

Report
TO
THE PRESIDENT
BY THE
EMERGENCY BOARD
No. 170

**APPOINTED BY EXECUTIVE ORDER 11343 DATED
APRIL 12, 1967, PURSUANT TO SECTION 10 OF
THE RAILWAY LABOR ACT, AS AMENDED**

**To investigate and report its findings to the President of unad-
justed disputes between the Long Island Railroad Company,
a carrier, and certain of its employees, represented by the
Brotherhood of Railroad Trainmen, International Brother-
hood of Electrical Workers, and International Association of
Machinists and Aerospace Workers.**

(NMB Cases A-7970 and E-322)

WASHINGTON, D.C.
MAY 12, 1967

LETTER OF TRANSMITTAL

WASHINGTON, D.C., *May 12, 1967.*

THE PRESIDENT

The White House, Washington, D.C.

DEAR MR. PRESIDENT: The Emergency Board which you created on April 12, 1967, by Executive Order 11343, pursuant to Section 10 of the Railway Labor Act, as amended, has the honor to submit its report and recommendations.

This Board was appointed to investigate disputes between the Long Island Railroad Company, a carrier, and certain of its employees, represented by the following unions:

Brotherhood of Railroad Trainmen;

International Brotherhood of Electrical Workers;

International Association of Machinists and Aerospace Workers.

Hearings have been held, and the evidence and argument of the parties considered.

Our recommendations for an equitable settlement of this dispute are submitted herewith.

The Board acknowledges with deep appreciation the able assistance during the hearings and in subsequent deliberations of Philip G. Riccobono, Lily Mary David and staff members of the Department of Labor.

Respectfully,

(S) GEORGE EDWARD REEDY, Jr., *Chairman.*

(S) ROLAND BOYD, *Member.*

(S) N. THOMPSON POWERS, *Member.*

(III)

HISTORY OF THE EMERGENCY BOARD

Emergency Board No. 170 was created by Executive Order 11343, issued April 12, 1967, pursuant to Section 10 of the Railway Labor Act, as amended, to investigate and report its findings of unadjusted disputes between the railroad carrier, the Long Island Railroad Co. (hereinafter sometimes referred to as "The Carrier"), and certain of their employees represented by the Brotherhood of Railroad Trainmen, and the International Brotherhood of Electrical Workers and the International Association of Machinists and Aerospace Workers¹ (hereinafter sometimes collectively referred to as "the Organizations").

The President appointed the following as members of the Board: George Edward Reedy, Jr., Vice President for Planning, Struthers Wells Corporation, New York City, New York, Chairman; Roland Boyd, Senior Partner in the law firm of Boyd, Veigel and Gay, 218 E. Louisiana St., McKinney, Texas, Member; N. Thompson Powers, partner in the law firm of Steptoe and Johnson, 1250 Connecticut Avenue NW., Washington, D.C., Member.

The Board formally convened in Courtroom No. 36, United States Courthouse, Foley Square, New York, New York, on April 18, 1967, at 11:15 a.m. to hear the opening statements of the parties and to discuss procedures. Public hearings were held for eight days between Tuesday, April 18, 1967, and April 27, 1967.² During the hearings the parties were given full and adequate opportunity to present evidence and argument before the Board. To assist the Board in identifying and clarifying issues, the parties willingly made themselves available to the Board for numerous informal discussions.

The record of the proceedings consists of 723 pages of testimony and 48 numbered exhibits, 34 introduced by the Carrier, one introduced by the Brotherhood, 11 introduced by the Organizations, and two introduced jointly. The Board has made clear that its report to the President would be based upon that record.

¹ The text of the Executive Order is contained in Appendix A.

² A list of persons appearing will be found in Appendix B.

