Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED BY EXECUTIVE ORDER NO. 11147 DATED MARCH 17, 1964, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To Investigate Certain Disputes Between the Carriers Represented by the National Railway Labor Conference and Certain of Their Employees Represented by the Railway Employes' Department, AFL-CIO.

WASHINGTON, D.C.
AUGUST 7, 1964

(National Mediation Board Case No. A-7030)

Emergency Board No. 160

LETTER OF TRANSMITTAL

AUGUST 7, 1963.

THE PRESIDENT
The White House, Washington, D.C.

MR. PRESIDENT: The Emergency Board created by you on March 17, 1964, by Executive Order 11147, pursuant to Section 10 of the Railway Labor Act, as amended, to investigate disputes between the carriers represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees and certain of their employees represented by the International Brotherhood of Boiler Makers, Iron Ship Builders, Blacksmiths, Forgers and Helpers; Brotherhood of Railway Carmen of America; International Association of Machinists; Sheet Metal Workers' International Association; International Brotherhood of Firemen, Oilers, Helpers, Round House and Railway Shop Laborers functioning through the Railway Employes' Department, AFL–CIO, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

Respectfully submitted,

JEAN T. MCKELVEY, *Member.*
ARTHUR M. ROSS, *Member.*
SAUL WALLEN, *Chairman.*

INTRODUCTION

Emergency Board No. 160 was created by Executive Order No. 11147 of the President on March 17, 1964, pursuant to Section 10 of the Railway Labor Act, as amended. The President directed the Board to investigate certain disputes between the carriers represented by the National Railway Labor Conference (comprised of the Eastern, Western and Southeastern Carriers' Conference Committees), and certain of their employees represented by six shopcraft unions operating through the Railway Employes' Department, AFL–CIO, and to report its findings to the President with respect to these disputes within 30 days from the date of the order.[1]

In due course, the President appointed as members of the Emergency Board: Saul Wallen of Boston, Massachusetts, Chairman; Arthur M. Ross of Berkeley, California; and Mrs. Jean T. McKelvey of Rochester, New York. The Board convened in Washington, D.C., on March 31, 1964, to hear the opening statements of the parties and to discuss procedures.[2] It met informally with the representatives of both parties in Washington, D.C., in April 1964, for a further discussion of procedure. Hearings began on May 4, 1964, in Chicago and continued through May 8, 1964. They were resumed on May 8, 1964, in Washington, D.C., and continued through May 22, 1964. The Board held private meetings with the parties from June 16 through 18, 1964, in Boston, Massachusetts; from June 30 through July 3, 1964, and from July 6 through July 13, 1964, in Chicago, Illinois. Subsequently, the Chairman engaged in further mediatory efforts with the parties in Chicago on July 22 and 23 and from July 28 through August 5, 1964. While these sessions did not produce a formal agreement, they did contribute to a significant narrowing of the areas of dispute. Upon successive stipulations of the parties, the President granted three extensions of the time within which the Board was required to file its report, the last such date being August 17, 1964.

[1] The text of the Executive Order, together with a list of the carriers involved in this proceeding, can be found in Appendix A. The six labor organizations involved are the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers; Brotherhood of Railway Carmen of America; International Brotherhood of Electrical Workers; International Association of Machinists; Sheet Metal Workers International Association; and International Brotherhood of Firemen, Oilers, Helpers, Round House and Railway Shop Laborers.

[2] Appearances for the organizations and the carriers are listed in Appendix B.

A more extensive analysis of the Board's procedures, together with its suggestions for their improvement follows.

THE BOARD'S PROCEDURES

Section 10 of the Railway Labor Act charges emergency boards with the duty to ". . . investigate promptly the facts as to the dispute and make a report therein to the President within thirty days from the date of its creation." This Board created by the President on March 17, 1964, was appointed on March 27 and met with the parties on March 31, 1964, to receive their opening statements and consider the procedures to be followed in its investigation.

When the Board asked the parties to estimate the amount of time they expected to consume in the presentation of their cases, it was informed that a total of about forty-two 4-hour days of hearing would be required. While the Act does not specify the manner in which the Board is to carry out its investigation, the parties have long shown a preference for lengthy, rather formal hearings of a quasi-judicial nature in which most witnesses read their testimony and in which mountains of exhibits containing data, some of current value and some of historic significance only, are filed. Prior Emergency Boards have for the most part accepted this pattern of procedure.

We believe, however, that these procedures deviate from the intent of the framers of the Railway Labor Act. The provision for a report in thirty days must have been made in contemplation of a flexible procedure suited to the problems of each case in which all suitable means of information gathering would be employed, including written statements of the facts, informal discussions with the parties, together and separately, and direct and cross-examination of witnesses where necessary or appropriate. The framers of the Act could not have intended that disputes be heard and reports be written in thirty days from the date of a Board's creation without conferring on the Board the discretionary power to determine the quantum of evidence it requires and the necessary means for obtaining it.

In an attempt to reduce the long delays that have become a feature of disputes-handling under the Act, the Board informally advised the parties in this case that it contemplated requiring the submission of the parties' direct and rebuttal cases in the form of documents and exhibits, after which it proposed to take testimony on those areas in which a factual controversy was thus revealed and to hear summary argument on the disputed issues. However, the parties, long accustomed to their own way of procedure, objected in part on the ground that they had prepared their cases in contemplation of the full hearing type of procedure. For this reason the Board issued the following procedural ruling:

"Emergency Board No. 160 enters into the record the following ruling on the procedure to be observed in the hearing of the dispute between the parties:

1. Each party is to be limited to a total of seven days to present its case in chief and its rebuttal evidence or testimony.

2. Each party is to be limited to a total of one day for presentation of oral argument.

3. The time consumed in cross examinaton shall be charged to the party doing the cross-examining.

4. Written briefs may be filed at the option of the parties.

5. In order to permit the most efficient utilization of the allowed time, the Board encourages the parties to submit background or other non-controversial evidence in exhibit form.

6. A day of hearing will be six hours, exclusive of recesses. Hearings will commence at 9 :00 A.M.

7. Hearings will commence on May 4, 1964, in Chicago, Illinois, at a place to be determined. The Organizations' case in chief will be presented during the course of these hearings in Chicago Thereafter the Carriers' case in chief will be presented in Washington, D.C., at a place to be determined.

Per order of Emergency Board 160 by Saul Wallen, Chairman."

Even this expedited procedure, however, permitted the presentation of a considerable amount of extraneous material only remotely related to the issues. The fact is that while some of the documents introduced as exhibits and the testimony of some of the witnesses were valuable in enabling us to graps the issues, our medation sessions with the parties constituted a more economical and efficient method for developing the facts concerning, and the implications of, the issues in the case.

