the removal from service other than as provided in paragraph (2).

- E. If the employee does not comply with the requirements set forth in paragraph (2) or does not accept counseling as provided in paragraph (4), he must lay off and, if he so desires, may request a formal investigation. Such request must be made within five (5) working days of the day removed from service. If the employee does not request an investigation and is off, he must request a leave of absence prior to the expiration of fifteen (15) calendar days. One 45-day leave of absence will be granted. If at the end of this period, the employee still has not contacted an EAP Counselor or does not accept counseling, if required, all regular rules of the agreements will apply.
- F. The employee(s) who originated the action as provided in paragraph (1) will not be called as a witness (es) if a formal investigation is held.
- G. This Agreement will apply one time only to each employee covered by this Agreement. Thereafter, all regular rules of the agreements will apply.
- H. The rules of the Agreements between TASI and the United Transportation Union are modified as provided by this Rule.

RULE 56 CRITICAL INCIDENT PLAN

The parties will jointly develop and maintain a Critical Incident Plan that will be available to the employees governed by this agreement. The plan will provide compensated time off for employees who are involved in a critical incident and will include, at a minimum, provisions for:


- (a) Providing for immediate response, counseling, guidance, and other appropriate support services;

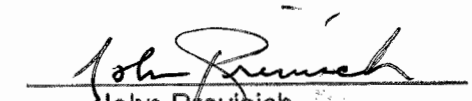
- (b) Providing timely relief from the balance of the duty-tour for directly-involved employee(s), following any actions necessary for the safety of persons and contemporaneous documentation of the incident;
- (c) Providing timely transportation to a directly-involved employee's home terminal, if necessary;
- (d) Informing directly-involved employee(s) that they may request relief;
- (e) Permitting relief from the duty-tour(s) subsequent to the critical incident, for up to three days if requested by a directly-involved employee; and
- (f) Permitting such additional leave from normal duty as may be necessary and reasonable to receive preventive services and/or treatment related to the incident.

For the United Transportation Union:

For TransitAmerica Services, Inc.:


Dirk Sampson
General Chairperson


Robert J. Smith
President


John Previsich
International Vice President

February 8, 2012

BEREAVEMENT LEAVE Q & A Appendix A

(RULE 22)

Q-1: How are the three calendar days to be determined?

A-1: An employee will have the following options in deciding when to take bereavement leave:

- a) three consecutive calendar days, commencing with the day of death, when the death occurs prior to the time an employee is scheduled to report for duty;
- b) three consecutive calendar days, ending the day of the funeral service; or
- c) three consecutive calendar days, ending the day following the funeral service.

Q-2: Does the three (3) calendar days allowance pertain to each separate instance, or do the three (3) calendar days refer to a total of all instances?

A-2: Three days for each separate death; however, there is no pyramiding where a second death occurs within the three-day period covered by the first death.

Example: Employee has a work week of Monday to Friday - off-days of Saturday and Sunday. His mother dies on Monday and his father dies on Tuesday. At a maximum, the employee would be eligible for bereavement leave on Tuesday, Wednesday, Thursday and Friday.

Q-3: An employee working from an extra board is granted bereavement leave on Wednesday, Thursday and Friday. Had he not taken bereavement leave he would have been available on the extra board, but would not have performed service on one of the days on which leave was taken. Is he eligible for two days or three days of bereavement pay?

A-3: A maximum of two days.

Q-4: Will a day on which a basic day's pay is allowed account bereavement leave serve as a qualifying day for holiday pay purposes?

A-4: No; however, the parties are in accord that bereavement leave non-availability should be considered the same as vacation non-availability and

that the first work day preceding or following the employee's bereavement leave, as the case may be, should be considered as the qualifying day for holiday purposes.

Q-5: Would an employee be entitled to bereavement leave in connection with the death of a half-brother or half-sister, stepbrother or stepsister, stepparents or stepchildren?

A-5: Yes as to half-brother or half-sister, no as to stepbrother or stepsister, stepparents or stepchildren. However, the rule is applicable to a family relationship covered by the rule through the legal adoption process.

Q-6: Would bereavement leave be applicable during an employee's vacation period?

A-6: No.

Q-7: An employee qualifies for holiday pay on a holiday which occurs on a day the employee also qualifies for bereavement leave pay. Under these circumstances, is the employee entitled to be paid both the holiday and bereavement leave allowance?

A-7: No. The employee would be entitled to only one basic day's pay.

Q-8: An employee in pool freight service is granted bereavement leave on Wednesday, Thursday, and Friday. He was paid under the bereavement leave rule for Wednesday and Thursday; however, his claim for Friday, a day on which the crew of which he was a member was at the away-from-home terminal and received an authorized return deadhead trip for which they were allowed 141 miles, was denied. Is he entitled to pay under the bereavement leave rule for Friday?

A-8: Yes, inasmuch as the deadhead trip was authorized and represents time lost on a separate qualifying calendar day.



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Side Letter No. 1
February 16, 2012

Dirk A. Sampson
General Chairman
United Transportation Union
1515 Market Street, Suite 708
Philadelphia, PA 19102

Dear Mr. Sampson:

This letter is to summarize certain additional modifications and supplements to the Agreement reached between TASI and the UTU dated February 8, 2012 to help ensure a smooth transition from Amtrak to TASI operation of the JPB Caltrain Commuter Rail Service.