THE OPERATION AND CHARACTER OF THE LONG ISLAND RAILROAD COMPANY

Long Island is a narrow strip of land approximately 122 miles long and 20 miles wide, containing an area of 1,311 square miles, and including the counties of Kings, Queens, Nassau, and Suffolk. Its total population was estimated at 6,954,000 in 1965.³ Its long dimension extends from southwest to northeast, generally parallel to the mainland of the United States, and separated from Manhattan Island and the mainland by Lower New York Bay, Upper New York Bay, the East River, and Long Island Sound.

The Long Island Railroad Co. operates passenger and freight service by rail between the western termini of Manhattan and downtown Brooklyn, and Montauk, and Greenport at the eastern end of Long Island.

The Carrier presently employs about 6,700 operating and non-operating personnel whose total annual payroll amounts to more than \$53,000,000. The operating group consists of those directly involved in train movement.

The 1966 operations of the Carrier are summarized in the following table:

Revenue passenger miles.....	1, 784, 344, 000
Total passengers carried.....	73, 808, 947
Commutation passengers carried.....	54, 950, 234
Freight revenue.....	\$8, 754, 028
Passenger revenue.....	\$67, 633, 705
Total freight and passenger revenues.....	\$76, 387, 733
Total operating revenues.....	\$79, 370, 224
Total operating expenses.....	\$75, 392, 339
Net revenue from railways operations.....	\$3, 977, 885
Railway tax accruals.....	\$4, 603, 354
Equipment rentals and other rents.....	\$4, 332, 706
Net railway operating income (deficit).....	\$4, 958, 175
Miles per revenue passenger.....	24. 18
Revenue per passenger mile.....	\$0. 0379
Revenue per passenger.....	\$0. 92

Special note should be taken of the fact that the Carrier's traffic consists primarily of passengers, 74.4 percent of whom are commuters. The Long Island is the only Class I railroad in the United States which derives more revenue from passengers than from freight service. In

³ United States Department of Commerce, Bureau of the Census, distributed as follows:

Kings County.....	2, 697, 000
Queens County.....	1, 944, 000
Nassau County.....	1, 401, 000
Suffolk County.....	912, 000

Total..... 6, 954, 000

1966, passenger revenues accounted for 88.5 percent of the Carrier's combined passenger and freight revenues. In the same year, the Long Island accounted for 10.4 percent of the total revenue passenger miles of all Class I railroads, 24.6 percent of all passengers carried, and 28.2 percent of all commuter passengers carried. In 1966, it carried 73,808,947 passengers—more than the number carried by any other Class I railroad in the United States.

It was suggested strongly by the labor unions involved in this proceeding, particularly the Machinists and Electrical Workers, that in terms of wages and working conditions, the Long Island Railroad should be considered part of the metropolitan New York transit system rather than as part of the national railroad system.

The facts stated above suggest that the character of traffic on the Long Island Railroad is dissimilar from that of other Class I Carriers. That dissimilarity has increased in recent years as indicated by the following comparisons.

	1959	1966	Percent change
Passenger volume—Long Island Railroad.....	73, 934, 636	73, 808, 947	—0. 2
Passenger volume—Class I railroads.....	352, 326, 079	300, 369, 779	—14. 7
Commuter volume—Long Island Railroad.....	53, 980, 708	54, 950, 234	+1. 8
Commuter volume—Class I railroads.....	222, 485, 917	195, 083, 360	—12. 3
Freight revenue—Long Island Railroad.....	\$12, 525, 910	\$8, 754, 028	—30. 1
Freight revenue—Class I railroads.....	\$8, 312, 181, 000	\$9, 280, 610, 000	+11. 7
Passenger revenue as a percent of combined passenger and freight revenue:			
Long Island Railroad			
percent..	81. 3	88. 5	
Class I railroads...percent..	7. 3	5. 5	
Long Island Railroad revenue			
passenger-miles as percent of revenue passenger-miles of all U.S. Class I railroads			
percent..	7. 5	10. 4	
Percentage of all passengers carried on U.S. Class I railroads carried by Long Island Railroad.....	21. 0	24. 6	
Percentage of all commuter passengers carried on U.S. Class I railroads carried by Long Island Railroad.....	24. 4	28. 2	