It is our hope that future emergency boards will take the initiative in developing procedures suitable to the particular case and will reinstate the flexibility that is inherent in Section 10 of the Act in carrying out their investigatory function. We believe that disputes will be settled more expeditiously and more economically if this is done.

PARTIES TO THE DISPUTE

The six unions involved in this proceeding represent the majority of the approximately 150,000 shopworkers employed by Class I Railways in 1962. They are classified into 22 I.C.C. Reporting Divisions of which 15 classes are shopcraft employees and 7 classes consist of stationary engine and boiler room employees and shop and roundhouse laborers. These shopcrafts comprise about one-third of

all nonoperating employees and about one-fifth of all employees of Class I Line-Haul Railways.

The carriers who are parties to this proceeding are 147 line-haul railroads and terminal and switching companies, the great majority of which are Class I carriers, that is railroads whose gross annual earnings exceed $3,000,000. Among the major Class I carriers which are not a party to this proceeding are the Pennsylvania, the Southern, and the Florida East Coast Railways.

HISTORY OF THE DISPUTE

This dispute began on October 15, 1962, when the six shopcraft organizations served notices on individual carriers pursuant to Section 6 of the Railway Labor Act, as amended, seeking certain rules changes in existing agreements designed to promote stabilization of employment, to protect employees against contracting out practices of the carriers, and to protect the work of each craft or class represented by the organizations.[3] Subsequently, in October and November 1962, various counterproposals were served by individual carriers, on the organizations.[4] Many of the carriers involved later notified the organizations that they had authorized Regional Carriers' Conference Committees to handle this dispute to a conclusion in national conferences under the Railway Labor Act. Similarly an Employees' Conference Committee, consisting of the President and Executive Council Members of the Railway Employes' Department, AFL–CIO, was authorized by the organizations to handle the dispute nationally.

Because of the failure of the carriers to respond to the organizations' request that a date be set for national negotiations to commence, the Railway Employes' Department invoked the services of the National Mediation Board on June 28, 1963.

On August 26, 1963, more than ten months after the service of the organizations' Section 6 notices, the parties began national negotiations in Washington. After approximately 14 meetings in which no progress was made, mediation sessions began on October 22, 1963, only to be recessed on November 1, 1963. Some further mediation was attempted in the next two months, but without success. On January 30, 1964, the National Mediation Board proffered arbitration in accordance with the procedures of the Railway Labor Act. The organizations accepted arbitration on condition that the carriers' counterproposals be withdrawn. Since this condition proved unacceptable to the carriers, the National Mediation Board notified the parties on February 20, 1964, that mediation efforts were terminated. Subsequently,

[3] See Appendix C for the text of a typical section 6 notice.

[4] See Appendix D for the text of a typical counterproposal.

as a result of a strike authorization, the National Mediation Board certified the dispute to the President who issued the Executive Order establishing this Emergency Board.

BACKGROUND OF THE DISPUTE

This dispute has its origin in the sweeping technological and organizational changes which have adversely affected the employment of all railroad workers in the last twenty years. The nation is just beginning to recover from the bitter and protracted dispute between the carriers and the operating brotherhoods over the manning of diesel-powered engines and trains. While the thrust of technological change has been felt by all classes of railroad workers, its impact on shopcraft employment has been the most shattering. Whereas average shopcraft employment was 367,486 in 1945, it had dropped to 149,151 in 1962. In other words, some 218,335 shopcraft positions had been abolished between 1945 and 1962, a drop of approximately 60 percent in employment. The corresponding percentage decline in employment for all nonoperating employees in the same period was 57 percent and for all operating employees 37 percent. The following table sets forth these comparisons in more detail:

TABLE I.—*Average employment (middle of month count)*

Year	Shopcraft employees	All nonoperating employees	Operating employees	All railway classes
1945	367,486	1,013,946	314,948	1,420,266
1955	256,986	722,909	249,737	1,058,216
1961	152,012	447,767	199,135	717,543
1962	149,151	432,198	198,692	700,146
Decrease:				
1945 to 1962	218,335	581,748	116,256	720,120
Percentage decrease:				
1945 to 1962	59.4%	57.4%	36.9%	50.7%

If one examines the changes in shopcraft employment only since the completion of dieselization, that is, in the period from 1955 to 1962, the same two trends stand out: (1) The steady erosion of shopcraft employment from 256,986 in 1955 to 149,151 in 1962, a drop of over 100,000 jobs which is a 42 percent decline in employment; and (2) the greater relative decline in shopcraft employment as compared with the decline in operating employment, in all nonoperating employment, and in all railroad employment. Tables II and III show these comparisons in detail:

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TABLE II.—*Change in employment, shopcraft classes operating and nonoperating railway classes,* Class I line-haul railways, 1955–62*

Year	Shopcraft employees (number)	Operating employees (number)	Nonoperating employees (number)
1955	256, 986	249, 737	722, 909
1956	249, 712	256, 535	700, 712
1957	231, 119	247, 274	655, 097
1958	182, 908	219, 116	543, 750
1959	181, 231	216, 552	523, 294
1960	171, 195	211, 604	494, 773
1961	152, 012	199, 135	447, 767
1962	149, 151	198, 692	432, 198
Percentage change: 1955–62	−42. 0%	−20. 4%	−40. 2%

* Mid-month count.

Source: Interstate Commerce Commission, *Statement M–300.*

TABLE III.—*Change in employment, shopcraft classes and all railway employees,* Class I line-haul railways, 1955–62*

Year	Shopcraft employees (number)	All railway employees (number)
1955	256, 986	1, 058, 216
1956	249, 712	1, 042, 664
1957	231, 119	986, 001
1958	182, 908	840, 575
1959	181, 231	815, 474
1960	171, 195	780, 494
1961	152, 012	717, 543
1962	149, 151	700, 146
Percentage change: 1955–62	−42. 0%	−33. 8%

*Mid-month count.

