Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED BY EXECUTIVE ORDER 10635 DATED SEPTEMBER 1, 1955, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To investigate the facts as to certain disputes between the Pennsylvania Railroad Company, a common carrier, and certain of its employees represented by the Transport Workers Union of America, C. I. O., Railroad Division, a labor organization.

(*NMB Case No. A-4717*)
(*NMB Case No. A-4867*)

WASHINGTON, D. C.

OCTOBER 26, 1955

(No. 113)

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THE PRESIDENT
THE WHITE HOUSE, *Washington, D. C.*

MR. PRESIDENT: The Emergency Board appointed by you under Executive Order No. 10635, dated September 1, 1955, pursuant to section 10 of the Railway Labor Act, as amended, to investigate certain disputes between the Pennsylvania Railroad Co., a common carrier, and certain of its employees represented by the Transport Workers Union of America, C. I. O., Railroad Division, a labor organization, hereby submits its report and recommendations.

Respectfully submitted.

HOWARD A. JOHNSON, *Chairman.*
WALTER R. JOHNSON, *Member.*
MART J. O'MALLEY, *Member.*

INTRODUCTION

The President appointed Emergency Board No. 113 under Executive Order No. 10635, dated September 1, 1955, pursuant to section 10 of the Railway Labor Act, as amended, to investigate and report on certain unadjusted disputes between the Pennsylvania Railroad Co. and certain of its employees represented by the Transport Workers Union of America, C. I. O., Railroad Division.

The President appointed as members of the Board, Howard A. Johnson, Chairman, of Butte, Mont.; Walter R. Johnson, of Washington, D. C.; and Mart J. O'Malley of Huntington, Ind., and directed the Board to organize and to investigate the facts promptly, attempt to adjust the disputes, and to report within 30 days. By stipulation of the parties, the time for making the report was extended to October 31, 1955.

The Board, as above constituted, met in room 261, 30th Street Station Building, Philadelphia, Pa., on Thursday, September 29th, 1955, confirmed the appointment of Ward & Paul, Washington, D. C., as its official reporters, and proceeded to hear the evidence and arguments relating to the issues involved in the dispute.

For convenience we shall refer to the Transport Workers Union of America, C. I. O., Railroad Division, as the Organization and to the Pennsylvania Railroad Co. as the Carrier.

Appearances were made for the Organization by John F. O'Donnell, Attorney, 2 West 45th Street, New York City; Frank Sheehan, Director of Organization; Eugene Attreed, Director of the Railroad Division; and Andrew J. Kaelin, Vice President.

The Carrier appeared by Guy W. Knight, General Attorney; R. H. Clattenburg, Assistant General Counsel; R. H. Skinner, Assistant General Solicitor; James W. Oram, Assistant Vice President, Operations Personnel; and C. E. Alexander, Assistant Chief of Personnel.

Public hearings began on September 29, 1955, and continued from day to day until October 11, 1955, on which date the record consisting of 1,120 pages and 53 exhibits was closed and the dispute finally submitted, subject to certain briefs and to further information if requested by the Board.

The hearings were attended also by Al. H. Bishop, Grand Lodge Representative, International Association of Machinists, and by Ralph E. Gipprich, General Chairman, Sheet Metal Workers Inter-

national Association, both of whom expressed the interest of their organizations in the graded work classification issue. The former made his presence known to the Board but did not desire to be heard. The latter at the close of the evidence, requested the privilege of filing a brief on the question. The Carrier made no objection to the request, but the Organization questioned the propriety of the Board's consideration of such third party brief. After some discussion the Board, concluding that its statutory duty to investigate was not so limited, granted the Sheet Metal Workers' request to present such brief and to serve copies thereof upon counsel for Organization and Carrier by Friday, October 14, 1955, with permission to both parties to present answer briefs by Wednesday, October 19, 1955. Briefs were accordingly filed by the Sheet Metal Workers and the Organization.

HISTORY AND BACKGROUND OF THE DISPUTES

On January 21, 1953, the Organization's predecessor, the United Railroad Workers of America, C. I. O., hereinafter called U. R. W., then representing the Carrier's boilermakers electricians, carmen, (including coach cleaners), molders, (including melters and coremakers), powerhouse employees, and rail shop laborers (other than those in the stores department), their helpers and apprentices, formally notified the Carrier of its desire to negotiate a graded work classification with reference to the work to be done on diesel locomotives by the boilermakers represented by it. This question has not been settled and is before this Board for investigation and recommendation.