Other data presented to the Board shows the extent to which the Long Island Railroad functions as part of the New York metropolitan transit system. Each weekday the railroad carries some 260,000 passengers—90,000 commuters, making two trips a day and 80,000 single-fare passengers. Moreover, the only figures available indicate that 95 percent of the passenger traffic consists of riders from Long Island to New York City and return. Most of the commuters travel during the two daily rush periods; the first toward the city between 7:00 and 10:00 a.m., and the second away from the city from 4:00 to 7:00 p.m.

The essentiality of the Long Island Railroad in the New York metropolitan transit system was recognized by the State of New York at least as far back as 1954. In that year the Long Island Transit Authority (a State agency) and the Pennsylvania Railroad Company (the sole owner and principal creditor of the Long Island Railroad) agreed on a plan for redeveloping the then bankrupt carrier. The principal features of their plan were:

- (1) For 12 years beginning in 1954 the Carrier became a railroad redevelopment corporation, a new type of railroad corporation as compared with the ordinary corporate status of rail carriers; (2) a 12-year rehabilitation program was outlined which was estimated to cost \$65,613,000; (3) during the 12-year redevelopment period the Carrier was given the right to charge fares sufficient to meet operating expenses plus the cost of the improvement program; (4) during the first 9 years of the plan, all State and local taxes, other than on real estate (which previously amounted to \$500,000 annually), were eliminated and real estate taxes were stabilized at less than \$1,800,000 annually as compared with a previous level in excess of \$3,500,000.

In 1965, prior to the conclusion of the 12-year redevelopment plan, the State of New York took further action to insure the operation of the Long Island Railroad. Based on legislative findings that "the continued deterioration of the financial situation and physical condition of the Long Island Railroad and other companies providing rail commuter transportation services constitutes a serious threat to the economic well being of the State" and that such deterioration had occurred despite State action in the form of subsidies and tax relief, a Metropolitan Commuter Transportation Authority was established with power to acquire and operate the Long Island Railroad and other commuter systems within the New York "Metropolitan Commuter Transportation District."

In December of 1965 and January of 1966, the Metropolitan Commuter Transportation Authority purchased all of the stock and assets of the Long Island Railroad Company. The purchase agreement noted

specifically that the "physical assets" of the Long Island Railroad "lie wholly within" the New York Metropolitan Commuter Transportation District.

Since this purchase, the members of the Authority have served as the Board of Directors of the Long Island Railroad. The Authority has also begun a \$200 million modernization program for the Carrier which will adapt it even more to the needs of commuters by extending electrification, by providing high level passenger loading platforms to facilitate ingress and egress, and by purchasing 500 new high speed commuter cars. This modernization program is being financed in part through a Federal grant under the Urban Mass Transportation Act of 1964.

Despite the injection of new capital and substantial fare increases (four such increases have occurred since 1960), the financial position of the Carrier remains precarious. In 1966 it had a net railway operating income deficit of \$4,958,000. The fact that a major portion of its operating equipment is idle outside the morning and evening weekday rush hours remains a substantial barrier to profitable operation.

THE DISPUTE BETWEEN THE LONG ISLAND RAILROAD CO. AND THE BROTHERHOOD OF RAILROAD TRAINMEN

BACKGROUND

The Brotherhood of Railroad Trainmen represents those operating employees of the Carrier who are classified as road and yard conductors, ticket collectors, road and yard brakemen, switchtenders, patrolmen, and special service attendants in passenger cars.

There are approximately 196 conductors, 746 collectors, and 71 car attendants employed in the Carrier's passenger service. Freight service includes 125 conductors and brakemen, while yard service has 227 conductors and brakemen and 41 switchtenders. The patrol force numbers 83.