Source: Interstate Commerce Commission, *Statement M–300.*

Within the shopcraft occupation all classes of shopcraft employees have lost jobs, although some occupations have been affected more severely than others. Table IV shows the decline in the number of jobs by crafts between 1955 and 1962:

TABLE IV

Craft or class	Loss of positions, 1955–62	Percentage decline in employment, 1955–62
		Percent
Machinists	9, 000	28. 8
Boilermakers	2, 000	53. 1
Blacksmiths	1, 600	41. 7
Sheet metal workers	2, 800	29. 0
Electrical workers	3, 000	18. 4
Freight carmen	18, 000	30. 5
Passenger carmen	6, 000	33. 0
Coach cleaners	4, 700	49. 8
Firemen and oilers	23, 000	50. 7
Apprentices	4, 500	58. 6
Skilled trades helpers	31, 000	67. 4

These severe declines in employment thus provided the impetus for the Section 6 notices served by the shopcrafts on October 15, 1962, which bear the general label of "1962 Job Security and Employee Protection Movement." In the unions' view much of the decline in employment is attributable to technological and organizational change, to subcontracting of work formerly done by shopcraft employees, and to improper assignments of shopcraft work to supervisors and in one instance, that of the Carmen, to operating crews. While the Section 6 notices, as originally framed, sought to limit or arrest the pace of technological and organizational change by giving the unions what the carriers termed a "veto" power over management decisions, it became apparent early in the hearings that the unions were really seeking to cushion the shock of technological change by providing displaced employees with some form of income or job protection. In addition, the organizations were asking that they be given notice to enable them to be consulted before changes which might affect their members adversely were put into effect, as well as the opportunity to test the reasonableness of the carriers' actions under criteria to be recommended by this Board and negotiated by the parties.

In the Board's view much time was wasted during the formal presentation of the case since the carriers addressed themselves to the original Section 6 notices rather than to the revised statements of demands made during the course of the hearings. It would therefore be equally futile and unrealistic for this Board to base its report and recommendations on the literal text of the original notices rather than

to deal with the issues as they emerged during the hearings, and more significantly, during the informal mediation sessions. In other words, the Board will analyze the demands of the organizations in their present posture, rather than in their historic context, recognizing nonetheless that it is not free in its recommendations to expand the scope of the original demands.

Just as the unions sought in their original proposals to arrest the pace of technological change in an effort to protect their members from job losses, so the carriers in framing their counterproposals urged the need for complete freedom from restrictive work rules which in their view impeded their right to manage and to allocate their work forces efficiently. Consequently, while the Board is well aware that this case poses sharply the conflict of interest between the carriers' need for efficiency and the unions' need for security, it proposes to make its recommendations on the basis of its understanding of the true positions of the parties.

JOB PROTECTION

The shopcrafts' proposal on job protection is

> "The same protective benefits as those afforded by Sections 4, 6, 7, 8, 9, 10 and 11 of the Agreement of May, 1936, Washington, D.C., shall be applicable with respect to employees who are displaced or deprived of employment as a result of changes in the operations of this individual carrier such as:
>
> (1) Transfers of work;
> (2) Abandonments, discontinuances or consolidations of facilities or services, or portions thereof;
> (3) Contracting out of work;
> (4) Lease or purchase of equipment or component parts thereof, the installation, operation, servicing or repairing of which is to be performed by the lessor or seller;
> (5) Voluntary or involuntary discontinuance of contracts;
> (6) Technological changes;
> (7) Installation of labor saving equipment and machinery;
> (8) Trade in and repurchase of equipment or unit exchange;
> (9) Any changes in work assignments or operations other than those resulting solely from decline in volume of traffic."

The principle of job protection in the railroad industry is not new. Since the Washington Job Protection Agreement was consummated in 1936 railroad employees have been protected from the adverse effects on their job opportunities and living arrangements arising from mergers, consolidations or abandonments. The shopcrafts now seek

similar protective provisions for those disemployed, dislocated or downgraded as a result of technological, organizational or related changes introduced by management on single railroads.

There is in force on the railroads a growing number of job protection agreements applicable to job abolitions or dislocations caused by technological or organizational changes. The subject has been brought to the fore by the Clerks and the Telegraphers organizations which have negotiated, either directly or after emergency board recommendations, a significant number of such agreements.

The shop crafts have arrived late on this scene. The greatest decline in their numbers has long since taken place. The prospect is for quite stable, if not rising employment, in their ranks. Nonetheless, a job protection agreement for them is in order. If it does not actually have to be applied, so much the better. That will be cheaper for the Carriers while the men will have the peace of mind that any insurance policy affords.

Job protection is favored generally by public policy. Public opinion is sensitive to the need for gearing the pace of disemployment stemming from automation and generally rising managerial efficiency to the rate of growth of the economy as a whole. In recent years the former outstripped the latter and public policy has increasingly favored arrangements to cushion the impact. The results can be seen in the growing number of stabilization, technological displacement and job protection agreements in outside industry.

The carriers stated that they "do not oppose transitional benefits for employees effected by carrier initiated operating changes providing (1) the carriers are free to introduce such changes without union obstruction; and (2) the changes represent increased efficiency or economy of operations rather than adjustments necessitated by declines in business." The carriers see the Unions' proposals as "part of a broad program to protect jobs, not individuals" and "as a medium for impeding or thwarting the carriers' efforts to adapt to changing conditions."

The evidence for these conclusions, at least in the case of the shop crafts, is scanty. In the first place, up to now there have been serious declines in employment in the shop crafts since 1955 and many of the positions were abolished as a result of technological or organizational changes introduced by management. It is thus apparent that existing rules or agreements scarcely constituted an impediment to the traditional right of management to modernize by introducing new machines or new ways of organizing work. If this is so, it is difficult to perceive how an employee protection plan would impede this right. We have been shown no cases involving the shop crafts in which organizational or technological changes have been thwarted by existing rules. While existing craft line restrictions may impose some penalty

on efficiency (the magnitude of which is as yet undetermined), this penalty exists in any case and nothing inherent in the terms of the Washington Job Protection Agreement is likely to enhance it.

The carriers' post-hearing brief raises the specter of use by the Unions of a job protection agreement to "strengthen not weaken their voice in decisions to contract out work, transfer work, introduce technological changes and the many other types of decisions listed. . . ." in their proposal. It is not our intention to recommend a job protection plan that would either strengthen or weaken the Unions' voice in such decisions. Rather we have sought to set forth principles which will facilitate, not frustrate, technological or organizational changes of types not clearly barred by existing rules or agreements. In general, our recommendation contemplates an adaptation of the Washington Job Protection Agreement of 1936 to displacements or deprivations of employment arising out of technological or organizational changes but not to disemployment or displacements attributable to declines in volume of business. We believe that the rule should specifically recognize the Carriers' right to make such changes if not clearly barred by existing rules or agreements. Our recommendation, if adopted, would create the obligation on the part of an employee whose work is transferred from one location to another to follow the work under pain of forfeiture of the benefits of the job protection plan. However, it is not our intent to require an employee to accept a job in another location when not required by existing seniority rules if that job was not the result of a transfer of work but was the result of a simultaneous but unrelated expansion of employment at the other location. Finally, we shall also recommend that as part of any agreement on job protection, the parties require that the seniority of employees disemployed at one location due to technological or organizational changes be dovetailed with the seniority of the employees at the point or in the district to which they move. We believe, and shall recommend, that if in such cases there is disagreement over the method of dovetailing seniority, the resultant dispute should be settled in an expedited arbitration procedure.