1. The parties agree that disciplinary records will be expunged for purposes of citation or consideration in future disciplinary action when an employee maintains a discipline-free service record for a period of time as follows:

<u>Discipline</u>	<u>Discipline Free Record</u>
Letter of Counseling or Reprimand	12 Months
Suspension of less than 10 days or equivalent discipline	24 Months
Suspension of over 10 days or equivalent discipline	36 Months

Discipline involving the Company's Drug and Alcohol Policy, an FRA mandated suspension or loss of Part 240 Certification, which is consistent with the terms set forth in 49 CFR 240.117(g)(3), or any other disciplinary record which TASI is required to preserve under federal laws, are not subject to the provisions of this rule.

2. New Rule Compensatory Time

(a) Effective August 1, 2012, employees, at their option, may elect to accept compensatory time off in lieu of overtime pay on the basis of one hour overtime worked equaling one and one-half hours (1-1/2) time off. It is understood that employees may not accrue more than forty (40) hours of such time. The election to accept compensatory time off in lieu of overtime pay for overtime worked must be made not later than the day such time is reported for payroll purposes. Effective August 1, 2013, employees may increase accrual of compensatory time to eighty (80) hours.

(b) Compensatory time off may be taken with approval of the proper carrier officer upon 48 hours minimum advance notice from the employee, *provided*, with Company approval less than 48 hours in advance, employees may use compensatory time to attend to unforeseeable personal or family emergencies.

(c) Compensatory time off will be paid for at the pro rata rate of the employee's regularly assigned position.

(d) In the event an employee wishes his unused compensatory time paid in full they shall request in writing to the proper company officer for such payment.

(e) Upon leaving the employment of the Company for whatever reason, all earned compensatory time will be paid to the employee.

(f) Time paid for compensatory time off will constitute compensation as defined in Rule 2, and therefore count toward fulfilling the forty-hour workweek for purposes of overtime, and for accrual of days worked for vacation eligibility.

(g) For holiday pay qualification, compensatory time will be considered the same as a personal day and be considered the qualifying day preceding or following the holiday for holiday purposes.

3. During our negotiations TASI expressed its desire and belief that all employees accepting employment will perform their duties with diligence and in compliance with the rules. Therefore, TASI will not propose to seek or obtain past Amtrak discipline records, and agrees that employees will begin their employment with TASI with a clean disciplinary slate, except for the information set forth and required by Part I herein.
4. With regard to the health care deduction referenced in Part III, it is understood that the payroll deduction for this item will be made over the course of three pay periods when union dues are not being withheld.
5. During our discussions the Organization expressed a concern by the employees about the potential for furlough after accepting employment with TASI and severing their employment relationship with Amtrak. This will confirm our commitment that provided the JPB, legislative or other regulatory body does not impose service changes or legal requirements to the current TASI service agreement, former Amtrak employees who accept employment with TASI under the terms of this agreement on or before July 1, 2013, will not thereafter be subject to furlough. If an employee is unable to hold a regular assignment, including extra boards that are fully staffed, such employee shall be assigned to an extra board of management's choice in lieu of furlough.
6. The following was agreed to with regard to the provisions of Part I, paragraph (12) and Part II of this Agreement:

No less than twenty days before the scheduled assumption of service by TASI, and on or before January 1, 2013, and preceding each January 1 thereafter, employees may certify to the Company's Health Care Plan Administrator in writing that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group plan or health insurance policy that they identify by name and, where applicable, by group number, and for that reason they elect to forego coverage under the Company's health benefits plan for themselves and their dependents. Such election is hereafter referred to as an "Opt-Out Election" and, where exercised, will

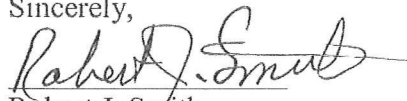
eliminate that employee's obligation to make the cost-sharing contribution described in Part III of this Agreement.

If an event described below occurs subsequent to an employee's Opt-Out Election, the employee may, upon providing the Plan Administrator with proof satisfactory to said Administrator of the occurrence of such event, revoke his or her Opt-Out Election. An employee may also revoke his or her Opt-Out Election by providing the Plan Administrator with proof satisfactory to said Administrator that, after the employee made the Opt-Out Election, a person became a dependent of the employee through marriage, birth, or adoption or placement for adoption. An employee who revokes an Opt-Out Election will, along with his dependents, be once again covered (effective on the first day of the first month following such revocation that the employee and/or his dependents would have been covered but for the Opt-Out Election the employee had previously made) under Company's health benefits plan, and concurrent with such resumption of coverage the cost-sharing contributions described in Part II of this Agreement will commence.

The following events are the events referred to in the immediately preceding paragraph:

- (1) the employee loses eligibility under, or there is a termination of the coverage that allowed the employee to make the Opt-Out Election, or
- (2) if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

Sincerely,

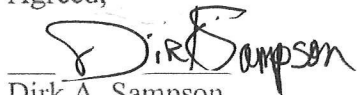


Robert J. Smith

President

TransitAmerica Services, Inc.

Agreed,



Dirk A. Sampson

General Chairman

United Transportation Union