On September 21, 1953, the Organization's predecessor, U. R. W., formally notified the Carrier of its desire to negotiate certain other changes and modifications of the current agreement under 7 proposals, including a wage increase of 12½ cents per hour, 7 paid holidays, life and dismemberment insurance for employees, and comprehensive hospitalization and surgical insurance for employees and their dependents under 18 years of age, all at the carrier's expense.

At this point it becomes advisable to refer to two other railroad labor disputes, which were largely concurrent with these.

On May 22, 1953, 15 organizations representing, with reference to Carrier and other class 1 railroads of the country, practically all nonoperating employees not herein involved, made demands for extended vacations, paid holidays, premium compensation for Sunday work, free life insurance, unlimited free hospital, medical and surgical care, increased free transportation and other contract changes. Negotiations on a national level failing to resolve the issues and the National Mediation Board being unable to effect a settlement, the President

by Executive order established Emergency Board No. 106 on December 28, 1953.

On October 1, 1953, the Brotherhood of Railroad Trainmen, representing certain operating employees of the railroads, served demands for wage increases and other contract changes. A settlement, negotiated on a national basis, was made on December 15, 1953, providing for a wage increase of 5 cents per hour, a third week of vacations estimated to cost the Carriers 2 cents per hour, making a package settlement of 7 cents per hour. Thereafter other operating organizations accepted like settlements.

A like agreement was offered by the Carrier and taken under consideration by U. R. W. However, the representatives of U. R. W. were concerned with the possibility that the forthcoming report of Emergency Board 106 might result in a more favorable agreement for the other nonoperating employees.

The Carrier orally assured the Union that in such event it would be willing to substitute such other terms, if desired. On December 30, 1953, the Carrier and U. R. W. entered into an agreement like that with the operating Brotherhood for the 7 cents package including the wage increase of 5 cents per hour, the third week of vacations, and other changes, but without paid holidays, insurance, or health and welfare provisions. However, there was no agreement for a moratorium upon the proposal of such provisions or any others by U. R. W. Regulation 10–A–1 of the agreement between the parties provides (with certain exceptions not here relevant) that either party may propose modifications upon 30 days' notice.

On May 15, 1954, Emergency Board No. 106 made its report discussing the financial conditions and prospects of general business and the railroad industry, temporary as well as long range, but concluding that "it must nevertheless base its recommendations primarily on other and longer range considerations" than merely temporary ones. Obviously that conclusion was correct unless wages and working conditions are to fluctuate, down as well as up, with temporary trends and conditions.

Based upon those considerations Emergency Board No. 106 recommended a third week of vacations at an estimated cost of 1½ cents per hour, 7 paid holidays, estimated to cost the Carriers about 3½ cents per hour, and a welfare plan for employees only, at the equal cost of carriers and employees, estimated to cost each from 2 cents to 3 cents per hour, the particular provisions of which were to be established by negotiations between carriers and employees. The Board's recommendations were accepted by the parties by an agreement dated August 21, 1954, and a group policy insurance contract was subsequently

effected for the health and welfare provisions negotiated by the parties.

Thus, under the agreement of December 30, 1953, U. R. W. received the third week of vacations estimated to cost the Carrier about 2 cents per hour, and a pay raise of 5 cents per hour, or a total of about 7 cents; while under the report of Emergency Board No. 106 and the consequent agreement of August 21, 1954, the other nonoperating employees received the third week of vacations estimated to cost this Carrier and the others approximately 1½ cents per hour, holidays estimated at about 3½ cents per hour, and welfare benefits estimated at about 2 cents per hour, or a total of about 7 cents. Thus the two groups of nonoperating employees are now upon substantially equal bases.

The Organization did not elect to surrender the pay increase and to receive instead the holidays and health and welfare benefits provided for the other nonoperating employees by the agreement of August 21, 1954. But on August 27, 1954, 6 days later, it served upon the Carrier notice of its desire to reopen its agreement for the purpose of negotiating for paid holidays and a health and welfare plan. These proposals were not specifically set forth in the notice but were outlined at a conference on September 24.

In reply the Carrier on October 19, 1954, renewed its offer to extend to U. R. W. the holidays and health and welfare benefits of the August 21, 1954, agreement with the other nonoperating employees, in lieu of the pay increase of December 30, 1953.

In October 1954, U. R. W. was merged into the Transport Workers Union of America, C. I. O., Railroad Division, the Organization here involved, to which as well as its predecessor we shall hereinafter for simplicity and brevity refer as the Organization.