In recommending a job protection formula based largely on the Washington Job Protection Agreement of 1936 in this case, we were influenced by the character of the notice filed on October 15, 1962, by the shop crafts. We have no license to go beyond that notice notwithstanding that significant improvements have been made in the job protection area since that time. We need not speculate on whether, under other circumstances, our recommendation would be different. We mention the point only to underline that we did not decide on the recommendation here because it represented the last word on the subject.

RECOMMENDATION ON JOB PROTECTION

We recommend:

1. That the parties agree that the Carrier has and may exercise the right to introduce technological and operational changes except where such changes are clearly barred by existing rules or agreements.

2. That the parties agree to extend the provisions of the Washington Job Protection Agreement of 1936 to employees who are deprived of employment or placed in a worse position with respect to their compensation and rules governing working conditions by transfer of work, abandonment, discontinuance or consolidation of facilities or services or portions thereof; contracting out of work; lease or purchase of equipment or component parts thereof, the installation, operation, servicing or repairing of which is to be performed by the lessor or seller; voluntary or involuntary discontinuance of contracts; technological changes; trade-in or repurchase of equipment or unit exchange.

3. However, that an employee shall not be regarded as deprived of employment or placed in a worse position with respect to his compensation and rules governing working conditions in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to work due to disability or discipline, or failure to obtain a position available to him in the exercise of his seniority rights in accordance with exisiting rules or agreements, or reductions in forces due to seasonal requirements, the layoff of temporary employees or a decline in a Carrier's business. In any dispute over whether an employee is deprived of employment or placed in a worse position with respect to his compensation and rules governing working conditions due to causes listed in paragraph 1 hereof or whether it is due to the causes listed in paragraph 2 hereof, the burden of proof shall be on the Carrier.

4. That the parties agree on a 90 day notice to the General Chairman of the organization affected by the abolition of jobs because of one of the reasons set forth in Paragraph 1 hereof. The notice shall be in the nature of a full disclosure of all facts and circumstances bearing on the discontinuance of the position. Provision shall be made for a conference prior to the close of the 90 day period between the General Chairman or his representative, at his option, with a representative of the Carrier to discuss the manner in which and the extent to which employees represented by the organization may be affected by the changes involved.

5. That the parties agree to grant employees continued in service, but who are placed, as a result of the conditions set forth in paragraph 1 above, in a worse position with respect to compensation and rules

governing working conditions, the benefits set forth in Section 6 (a), (b) and (c) of the Wasshington Job Protection Agreement of 1936.

6. That the parties agree to grant employees deprived of employment as a result of the conditions set forth in paragraph 1 above a monthly dismissal allowance in accordance with the terms and conditions set forth in Section 7 (a) through (j) of the Washington Job Protection Agreement.

7. That the parties agree that an employee eligible to receive a monthly dismissal allowance may, at the time he becomes eligible, opt for a lump sum separation allowance in accordance with the terms and conditions set forth in Section 9 of the Washington Job Protection Agreement.

8. That the parties agree on the same protections of fringe benefits as are set forth in Section 8 of the Washington Job Protection Agreement.

9. That the parties agree on the same relocation benefits for employees retained in the service as are set forth in Section 10 of the Washington Job Protection Agreement.

10. That the parties agree on the same provisions governing compensation for real estate losses as are set forth in Section 11 of the Washington Job Protection Agreement.

11. That the parties agree to dovetail the seniority of employees disemployed at one location due to one of the changes referred to in Paragraph 1 above with the seniority of the employees at the point or in the district to which their work was transferred. In the event there is disagreement over the method to be followed in dovetailing seniority, the resultant dispute should be handled in the expedited grievance procedure.

12. That the parties agree that any dispute arising out of the application of this rule (1) as to whether an employee is deprived of employment as a consequence of changes in work assignments or operations resulting from a decline in volume of business; and (2) as to the protective benefits to which he may be entitled, if any, shall be submitted to an expedited arbitration procedure hereinafter set forth.

SUBCONTRACTING

One of the major reasons for the decline in shop craft employment in the past decade, according to the unions, is the practice of many carriers to subcontract building, rebuilding, overhauling and maintenance of equipment to outside manufacturers. In particular the unions complain that, although decisions of the Adjustment Board have established some implied limitations on subcontracting by the carriers, the practice of unit exchange whereby the carriers trade in

old or worn equipment or component parts, receiving in exchange new, upgraded or rebuilt parts has gone unregulated by the Adjustment Board on the ground that these are property transactions. What the unions are seeking in this proceeding is the establishment of a rule which would require the carriers to perform on their own properties work for which they have the necessary employee skills and shop facilities. To administer such a rule the organizations would require notice of the intent to subcontract work, the stipulation of criteria for judging the reasonableness of the carrier's action, and provision for ultimate decision by an arbitrator should the unions choose to contest the propriety of the carrier's action.

On the other hand the carriers contended that they needed a free and unrestricted right to engage in all forms of subcontracting without limitation in order to operate efficiently.

From the evidence and testimony submitted this Board is impressed with the great diversity of practice among the various carriers. Some do all or almost all their own building, upgrading and repairing of equipment; others have abandoned or consolidated their shop facilities; while still others have relied on outside industry to perform a major part of their equipment maintenance. Although it is not possible or feasible to recommend that carriers which have scrapped their repair facilities should restore or re-establish them, this Board is of the opinion that the public interest would be served by measures which would help to arrest the decline in railroad shop facilities. To the extent that subcontracting has played a part in the steady erosion of shop employment it has contributed to the draining away of a skilled labor pool from the railroad industry. The current shortage of railroad freight cars highlights the inability of the industry to met the nation's needs for transportation, the inability which has aggravated some of our domestic and foreign problems. The national interest would be better served by maintaining the capacity of the railroad industry to keep its equipment in good working order and to expand its operations as needs requires.

Moreover, this Board is fully aware that outside industry through contract language and interpretation has accepted certain limitations on its right to engage in various forms of subcontracting ranging from the mere requirement of notice to absolute prohibitions on contracting-out of work.