Since 1959, the Brotherhood and the Carrier have bargained apart from the national movement. In 1960 the Brotherhood's principal demands were for a 5-day week with 6 days pay for those in passenger service and for a 5-day week with 7 days pay for those in freight service. The Carrier refused to agree to these demands and a Presidential Emergency Board (No. 129) recommended that the demands be withdrawn. The Brotherhood refused to do so and struck for 26 days. Eventually it secured most of its demands in a settlement negotiated with the help of State mediators.

Specifically, passenger service employees were granted a daily guarantee in addition to their base rate as part of a reduction in the work

week from 6 to 5 days, and employees in local freight service were granted special arbitrary payments to compensate for a reduction from 7 to 6 days work. The wage rates of these employees were each reduced 21½ cents per hour as part of these adjustments.

There was no precedent for the adoption of these 5 and 6 day provisions in the Brotherhood's national agreement with other carriers.

In 1964 the Brotherhood demanded, and the Long Island Railroad agreed to, a reduction in the freight service work week to 5 days, with 6 days pay. In this case, pay was maintained by increasing the hourly rate sufficiently to approximate one days pay per week.

The present dispute revolves principally around the Brotherhood's demands for a 5 day week, with 6 days pay for yard service employees, for incorporation of the passenger service guarantees and of the special freight service "arbitraries" into the basic daily rates for such service, and for overtime at time and one-half for passenger service.⁴ Through these demands, the Brotherhood seeks to complete the movement it began in 1959 to a 5 day week with full cost impact in terms of overtime, holiday, and vacation pay.

Section 6 notices served by the Brotherhood in April 1966, also included the following demands:

1. Wage increases of 5 percent effective October 1, 1966; 5 percent effective January 1, 1967, and 10 percent effective July 1, 1967. These increases to be on top of the increased daily rate resulting from the demanded incorporation of guarantees and arbitraries and from recognition of comparability for patrolmen (with New York City transit police) and comparability for special service attendants in passenger cars (with the highest rates paid on any railroad).
2. A shift differential of \$0.10 per hour for passenger freight and yard service employees on and after 4:00 p.m.
3. A cost of living escalator.
4. Additional vacation and paid holidays, increased welfare payments, and a supplemental pension.

Following preliminary negotiations on August 1, 1966, the Carrier proposed a three year contract with initial and subsequent annual wage increases of 3.2 percent plus adoption of whatever additional vacation and holiday benefits were negotiated at the national level.

The Brotherhood, by letter dated August 5, 1966, expressed willingness to accept a 3.2 percent wage increase "as a downpayment" on its Section 6 demands.

The Carrier agreed to a 3.2 percent interim increase effective October 1, 1966, and served 31 counter proposals on the Brotherhood

⁴ The Brotherhood's proposals are contained in Appendix C.

concerning work rules changes affecting the various classes of employees represented by the Brotherhood.⁵

On November 7, 1966, the Brotherhood agreed with those Class I railroads bargaining nationally, to accept a 5 percent wage increase effective as of August 12, 1966, and to receive certain vacation and health and welfare improvements. Further changes in the national agreement were barred prior to January 1, 1968.

Negotiations between the Brotherhood and the Long Island Railroad culminated in an offer by the Carrier on December 12, 1966, and a response by the Brotherhood on the following day.

The Carrier proposed three 5 percent wage increases, the first effective on agreement and the remaining two on the succeeding anniversary dates of the agreement, plus one additional paid holiday, vacation improvements, and further discussion of additional health and welfare payments.

The Brotherhood in turn offered to accept a 5 percent increase retroactive to October 1, 1966, two paid holidays, specific vacation and health and welfare payment improvements, and mediation of its demands (1) for incorporation into the basic rates of the daily guarantee for passenger service employees and of the special arbitraries for the freight employees, (2) for a 5 day week with 6 days pay for yard service employees, and (3) for comparability increases for the patrolmen and special service attendants in passengers cars.

The mediation services of the National Mediation Board were subsequently invoked, but no settlement resulted, and the Board's proffer of arbitration was not accepted.