On November 19, 1954, the Organization rejected the Carrier's renewed offer of October 19, and requested a conference, which was held on December 17. At that conference the Organization expanded its health and welfare proposals to include benefits, not only for the employees, but for spouses and dependents up to 19 years of age, to be paid for in full by the Carrier. It also outlined in detail its holiday demands.

On January 10, 1955, the Carrier declined to meet the demands and repeated its offer of October 19, 1954. On January 19, 1955, the Organization again rejected the Carrier's offer.

On October 6, 1954, the Carrier had requested mediation by the National Mediation Board on the classified work demand. On January 25, 1955, the Organization requested mediation on the other demands.

Mediation on the first issue began on February 28, 1955, and on the other issues on June 27, 1955, after which they continued concurrently.

On July 18, 1955, during mediation, the Carrier submitted a proposal to settle the classified work demand but to dismiss the others. This offer was rejected by the Organizations.

Mediation having failed, the National Mediation Board on August 1, 1955, proferred arbitration, which the Carrier provisionally accepted but the Organization rejected. The proceedings before the National Mediation Board therefore terminated, strike notice was given, and on September 1, 1955, this Board was created by Executive Order No. 10635 to investigate and report.

The number of nonoperating employees affected by the report of Emergency Board No. 106 and the consequent agreement of August 21, 1954, was between 750,000 and 800,000, some 53,000 of whom are employees of this Carrier, including some 7,600 shopcraft employees. The present controversy affects the Carrier's other shopcraft employees, numbering approximately 22,560.

On August 1, 1955, the Organization submitted a new demand for a wage increase of 25 cents per hour. On August 30, 1955, it submitted another demand for a wage increase of 25 cents per hour, a 30-hour week without loss of pay, severance pay without loss of seniority rights when furloughed, time and one-half for all Saturday and Sunday work, and four other demands. These new demands are not before this Board. All but 2 of them would directly involve increased labor costs for the Carrier, as do 2 of the 3 demands before this Board.

All forms of compensation for labor, whether in direct wages or fringe benefits, must in final analysis be viewed in terms of the cost per hour of employee's work in the transportation of goods and passengers. Their only source of payment is the money paid for such transportation in a highly competitive industry, competitive not only with other railroads but with newer forms of transportaion, which are taking an ever-increasing proportion of traffic. The record indicates that the annual returns upon the capital invested in railroads do not in general exceed 2 percent; the record does not show that the experience or prospects of this Carrier are more favorable in that respect.

The record shows little information as to the Carrier's ability to pay increased labor costs. A financial article placed in evidence states that the immediate prospects of the railroads are favorable, that 1955 "could conceivably" be "their best earnings year in history," and that the Carrier's earnings for 1955 might perhaps reach $3.50 per share, a figure which without further explanation or comparison means little. The financial writer does not hazard a prediction that the years ahead

will bring like results. However, the record of past years' experience is of public knowledge.

Under the Railway Labor Act, as amended, this Board's duty to investigate the facts is not expressly limited to evidence produced at formal hearings. In the state of the record we feel justified, therefore, in referring to this public information as summarized in a monthly stock record of general circulation.

According to that record the Carrier's stock is of $50 par value, and its market value from 1937 to date has fluctuated from a high of $50.25 to a low of $13.75; its price range during 1954 was from $25 to $15.87½, and during 1955 to date from $30.37½ to $21.12½. According to the current press its price range on October 24, 1955, was between $26.25 and $26.12½.

The same monthly record shows that the Carrier's annual earnings per share for the 6 years from 1949 to 1954 inclusive have ranged from $0.95 to $2.95, and that dividends of $0.75 per share were paid in 1954 and the same in 1955 to date, which constitutes 1½ percent on par value and about 3 percent on current market prices. This record does not indicate that higher wages can well come out of the share of net earnings which management has found safely payable to stockholders.

While the record does not directly afford a measure of the Carrier's present or prospective ability to pay increased labor costs, it does show that on October 5, 1955, in the current round of increases, the class I railroads, including the Carrier, granted the Trainmen an increase of 10½ cents per hour, 4 cents of which are to be relinquished if the Trainmen elect to receive health and welfare benefits instead. Presumably both parties found the settlement reasonable. The record does not show that the Carrier is not in position to extend similar benefits to its other employees, in accordance with the established history of wage movements. On the other hand it does not show that the Carrier is in position to extend still greater benefits. Without further evidence of the Carrier's ability to pay more without pricing itself out of the market, we cannot assume its ability to exceed that figure, whether paid in increased wages, fringe benefits, or a combination of both. Our recommendations hereinafter set forth, are made in the light of these observations.