All these considerations lead us to recommend a rule which is largely procedural but which would represent a modest step forward in preventing some of the abuses which have arisen in the area of subcontracting. While this would provide an opportunity to the unions to be consulted before new forms of subcontracting are under-

taken by a carrier, it would allow the carrier to pursue the goal of efficient operation by letting out contracts subject to possible challenge through the grievance procedure as to the propriety of its action under stipulated criteria.

RECOMMENDATIONS ON SUBCONTRACTING

We recommend the adoption of the following rule:

"The carriers agree that subcontracting of work, including unit exchange, will be done only when (1) managerial skills, skilled manpower or equipment are not available on the property, or (2) the required time of completion of the work cannot be met with the skills, personnel or equipment available on the property; or (3) such work cannot be performed by the carriers except at a significantly greater cost, provided the cost advantage enjoyed by the subcontractor is not based on substandard wages.

"Except for proposed contracts involving minor transactions, if the carrier decides that in the light of the criteria specified above it is necessary to subcontract work of a type currently performed by the employees, it shall give the general chairman of the craft or crafts involved notice of intent to contract out and the reasons therefor, together with supporting data. The representative of the organization will notify the carrier within ten days from the postmarked date of the notice of any desire to discuss the proposed action and will be given a reasonable opportunity for such discussion. This is not to be construed, however, as requiring the consent of the organization to such contracts.

"If the General Chairman of a craft requests the reasons and supporting data for the subcontracting of work for which no notice of intent has been given, in order to determine whether the contract is consistent with the criteria set forth above, such informaion shall be furnished him promptly.

"Any dispute over the application of this rule shall be submitted to the expedited arbitration procedure set forth below."

USE OF SUPERVISORS

The record supported the Unions' claim of abuses in the use of supervisors at outlying points to perform not only such nonmechanics' tasks as are required but also to perform work of the crafts. We found little difference of opinion between the parties over the proposition that some corrective action was in order. Our recommendation proposes to lay down a general rule but to delay its application in the case of incumbent supervisors.

RECOMMENDATION

None but mechanics or apprentices regularly employed as such shall do mechanics' work as per the special rules of each craft except foreman at points where no mechanics are employed. However, craft work performed by foremen or other supervisory employes employed on a shift shall not in the aggregate exceed 20 hours a week for one shift or 60 hours for all shifts.

If any question arises as to the amount of craft work being performed by supervisory employes, a joint check shall be made at the request of the General Chairmen of the organizations affected. Any disputes over the application of this rule may be referred to the expedited arbitration procedure.

The incumbent supervisor who assumed his present position prior to October 15, 1962, at a point where no mechanic is employed, may be retained in his present position. However, his replacements shall be subject to the preceding paragraphs of this rule.

OUTLYING POINTS RULE

This is an issue which at the outset of the case appeared to be in sharp dispute between the parties because the carriers were of the opinion, based on the language of the Section 6 notice, that the organizations sought to exercise a veto power over a carrier's present contractual right unilaterally to designate outlying points, that is those points where existing work requirements did not in the carrier's judgment justify the employment of mechanics of all crafts. It soon became apparent, however, that the unions were merely seeking the right to be consulted, and if necessary, to process a grievance over such a designation. Since this revised proposal seemed reasonable, we are accordingly recommending the adoption of the following rule.

RECOMMENDATION ON OUTLYING POINTS

At points where there is not sufficient work to justify employing a mechanic of each craft, the mechanic or mechanics employed at such points will so far as they are capable of doing so, perform the work of any craft which may be necessary to have performed. Disputes as to whether or not there is sufficient work to justify employing a mechanic of each craft, and disputes over the designation of the craft to perform the available work shall be handled as follows: The carrier will give the General Chairman of the organizations affected 15 days notice of its proposed designation of an outlying point. A conference is to be held to seek agreement on the proposed designation of

the point and the craft to be retained. The parties may undertake a joint check of the work done at the point. Failing agreement, the carrier may proceed and the dispute shall be handled under the expedited arbitration procedure.

COUPLING, INSPECTION AND TESTING

This problem arises from the Brotherhood of Railway Carmen which claims entitlement to the work of inspecting and testing of air brakes and appurtenances on cars and the related work of coupling air, signal and steam hose.

The Carriers reply that such inspections are the duty of all crafts and that the coupling work is a simple operation to be done by whoever is handy.

The Union's rejoinder is that car inspection is at the heart of the Carmens' craft; that the Power Brake Act calls for inspection work which car inspectors are supposed to perform; and that the related coupling is Carmens' work as well.

The origins of the issue are veiled by time and we were compelled to rely greatly on the parties' more intimate knowledge of its history. In our informal talks with the parties we found that their views, while divergent, might meet on the rule set forth below.

RECOMMENDATION

We recommend the adoption of the following rule:

In yards or terminals where carmen are employed and are on duty at or in the immediate vicinity of the departure tracks where road trains are made up, the inspecting and testing of air brakes and appurtenances of road trains, and the related coupling of air, signal and steam hoses incidental to such inspections, shall be performed by carmen.

This rule shall not apply to coupling of air hose between locomotive and the first car of an outbound train; between the caboose and the last car of an outbound train or between the last car in a "double-over" and the first car standing in the track upon which the outbound train is made up.

EXPEDITED ARBITRATION PROCEDURE

Except for the recommendation on inspection and testing of air brakes, each of the recommendations set forth above provides for the reference of disputes over their interpretation to an expedited arbitration procedure. During the course of the hearings and in the informal meetings both parties expressed dissatisfaction with the

protracted and cumbersome arbitration procedures available to them under the Railway Labor Act. Consequently this Board is recommending that the parties adopt the following expedited arbitration procedure which shall be applicable to disputes arising out of the interpretation of all but one of the substantive matters involved in this proceeding.

RECOMMENDATION

Disputes subject to the expedited arbitration procedure which are not settled in direct negotiations may be referred to arbitration by either party. Within 10 days after notice from either party that the dispute will be referred to arbitration, the carrier and the organization or organizations in interest shall each name one member, and the two partisan members so chosen, within 10 days after the date of the selection of the second partisan member, shall name the neutral member, who shall be chairman of the board. If the members chosen by the parties shall fail to name the neutral member of the board within 10 days, the National Mediation Board shall submit five names from a standing panel of arbitrators previously designated for this purpose by the National Mediation Board after consultation with the parties. The parties shall each have the right to strike two names. The Board shall appoint the arbitrator from among the names not struck. If either party fails to name a member of the board within the 10 days specified, the National Mediation Board shall be requested to name such member within 5 days after the receipt of such request.

