

1st MONDAY 3rd MONDAY SPECIAL

Prepared for employees by the
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Managers and Supervisors:

Yesterday, an agreement was signed between rail management and rail labor which should resolve one of the sticky questions arising from the restructuring and reorganization of the Milwaukee Road and the liquidation of the Rock Island. That question concerns the terms under which employees of these two railroads will be offered jobs on other railroads which perform service of an interim nature on Milwaukee or Rock Island lines, or which buy portions of these two railroads to add to their systems.

The terms of the agreement are being incorporated in the ICC's service orders covering interim operations by other roads over Milwaukee Road tracks.

The agreement was worked out under the sponsorship of the Federal Railroad Administration. It is based on principles hammered out by representatives of the railroads and the Railway Labor Executives Association. It has been signed by 15 unions and 13 railroads, including the Milwaukee. It may be signed by additional railroads later.

The new agreement contains the complete labor-protection obligation of the "acquiring carrier" toward Milwaukee Road employees who are taken into its employ because of a service or purchase transaction. The acquiring carrier will have no obligation toward any Milwaukee Road employee whom it doesn't hire.

The agreement gives eligible employees of the Milwaukee the first right of hire on the acquiring carrier, ahead of any employees of the acquiring carrier who are on furlough and ahead of new employees. The acquiring carrier doesn't have to take Milwaukee Road employees unless it needs them. It must discuss its requirements for additional manpower as the result of its acquisitions with the appropriate unions representing Milwaukee Road employees. It will work through the unions in notifying Milwaukee Road employees of the availability of jobs and how to apply for them.

Milwaukee Road employees who go to work on another railroad under this agreement will do so under that railroad's contracts, schedules and agreements. They'll leave behind the rates of pay, rules and working conditions under which they worked on the Milwaukee. Employees who are in service on the Milwaukee will be presumed to be qualified physically, although they may be required to pass an examination on the acquiring carrier's rulebook.

If the number of available employees exceeds the number of available jobs, employees will be hired by an acquiring carrier in seniority order.

An employee who accepts the offer of an acquiring carrier severs his relationship with the Milwaukee. If, after he's accepted an offer of an acquiring carrier, an opportunity arises in connection with another acquiring carrier which to him looks preferable, he has one opportunity to be hired by another acquiring carrier.

The preferential-hiring procedures established by the new agreement remain in effect for a year from the beginning of operations, but not beyond April 1, 1984.

From a seniority-district standpoint, the acquiring carrier may either operate separately the properties it acquires or on which it performs interim service, or it may combine the work on them with the work in its existing seniority districts.

In filling additional job assignments, how the seniority of a Milwaukee Road employee who goes to work for an acquiring carrier will be handled relative to the seniority of that road's employees will be the subject of implementing agreements reached among the affected employees. So that operations won't be delayed while the agreement is worked out, the acquiring carrier may hire qualified and available Milwaukee Road employees temporarily and place them at the bottom of the seniority roster. If the acquisition of Milwaukee Road lines doesn't ultimately result in the creation of any new jobs on the acquiring carrier, or if the allocation of seniority among employees of the acquiring carrier and employees of the Milwaukee doesn't result in jobs for Milwaukee Road employees, the acquiring carrier will have no more obligation to the Milwaukee Road employees whom it hired on a temporary basis.

The agreement establishes a procedure for arbitration if the employees of the acquiring carrier and affected Milwaukee Road employees can't agree on the terms of an implementing agreement over seniority allocation.

For no more than three years, the acquiring carrier will pay monthly compensation guarantees to Milwaukee Road employees whom it has hired and to its own active employees who are working in the districts encompassing the acquired Milwaukee Road lines. Generally, the compensation guarantee will amount to 80 per cent of the employee's average monthly straight-time compensation earned in a period specified in the agreement. There are certain offsets against the compensation guarantee which are specified in the agreement: unemployment insurance benefits, earnings from other employment after an employee has been affected by a restructuring transaction, etc. To protect his monthly compensation guarantee under the agreement, an affected former Milwaukee Road employee would have to exercise his seniority with the acquiring carrier to accept an available position within 125 railroad miles of his home or to accept a reasonably comparable position which doesn't require him to move.

Service with the Milwaukee will be credited by the acquiring carrier in computing vacation qualification, entry rate and sick leave. The acquiring carrier will pay the first month's premium under the national health and welfare, dental and supplemental sickness plans for Milwaukee Road employees whom it hires under this agreement.

If the existence of this agreement gives an employee a choice between two or more avenues of protection, he must choose which one he wants. If the arrangement which he doesn't choose lasts longer than the arrangement he does choose, he may be entitled to protection for the period which remains after his first choice expires. If at the outset he chooses to receive a severance payment, the terms of this new agreement don't apply to him.

This review merely touches the highlights of the new agreement. I refer you to the agreement itself for the details. In the event of any inconsistency, the agreement itself prevails, of course. Copies of the agreement are available from Mr. Harrington's office.

A handwritten signature in dark ink, appearing to read 'W. L. Smith', with a stylized, flowing script.

W. L. Smith
President