THE ISSUES

It will be noted that the agreement of December 30, 1953, disposed of the Organization's seven proposals of September 21, 1953, but that it did not dispose of the entirely separated proposal of January 21, 1953, relating to the graded work classification for work to be done

on diesel locomotives by boilermakers represented by the Organization, which has been submitted to this Board.

There are also before the Board the Organization's new proposals of August 27, 1954, for paid holidays, and for health and welfare benefits for all employees represented by the Organization, and for their dependents. We shall proceed to discuss these issues in the above order.

1. GRADED WORK CLASSIFICATION

This proposal is for a provision outlining the work to be done by boilermakers on diesel locomotives. Both parties are satisfied in principle with a new paragraph adding the following to the boilermakers' graded work classification:

*Grade E diesel electric locomotive work:

1. Sheet or plate metal work on diesel electric locomotives.	Mechanics' work in connection with repairs to parts made of sheet or plate metal 13 gage or heavier in thickness including parts made of wire netting or expanded metal netting when wire or metal is 13 gage or heavier. Removing and applying such parts only when attached by riveting. Does not include any repairs to the diesel engine or bed plates in their entirety.
2. Brackets and braces on diesel electric locomotives.	All riveting on brackets, braces, castings, frames and sheet metal parts of 13 gage or heavier in thickness.
3. Superstructure on diesel electric locomotives.	Removing, repairing, and erecting structural members of locomotive superstructure.

(*) Fully qualified mechanics work.

(b) The foregoing shall in no way change the application of the basic agreement covering wages and working conditions except to include within its provisions the foregoing items.

NOTE 1.—13 gage is 3/32" or 0.09375" thick. 13 gage wire is 3/32" or .09375" diameter.

NOTE 2.—The foregoing shall in no way change, so far as boilermakers are concerned, any pooling arrangements now in effect in which boilermakers participate.

However, on September 1, 1955, the general chairmen of the Sheet Metal Workers' International Association, the International Association of Machinists, and the International Brotherhood of Boilermakers, Iron Ship Buildings, Blacksmiths, Forgers and Helpers, constituting System Federation No. 152, A. F. of L., and representing the Carrier's sheet metal workers, machinists and blacksmiths, notified the Carrier as follows with reference to this issue:

This is to advise we vigorously protest any change in the present assignment of work and we will resist by all possible means any reassignment of work

presently performed by employees represented by System Federation Number 152.

The Carrier's agreement with each group of employees provides that work being performed by such employee upon its adoption shall not be transferred to others. However, both contracts, or custom and practice under them, recognize certain "pools" of mechanics set up at one or more points, apportioned between crafts according to the amount of their appropriate work there, in which any mechanic may perform any work of the pool. They also recognize a well established practice by which at points where the work is insufficient to justify the employment of all crafts, a mechanic of either may do work ordinarily considered that of the other.

Historically the Boilermaker's principal work was in the making and repair of high pressure boilers of steam engines, with work incidental thereto, while the principal work of sheet metal workers was on lighter metal such as the outside covering of locomotives, with work incidental thereto.

The coming of the electric engines, principally in the eastern region of this Carrier, largely eliminated steam locomotives with heavy gage pressure boilers and thus eliminated much work previously performed by Boilermakers. The two crafts being then represented by the same organization or group, agreed upon a division of the work on electric locomotives as between them, largely upon the basis of 13 gage and thicker metal to the Boilermakers and thinner metal to the Sheet-metal Workers, in line with their training and experience.

No such demarcation has yet been arranged in connection with the more recent advent of the diesels, but it would seem not only justified but desirable in the light of precedent and past practice.

Nevertheless this question affects also the Sheet Metal Workers who are not parties to this dispute, although they have expressed their concern and have indicated their views as aforesaid.

However, the brief of the Sheet Metal Workers suggests that it may not be difficult for the parties to reach an agreement which will not seem prejudicial to the Sheet Metal Workers' interests. This Board therefore recommends that the parties negotiate an agreement essentially on the lines of the above proposal of July 18, 1955, with the further provisos:

1. That it effect a line of demarcation only between Boilermakers and Sheet Metal Workers and only with reference to the types of work traditionally done by them, and without intent to transfer work between them, except for the Organization's willingness, expressed at the Board's hearings to relinquish any claim to work on sheet and plate metal less than 13 gage in thickness.