Decisions of the arbitration board shall be rendered within 30 days after the appointment of the neutral member, unless such time limit is extended by mutual agreement of the parties. A decision of the majority of the board shall be binding upon both parties. The parties shall assume the costs and expenses of their respective members. The costs and expenses of the neutral member and any incidental expenses shall be shared equally by the parties.

CONCLUSION

The foregoing six recommendations are those which the Board believes the parties should adopt to dispose of the issues between them. The Board makes the further recommendation that all other proposals and counterproposals which are not dealt with in this report should be withdrawn.

Respectfully submitted,

JEAN T. MCKELVEY, *Member.*
ARTHUR M. ROSS, *Member.*
SAUL WALLEN, *Chairman.*

WASHINGTON, D.C., *August 7, 1964.*

APPENDIX A

EXECUTIVE ORDER NO. 11147

CREATING AN EMERGENCY BOARD TO INVESTIGATE DISPUTES BETWEEN THE CARRIERS REPRESENTED BY THE NATIONAL RAILWAY LABOR CONFERENCE AND CERTAIN OF THEIR EMPLOYEES

WHEREAS disputes between the carriers represented by the National Railway Labor Conference, designated in List A attached hereto and made a part hereof, and certain of their employees represented by the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers; Brotherhood of Railway Carmen of America; International Brotherhood of Electrical Workers; International Association of Machinists; Sheet Metal Workers' International Association; International Brotherhood of Firemen, Oilers, Helpers, Round House and Railway Shop Laborers functioning through the Railway Employes' Department, AFL–CIO, labor organizations; and

WHEREAS these disputes have not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

WHEREAS these disputes, in the judgment of the National Mediation Board threaten substantially to interrupt interstate commerce to a degree such as to deprive the country of essential transportation service:

NOW, THEREFORE, by virtue of the authority vested in me by Section 10 of the Railway Labor Act, as amended (45 U.S.C. 160), I hereby create a board of three members, to be appointed by me, to investigate these disputes. No member of the board shall be pecuniarily or otherwise interested in any organization of railroad employees or any carrier.

The board shall report its findings to the President with respect to the disputes within thirty days from the date of this order.

As provided by Section 10 of the Railway Labor Act, as amended, from this date and for thirty days after the board has made its report to the President, no change, except by agreement, shall be made by the carriers represented by the National Railway Labor Conference, or by their employees, in the conditions out of which the disputes arose.

(S) LYNDON B. JOHNSON

THE WHITE HOUSE,
March 17, 1964.

(List A, Eastern Railroads, referred to follows:)

Akron, Canton and Youngstown Railroad Company
Ann Arbor Railroad Company
Baltimore and Ohio Railroad Company
    Baltimore and Ohio Chicago Terminal Railroad Company
    Staten Island Rapid Transit Railway Company
    Strouds Creek and Muddlety Railroad
Bangor and Aroostook Railroad
Bessemer and Lake Erie Railroad
Boston and Main Railroad
Brooklyn Eastern District Terminal
Buffalo Creek Railroad
Canadian National Railways
    Lines in the United States
    St. Lawrence Region
    Great Lakes Region
Canadian Pacific Railway Company
Central Railroad Company of New Jersey
    New York and Long Branch Railroad Company
Central Vermont Railway
Chicago Union Station Company
Cincinnati Union Terminal Company
Dayton Union Railway Company
Delaware and Hudson Railroad Corporation
Detroit and Toledo Shore Line Railroad Company
Detroit Terminal Railroad
Detroit, Toledo and Ironton Railroad Company
Erie-Lackawanna Railroad Company
Grand Trunk Western Railroad Company
Indianapolis Union Railway Company
Lehigh and Hudson River Railway Company
Lehigh Valley Railroad
Maine Central Railroad Company
    Portland Terminal Company
Monon Railroad
Monongahela Railway Company
Montour Railroad Company
New York Central System
    New York Central Railroad Company
    New York District
        Grand Central Terminal
    Eastern District
        Boston and Albany Division
    Western District
    Northern District
    Southern District
    Indiana Harbor Belt Railroad Company
    Chicago River and Indiana Railroad Company
    Pittsburgh and Lake Erie Railroad Company
        Lake Erie and Eastern Railroad Company
    Cleveland Union Terminals Company
New York, Chicago and St. Louis Railroad Company

New York, New Haven and Hartford Railroad Company
New York, Susquehanna and Western Railroad
New York Dock Railway
Pittsburgh and West Virginia Railway Company
Reading Company
Toledo Terminal Railroad Company
Washington Terminal Company
Western Maryland Railway Company

(List A, Western Railroads, referred to follows:)

Alton and Southern Railroad
Atchison, Topeka and Santa Fe Railway
Gulf, Colorado and Santa Fe Railway
Panhandle and Santa Fe Railway
Belt Railway Company of Chicago
Butte, Anaconda and Pacific Railway
Camas Prairie Railroad
Chicago and Eastern Illinois Railroad
Chicago and Illinois Midland Railway
Chicago and North Western Railway (Including the former C.St.P.M.&O. M.&St.F., S.&M., M.I. and Railway Transfer Company of the City of Minneapolis)
Chicago and Western Indiana Railroad
Chicago, Burlington and Quincy Railroad
Chicago Great Western Railway
Chicago, Milwaukee, St. Paul and Pacific Railroad
Chicago, Rock Island and Pacific Railroad
Chicago, West Pullman and Southern Railroad
Colorado and Southern Railway
Colorado and Wyoming Railway
Denver and Rio Grande Western Railroad
Des Moines Union Railway
Duluth, Missabe and Iron Range Railway
Duluth Union Depot and Transfer Company
Duluth, Winnipeg and Pacific Railway
Elgin, Joliet and Eastern Railway
Fort Worth and Denver Railway
Galveston, Houston and Henderson Railroad
Great Northern Railway
Green Bay and Eastern Railroad
Houston Belt and Terminal Railway
Illinois Central Railroad
Illinois Northern Railway
Illinois Terminal Railroad
Joint Texas Division of the C.R.I.&P. RR and Ft. Worth and Denver Railway
Kansas City Southern Railway
Kansas City Terminal Railway
Kansas, Oklahoma and Gulf Railway
Midland Valley Railroad
Lake Superior and Ishpeming Railroad
Lake Superior Terminal and Transfer Railway
Los Angeles Junction Railway