DISCUSSION OF THE ISSUES AND RECOMMENDATIONS

I. THE "NUMBER ONE ITEMS"

The Brotherhood has given prime importance in this dispute to its demands for incorporation of the passenger service daily guarantee into the basic rates of employees engaged in that service, for incorporation of the special arbitraries into the basic rates of freight service employees, for a 5 day week with 6 days pay for yard service employees and for attainment of wage comparability for patrolmen (with the Transit Authority police) and for special service attendants in passenger cars (with the highest pay received by such attendants on any railroad).

As indicated earlier, the incorporation of the daily guarantee for passenger service employees and of the special arbitraries for freight service employees and the attainment of the 5 day week for yard

⁵ The Carrier's counter proposals are contained in Appendix D.

service employees would set the stage for full realization of the 5 day week which the Brotherhood first sought from the Carrier in 1959.

Emergency Board No. 129, which considered the Brotherhood's 1959 demands for a 5 day week, recommended that they be withdrawn because their acceptance would "do violence to the balance among and between the wage rates of the several classifications of labor in this industry which management and labor have been so careful to preserve throughout the history of the national wage handling in this industry from 1937 to date." The Board noted further that in recommending withdrawal of these demands it was "consistently following the findings and recommendations of earlier Emergency Boards which were faced with a similar problem."

The situation is no different now than it was in 1960. National wage movements for trainmen have continued to stay in line with settlement for other crafts, operating and nonoperating. The most recent national settlement for the trainmen was agreed to in November, 1966 and provides for a 5 percent wage increase, a third week of vacation after 10 years, and additional payments to health and welfare funds.

The Long Island Railroad has already offered more than the national settlement. It offered a 5 percent increase for each of three years, effective October 1, 1966, plus more liberal vacation, holiday and welfare provisions than were agreed to nationally.

The Brotherhood rejected this offer saying it would take 5 percent for one year but wanted mediation and further negotiation of what it termed its "number one items" (for incorporation of guarantees and special arbitraries into daily rates, etc.).

The present daily rate of trainmen on the Long Island Railroad plus their daily guarantees and special arbitraries produce an income (apart from overtime pay) which the record indicates is generally superior to that enjoyed by trainmen under the national agreement or by those employed by the New York Transit Authority or the Port Authority Trans-Hudson Corporation.

If overtime pay is included, the situation of the Long Island trainmen is even more favorable because of their greater opportunity for overtime work as contrasted with employees on the two authorities.

The basic trainmen daily rate on the Long Island pays for 8 hours work within 9 hours, but this does not appear to work to the trainmen's disadvantage. Instead, it appears to be a mutually beneficial arrangement which recognizes that the nature of commuter service requires a hiatus of activity between the morning 7:00 to 10:00 a.m. rush to the city and the 4:00 to 7:00 p.m. exit.

A 5 percent increase would be sufficient to keep the daily non-overtime pay of trainmen on the Long Island above that on other railroads and on the other New York commuter systems. (This is particularly

true if such an increase were made retroactive to October 1, 1966.)

On the record before this Board it is not possible to compute what the cost would be if the guarantees and arbitraries were incorporated and yard service employees were given 6 days pay for 5 days work. The cost would obviously be significantly increased to the extent that overtime, holiday and vacation provisions are broadened.

Carrier estimates of the probable costs were sharply challenged by the spokesman for the Brotherhood, who noted that the Carrier's estimates of the costs of the 1959 5 day week demands had turned out to be exaggerated. While he did not deny that there would be some additional cost, he contended that the Carrier would again find it possible to minimize costs by reassignments to avoid overtime rates.

The Board does not consider the figures supplied by the Carrier to be a valid basis for forecasting costs. Since the Carrier does employ trainmen for substantial amounts of overtime, it is obvious that the additional costs in granting these demands would be significant. Doing so would also further enhance the leading position enjoyed by trainmen on the Long Island Railroad and would further complicate the precarious financial position of the Carrier.