2. That it shall not purport to affect the machinists, blacksmiths, electricians, carmen, or other crafts than those mentioned in the preceding paragraph.

3. That it shall expressly except, not only present pooling arrangements, but also past practices under which at points where there is insufficient work to employ a full complement of mechanics, any mechanic may perform any necessary work for which he is qualified.

4. That in drafting it they shall take into consideration the views expressed in the brief submitted to Board and parties by the Sheet Metal Workers.

5. That Regulation 8–L–1 of the present agreement between the Carrier and the Organization shall not affect the application of the new agreement.

2. HOLIDAYS

The existing agreement between the Organization and the Carrier recognizes seven legal holidays to the extent that the employees are paid at the rate of time and one half for work performed on said days but are not paid for holidays not worked.

The first proposal by the employees herein involved for paid holidays was presented, together with other demands, on September 1, 1953. The issues were resolved by an agreement dated December 30, 1953, whereby the employees received a third week of vacations after 15 years service, and an increase in the wage scale of 5 cents an hour.

The next demand for paid holidays was submitted on August 27, 1954, followed by a meeting on September 24, 1954, at which meeting provisions were proposed substantially the same as contained in the agreement of August 21, 1954, entered into by the nonoperating organizations which were parties to the proceedings before Emergency Board No. 106. Under said agreement employees of those organizations receive payment for 7 holidays when falling on their workdays; and when a holiday falls on a Sunday, the following Monday is recognized as a holiday. In order to qualify to receive pay for a holiday, the employee must have worked the workdays immediately preceding and following such holiday. The employee is paid time and a half for holidays worked, in addition to straight time pay for holidays.

At a subsequent meeting on December 17, 1954, the Organization took the position that inasmuch as their proposal of September 24 had not been granted, it was no longer to be considered.

The Organization has never submitted in writing specific provisions with reference to their present demands for paid holidays. From the evidence submitted to this Board, the proposals can be summarized as follows:

1. Each regularly assigned employee shall receive 7 guaranteed holidays.

2. An employee shall qualify for the holiday pay if credited with pay for the workdays immediately preceding and following such holiday, except:

(a) That an employee who is off sick may exercise an option to take either holiday pay or sick benefits under statute;

(b) That an employee who is off sick and has exhausted his sick benefits under the statute is qualified for holiday pay for some undefined period after the exhaustion of his sick benefits;

(c) That an employee furloughed the day before the holiday is qualified for holiday pay.

3. Retention of the existing rule for time and a half pay for holidays worked in addition to straight pay for holidays.

4. If the holiday falls within the vacation period employee on vacation shall receive 1 additional day's pay.

Evidence with reference to paid holidays in agreements of employee organizations with a number of airlines and other businesses was submitted. There was also submitted surveys and articles setting forth the trend and progress with reference to paid holidays in the various industries in this country. However until last year the employees of the railroads have never received pay for holidays not worked.

The Organization asks for 7 guaranteed holidays by which it means 7 holidays for which regular pay is guaranteed. A similar request was made by the other nonoperating employees but said employees accepted the recommendation of Emergency Board No. 106 recognizing such holidays as fall or are observed on workdays. On the average, under that rule, the employees receive pay for approximately 5 of the 7 holidays in the average year. On the basis of the figures submitted to this Board the cost to the Carrier for 5 holidays per year for the employees herein involved would approximate 3.7 cents an hour.

This Board proposes and recommends that these employees be given 7 holidays and that each be paid for such holidays as fall on his workdays; that when a holiday falls on a Sunday, the following Monday be recognized as the holiday; that when a holiday falls within the vacation period the employee shall receive no additional pay.

This Board recommends the adoption of the following provision: "An employee shall qualify for the holiday pay if compensation paid him by the Carrier is credited to the workdays immediately preceding and following such holiday." On the basis of the record, this Board is not inclined to include in its recommendations the exceptions requested by the Organization.

This Board recommends the retention of the existing provision in the agreement between the Organization and the Carrier for time and a half pay for holidays worked, so that such pay would be in addition to straight time pay for holidays.

This Board has examined and studied the provisions relating to holidays in the agreement of August 21, 1954, between the nonoperating organizations, other than the Organization herein, and the so-called class 1 railroads, including the Pennsylvania Railroad. It is the opinion of this Board that the holiday benefits to the employees under the said agreement compares favorably with other industries. We recommend the adoption of like provisions in an agreement between the parties hereto.