Louisiana and Arkansas Railway
Manufacturers Railway
Minneapolis, Northfield and Southern Railway
Minnesota Transfer Railway
Missouri-Kansas-Texas Railroad
Missouri Pacific Railroad
    Missouri-Illinois Railroad
Northern Pacific Railway
Northern Pacific Terminal Company of Oregon
Northwestern Pacific Railroad
Ogden Union Railway and Depot Company
Peoria and Pekin Union Railway Company
Port Terminal Railroad Association
Pueblo Joint Interchange Bureau
St. Joseph Terminal Railroad
St. Louis-San Francisco Railway
    St. Louis, San Francisco and Texas Railway
St. Louis Southwestern Railway
Saint Paul Union Depot Company
San Diego and Arizona Eastern Railway
Soo Line Railroad
Northern Pacific Company (Pacific Lines)
Southern Pacific Company (Texas and Louisiana Lines)
Spokane, Portland and Seattle Railway
    Oregon Trunk Railway
    Oregon Electric Railway
Terminal Railroad Association of St. Louis
Texas and Pacific Railway
    Abilene and Southern Railway
    Fort Worth Belt Railway
    Texas-New Mexico Railway
    Weatherford, Mineral Wells and Northwestern Railway
Texas Mexican Railway
Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans
Toledo, Peoria and Western Railroad
Union Pacific Railroad
Union Railway (Memphis)
Union Terminal Company (Dallas)
Wabash Railroad
Western Pacific Railroad
Wichita Terminal Association
Yakima Valley Transportation Company

(List A, Southeastern Railroads, referred to follows:)

Atlanta and West Point Railroad
    Western Railway of Alabama
Atlanta Joint Terminals
Atlantic Coast Line Railroad
Chesapeake and Ohio Railway
Clinchfield Railroad
Georgia Railroad
Gulf, Mobile and Ohio Railroad

Kentucky and Indiana Terminal Railway
Louisville and Nashville Railroad
Norfolk Southern Railway
Norfolk and Portsmouth Belt Line Railroad
Norfolk and Western Railway
Richmond, Fredericksburg and Potomac Railroad
Seaboard Air Line Railway

APPENDIX B

APPEARANCES:

Representatives of the Carriers:

NATIONAL RAILWAY LABOR CONFERENCE
J. E. WOLFE, Chairman

EASTERN CARRIERS' CONFERENCE COMMITTEE
J. J. GAHERIN, Chairman
Chairman, Labor Relations Committee
Eastern Railroads
L. B. FEE, Vice President, Employee Relations
New York Central System
G. W. KNIGHT, Vice President, Labor Relations
Pennsylvania Railroad Company

WESTERN CARRIERS' CONFERENCE COMMITTEE
E. H. HALLMANN (Chairman), Chairman
Committee on Labor Relations
The Association of Western Railways
A. D. HANSON, Vice President, Labor Relations
Union Pacific Railroad
T. M. VAN PATTEN, Director of Personnel
Chicago and North Western Railway System

SOUTHEASTERN CARRIERS' CONFERENCE COMMITTEE
C. A. McREE (Chairman), Chairman
Southeastern Carriers' Conference Committees
F. K. DAY, Jr., Assistant Vice President
Norfolk & Western Railway
W. S. SCHOLL, Director of Personnel
Louisville and Nashville Railroad

COUNSEL FOR THE NATIONAL RAILWAY LABOR CONFERENCE AND THE CARRIERS' CONFERENCE COMMITTEES
CHARLES I. HOPKINS, JR.
MARTIN M. LUCENTE
HOWARD NEITZERT
HERMON M. WELLS
JAMES R. WOLFE

APPEARANCES FOR THE UNIONS:

RAILWAY EMPLOYES' DEPARTMENT AFL-CIO
MICHAEL FOX
GEORGE CUCICH

INTERNATIONAL ASSOCIATION OF MACHINISTS
J. W. RAMSEY
ALLEN BUCKLEY

INTERNATIONAL BROTHERHOOD OF BOILERMAKES, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS & HELPERS
C. E. BAGWELL
E. H. WOLFE
SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
J. W. O'BRIEN
W. F. BLYTHE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
T. V. RAMSEY
J. T. SOOP
BROTHERHOOD OF RAILWAY CARMEN OF AMERICA
A. J. BERNHARDT
I. L. BARNEY
INTERNATIONAL BROTHERHOOD OF FIREMEN & OILERS
J. B. ZINK
JOHN CURRAN
ECONOMIC ADVISORS
E. L. OLIVER
W. M. HOMER
JACK FRYE
LEGAL COUNSEL
ELSON, LASSERS & WOLFF
ALEX ELSON
WILLARD K. LASSERS
AARON WOLFF

APPENDIX C

Notwithstanding the provisions of any agreements heretofore made between this carrier and any of the organizations signatory hereto:

(a) None but mechanics or apprentices regularly employed as such shall do mechanics' work of their craft as per the special rules thereof, and no work of any craft covered by such agreements shall, under any circumstances, be performed by any official, supervisory officer, or by employees who are employed in another craft; except at points where it is agreed that there is not sufficient work to justify employing a mechanic of each craft and agreement is reached between the carrier and the General Chairmen of the crafts involved arriving at special arrangements for the performance of work at such points.

Motor vehicles (passenger or truck) used for road service will be driven by an employee of the craft whose work is to be performed.

In case of any violation of this rule, the employee or employees who would have performed such work if it had been performed without violation of this rule, shall be compensated on the same basis as if they or he had performed the work.

(b) Except pursuant to a special agreement as to specifically described work made in each instance between the representative of the

carrier and the General Chairman of the craft involved, all work, which if performed by the carrier with its own employees, would be covered by such agreements, shall be performed by employees covered by such agreements, and the carrier shall not

(1) Contract with others for the performance of any such work;

(2) Contract with others for the trade in or repurchase of equipment, unit exchange, the installation, repair, rebuilding or replacement of equipment or the component parts thereof; or

(3) Lease or purchase equipment or component parts thereof, the installation, operation, servicing or repairng of which is to be performed by the lessor or seller.

In case of any violation of this rule, the employee or employees who would have performed such work if it had been performed without violation of this rule, shall be compensated on the same basis as if they or he had performed the work.

(c) The same protective benefits as those afforded by Sections 4, 6, 7, 8, 9, 10 and 11 of the Agreement of May, 1936, Washington, D.C., shall be applicable with respect to employees who are displaced or deprived of employment as a result of changes in the operations of this individual carrier such as:

(1) Transfers of work;
(2) Abandonments, discontinuances or consolidations of facilities or services, or portions thereof;
(3) Contracting out of work;
(4) Lease or purchase of equipment or component parts thereof, the installation, operation, servicing or repairing of which is to be performed by the lessor or seller;
(5) Voluntary or involuntary discontinuance of contracts;
(6) Technological changes;
(7) Installation of labor saving equipment and machinery;
(8) Trade in and repurchase of equipment or unit exchange;
(9) Any changes in work assignments or operations other than those resulting solely from decline in volume of traffic.