There is a certain logic to the Brotherhood's position, however. Having gained a substantial part of its 1959 demands for a 5 day week and having made additional progress toward that objective in 1964, it is unlikely to accept a status quo in which the classes of employees it represents are left at various stages on the way toward "5 day work for a week's pay" arrangement.

As for the Brotherhood's demands for wage comparability for Long Island Railroad patrolmen with New York City Transit Police and for increasing special service attendants in passenger cars to the highest rates paid for such work on any other railroad, this Board was not provided with sufficient evidence to determine whether the work of the Long Island Railroad patrolmen is comparable to that of the subway police, or whether the parlor car attendants' pay should be set on the basis of the scale on some other railroad, in this case apparently the New York Central.

This Board has concluded that the "number one items" of the Brotherhood present a combination of issues which cannot be adequately evaluated by objective standards. Some of them seem amenable to further fact finding including studies of job content and costs. Others appear to fall into the area of collective bargaining where resolution is possible only through a meeting of the minds of the parties themselves or through a test of strength.

We have noted the Carrier's interest in agreement for more than one year with annual wage increases of 5 percent and the Brother-

hood's willingness to accept a 5 percent increase for one year with continued mediation of its "number one items."

Recommendations

(A) The wages of employees represented by the Brotherhood should be increased 5 percent (including the 3.2 percent already granted) retroactive to October 1, 1966, with a further 5 percent increase to take effect on October 1, 1967.

(B) The "number one items" of the Brotherhood should be presented to a mediator-fact finder authorized to recommend by January 1, 1968, revisions in the contract terms to achieve any of these demands considered appropriate.

(C) No further change in the contract concerning wages or other aspects of the "number one items" should be permitted prior to October 1, 1968.

II. VACATIONS

The following table offers a comparison of existing vacation provisions for the Long Island trainmen, the changes sought in the Brotherhood's Section 6 notices, the Carrier's final offer of December 12, 1966, and the Brotherhood's response of December 13, 1966.

<i>Current</i>		<i>Section 6</i>		<i>Carrier</i>		<i>Brotherhood</i>	
1 wk. —	1 yr.			1 wk. —	1 yr.	1 wk. —	1 yr.
2 wks. —	3 yrs.	2 wks. —	1 yr.	2 wks. —	3 yrs.	2 wks. —	3 yrs.
3 wks. —	10 yrs.	3 wks. —	5 yrs.	3 wks. —	10 yrs.	3 wks. —	5 yrs.
4 wks. —	15 yrs.	4 wks. —	10 yrs.	4 wks. —	15 yrs.	4 wks. —	10 yrs.
		5 wks. —	15 yrs.	5 wks. —	25 yrs.	5 wks. —	15 yrs.

The Brotherhood's vacation provisions on the Long Island Railroad are already better than those in effect nationally. There was also no contention that those provisions are inferior to those enjoyed by comparable employees on the New York Transit Authority or the Port Authority Trans-Hudson Corporation.

The Board notes that recent negotiated improvements in the vacation plan on the Long Island Railroad have mainly resulted in reducing the length of service requirements for vacation allowances. Senior employees, therefore, have not received substantial improvements in the accrual of vacation time.

The Carrier has recognized the appropriateness of providing a fifth week of vacation after 25 years service. The Brotherhood has sought this vacation period for its members who have been employed by the Long Island Railroad for 15 years. Such employees presently enjoy 4 weeks of vacation.

Recommendation

A fifth week of vacation should be provided for Long Island trainmen after 20 years of service.

III. HOLIDAYS

The Brotherhood sought 4 more paid holidays including the employee's birthday in addition to the 7 paid holidays they now enjoy. At the December 12, 1966 meeting, the Carrier offered 1 additional holiday. The Brotherhood's response indicated a willingness to accept 2 additional holidays as part of the settlement it proposed.