3. HEALTH AND WELFARE BENEFITS

As heretofore stated, the third issue placed before this Board presents a request for "Health and Welfare Benefits" for the employees and their dependents, at the sole expense of the Carrier.

Originally this also included life insurance for the employees, but life insurance was not mentioned in the opening statement, nor in the closing summation. No evidence on it was presented to the Board. Therefore, the Board concludes that the demand for life insurance was abandoned.

The stated demand for health and welfare benefits was general in character and unlimited as to the amount of coverage. At one time the request was for coverage on a 50–50 basis, one half the cost to be paid by the Carrier and one-half by the employees. This was later changed so that the request for coverage, as here considered, calls for health and welfare insurance completely covering both the employees and their dependents, without limits of any kind.

A policy without limits cannot be purchased at any price. A policy with the broadest limits procurable for hospital, medical and surgical benefits, would according to the evidence, cost 20 cents per man hour.

The present cost of limited health and welfare insurance for nonoperating employees not before this Board, is 4 cents per man hour, or $6.80 per month per employee. One half of the above cost or $3.40, is borne by the Carrier, the other half, or $3.40, is borne by the employee covered. Coverage of the same kind for dependents would cost $14.33 per month per employee, or over 8 cents per man hour.

If the employees are given the same coverage as that enjoyed by the nonoperating employees represented by other organizations, the cost to the Carrier, if borne on a 50–50 basis by the Carrier and the employees, would be 2 cents per man-hour, or $3.40 per month per employee. If the coverage of the employees only is borne wholly by the Carrier, the cost to the Carrier, would be 4 cents per man-hour, or $6.80 per month per employee. If both employees and dependents are given such coverage, at the sole cost of the Carrier, the cost will be in excess of 12 cents per man-hour, or $20.40 per month per employee.

We are not unmindful that fringe benefits of this kind are being enjoyed in many industries by many employees and their dependents. However, the evidence presented to this Board shows only two major industries in the industrial field that pay the total cost of health and welfare protection for both the employees and their dependents. In most cases both labor and capital share the cost, sometimes on a 50–50 basis, sometimes on a basis less favorable to the employee. In the railroad industry most nonoperating employees have coverage for employees only, and on a 50–50 basis. Only 1 or 2 railroads pay the total cost for coverage of their nonoperating employees. No railroad provides health and welfare coverage for their operating employees, or at least no evidence of such coverage has been presented to this Board.

The nonoperating employees who enjoy any coverage for health and welfare, receive from 1 cent to 5 cents per hour less than the employees before us who request this coverage. The freight car cleaning employees receive 1 cent less per hour; all others receive 5 cents less per hour.

These employees who are involved in this proceeding, and all other railroad employees, enjoy an excellent pension plan on a 50–50 basis. They enjoy an unemployment plan at the sole cost of the Carriers. They enjoy a plan providing for sick benefits. They also enjoy some free transportation for themselves and their families. Workmen in industry generally do not enjoy all these benefits. It is the considered opinion of this Board that benefits for health and welfare to which the Carrier contributes should be for employees only, and that the expense of such coverage should be borne jointly by the Carrier and the employees, on a 50–50 basis. Each of the parties, Carrier and Employee, should have a stake in the maintenance of said plan.

Taking into consideration all that has been heretofore stated, this Board now makes the following recommendation for the employees on the third issue in this proceeding.

That these employees should be granted medical, hospital, and surgical benefits equal to those now enjoyed by the other nonoperating employees, subject to limitations and specifications as follows:

1. Benefits to be by agreement limited to employees only.
2. Benefits to be available at the joint cost of the Carrier and the employees on a 50–50 basis.
3. That reasonable limits for benefits and qualification requirements be agreed upon.
4. That the sum of $3.40 per employee, per month, be provided by the Carrier, and that a like sum be provided or paid by each employee, which sums shall be used to provide hospital, medical and surgical benefits for employees only.

These recommendations are not to be interpreted to mean that coverage of dependents cannot be, by agreement, joined to or with the

insurance contract above recommended, such coverage to be at the sole cost of the employee benefited.

CONCLUSION

It is the opinion of your Board that the three disputes submitted to us which have become emergent because of a threatened interruption of transportation in interstate commerce, ought to be adjusted and settled on the bases hereinbefore set forth.

Respectfully Submitted.

HOWARD A. JOHNSON, *Chairman.*
WALTER R. JOHNSON, *Member.*
MART J. O'MALLEY, *Member.*

U. S. GOVERNMENT PRINTING OFFICE: 1958