(d) The coupling and uncoupling of air, steam and signal hose, testing air brakes and appurtenances on trains or cuts of cars in yards and terminals, shall be Carmen's work.

(e) The foregoing rules shall supersede any provisions of existing agreements not consistent therewith.

APPENDIX D

COUNTERPROPOSALS OF CARRIERS*

1. CLASSIFICATION OF WORK ATTACHMENT A

All agreements, rules, regulations, interpretations and practices, however established, governing the classification of work of mechanics, helpers and apprentices of employees represented by the following organizations:

International Association of Machinists
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers
Sheet Metal Workers' International Association
International Brotherhood of Electrical Workers

shall be merged into three classification of work rules. The first rule shall govern the work of all mehcanics, the second the work of all helpers, and the third the work of all apprentices. Thereafter, any work covered by such a consolidated rule may be assigned to and performed by any employee of the class to which the rule is applicable irrespective of craft.

The number of mechanics, helpers and apprentices in the craft of machinist, sheet metal workers, blacksmith, boilermaker and electrician to be employed shall be determined as nearly as practicable by the ratio which exists in each seniority district among these crafts on the effective date of these rules.

2. CAR INSPECTORS

All agreements, rules, regulations, interpretations and practices, however established, which restrict the character of service of car inspectors are hereby eliminated. Car Inspectors may hereafter be required to perform any work which may be assigned to them provided such work is included in the classification of work rules applicable to carmen.

3. MODERNIZATION OF AGREEMENTS TO MEET CHANGING CONDITIONS

(a) Eliminate all agreements, rules, regulations, interpretations and practices, however established, which in any way handicap or interfere with the carrier's right to:

(1) Transfer work from one facility or location to another facility or location;
(2) Partially or entirely abandon any operation or to consolidate facilities or services heretofore operated independently;
(3) Merge or coordinate in whole or in part two or more carriers;
(4) Contract out work;

*Copied from proposals submitted by the Baltimore and Ohio Railroad Company.

(5) Lease or purchase equipment or component parts thereof, the installation, operation, maintenance or repairing of which is to be performed by other than employees of the carrier;
(6) Voluntary or involuntarily discontinue contracts whereunder a carrier performs service for another carrier or for any other party;
(7) Effect technological changes;
(8) Install labor saving equipment and machinery;
(9) Trade in and repurchase equipment or exchange units;
(10) Make effective any other changes in work assignments or operation.

(b) Whenever the introduction of a change in methods or operation such as those set forth in paragraph (a) hereof cannot be accomplished, or where its benefits could not be fully realized without the consolidation, merger or elimination of one or more seniority districts, the carrier shall give thirty (30) days' notice to the affected organization or organizations. All parties affected by the change shall, before expiration of the notice period, engage in joint negotiations in regard to the consolidation, merging or elimination of one or more seniority districts. If agreement has not been reached within within thirty (30) days of the date of the notice, any party may submit the question for final and binding determination to an arbitration board consisting of a representative of each organization involved, an equal number of carrier representatives and a neutral member selected by the participating members. Should the parties fail to agree upon the selection of a neutral within ten (10) days from the date of the service of such notice, the parties, or any party, to the dispute may certify that fact to the National Mediation Board, which Board shall, wihin ten (10) days from the reecipt of such certificate, name a neutral. If the parties to the dispute fail to agree upon the fee to be paid to the neutral, the National Mediation Board shall stipulate the amount of such fee. The arbitration board shall begin hearings within ten (10) days of the appointment of the neutral. Findings shall be rendered in writing by the arbitration board within thirty(30) days from the date of the beginning of the hearings on the particular dispute, such findings to be final and binding upon all the parties to the dispute, whether or not such parties appear before the arbitration board. The arbitration board shall not undertake to determine whether the change is to be introduced but shall confine its decision to the consolidation, merger or elimination of seniority districts. The arbitration award thus rendered may be made effective thirty (30) days after the date of such award or at a later date if the carrier, for operational or other reasons, so decides.

This provision will also apply in any and all other instances where a carrier desires to consolidate, merge or eliminate one or more seniority districts.

4. Compulsory Retirement

All employees subject to the provisions of this agreement who are seventy (70) years of age or over must retire from active service no later than ninety (90) days subsequent to the effective date of this agreement. Thereafter the mandatory retirement age shall be progressively lowered until it is sixty-five (65) in accordance with the following schedule:

January 1, 1964—69 years of age
January 1, 1965—68 years of age
January 1, 1966—67 years of age
January 1, 1967—66 years of age
January 1, 1968—65 years of age

Existing agreements which provide for retirement at an earlier age than herein set forth remain in full force and effect.

5. Starting Time

(a) Eliminate all agreements, rules, regulations, interpretations and practices, however established, which limit or restrict a carrier in fixing or changing the starting time or quitting time of employees or provide for uniform starting or quitting times.

(b) The starting time of employees may be at any time except between 12:01 A.M. and 5:00 A.M., and the starting time of any employee or group of employees at a point or facility shall not be restricted by reason of the starting time of any other employee, group of employees, or shift. The starting time will be designated by the Carrier, and may be changed on not less than twenty-four (24) hours' notice.

(c) If it is desired that a starting time be established between 12:01 A.M. and 5:00 A.M., the matter will be handled between local officers of the Carrier and of the labor organizations involved looking toward agreement responsive to operational needs.

6. Change of Article IV, August 21, 1954 National Agreement

Eliminate Note 1 to Article IV of the August 21, 1954 Agreement between the Carriers represented by the Eastern, Western and Southeastern Carriers' Conference Committees and the employees thereof represented by the Employes' National Conference Committee, Fifteen Cooperating Railway Labor Organizations. This contemplates the elimination of that part of all agreements, rules, regulations, interpretations and practices, however established, which impose the restrictive

principle contained in Note 1 to Article IV of the August 21, 1954 Agreement.

7. GENERAL

(a) Where, in relation to any of the above proposals, an agreement, rule, regulation, interpretation or practice, however established, exists which is more favorable to the Carrier, such agreement, rule, regulation, interpretation or practice may be retained.

(b) Where, in relation to any of the above proposals, no agreement, rule, regulation, interpretation or practice exists which imposes the limitations or restrictions which would be eliminated by such proposal, the fact that the subject matter is included in this uniform Attachment A is not to be construed as an admission that such limitation or restriction exists on this Carrier.

U.S. GOVERNMENT PRINTING OFFICE:1964