No comparison was made at the hearing of the paid holiday benefits enjoyed by Long Island Railroad trainmen and by trainmen on other railroads or other parts of the New York commuter system. The national agreement provides the same 7 paid holidays now enjoyed by the Long Island trainmen. The latest such agreement providing a 5 percent wage increase for one year did not include an additional holiday.

Recommendation

Since the agreement recommended here would not be subject to change until the fall of 1968 and since the Carrier offered an additional holiday last December as part of a three year agreement, the parties should negotiate a mutually agreeable additional paid holiday into their contract.

IV. HEALTH AND WELFARE PAYMENTS

The Brotherhood's Section 6 notices asked for an additional welfare payment of \$10.00 per month and for the elimination of the one day per month service requirement.

The monthly additional contribution demand was reduced to \$6.00 per month in the Brotherhood's letter of December 17, 1966.

The Long Island Railroad has indicated its willingness to increase its contributions \$3.00 per month per employee.

The national settlement in 1966 provided for a \$4.90 increase. It should be noted, however, that the current payments per employee are \$34.00 per month on the Long Island and \$23.66 under the national agreement.

Recommendation

The parties should negotiate an appropriate additional monthly health and welfare contribution in the range between \$3.00 and \$6.00 per employee per month.

V. OVERTIME PREMIUM, SHIFT DIFFERENTIAL, SUPPLEMENTAL PENSION, COST OF LIVING ESCALATOR, OTHER SECTION 6 DEMANDS

The various other demands included in the Brotherhood's Section 6 notices were discussed at the hearing and considered by the Board in its deliberations.

The four demands listed above: overtime, shift differential, supplemental pension, and the cost of living escalator, would each involve substantial additional costs to the Carrier. While there may be precedents for each, the Board does not believe that it would be appropriate to recommend the granting of any of these as a part of a settlement of the present dispute.

Recommendation

The Brotherhood's demands for overtime, premium pay shift differential, a supplemental pension and a cost of living escalator should be withdrawn, as should any other demands not discussed elsewhere in this report.

VI. THE CARRIER'S COUNTER PROPOSALS

The Long Island Railroad has proposed 31 rules changes to improve its efficiency and minimize its costs. Some work rules changes may well be necessary to facilitate the continuing adaptation of the Long Island to commuter service and to support the high labor standards desired by the trainmen and other crafts on that railroad. The Board is not persuaded, however, that any of the changes proposed by the Carrier are required at this time and does not believe that resolution of the present dispute should be delayed until further consideration is given to them.

Recommendation

The Carrier should withdraw its Section 6 counter proposals.

THE DISPUTE INVOLVING THE LONG ISLAND RAILROAD CO. AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

BACKGROUND

The International Brotherhood of Electrical Workers represents 624 electrician journeymen, helpers, and apprentices, employed by the Carrier for the inspection, maintenance, and repair of all types of electrical equipment, automatic control apparatus, electrical power

sub-stations and for the installation and maintenance of electric lines and third rail power systems.

The International Association of Machinists and Aerospace Workers represents 250 journeymen mechanics, helpers and apprentices employed by the Carrier to maintain and repair locomotives and engine pumps, cranes, hoists, and a variety of shop equipment and to handle tool and die making.

Until 1966, the electricians' and the machinists' organizations bargained with the Long Island Railroad as part of the national shop craft bargaining. Last year, however, these crafts refused to participate in national bargaining on their current demands.⁶

They had filed separate but identical Section 6 notices with the Long Island Railroad on May 23, 1966. Those notices included the following demands:

1. A 30 percent wage increase in addition to an increase in all journeymen rates, to a minimum of \$3.2064 (up from as low as \$3.047.) ;
2. Double time for overtime, including all weekend work ;
3. A shift differential for work after noon ;
4. A cost of living escalator ;
5. Additional vacations, two more paid holidays, a guarantee of all holidays, and a paid lunch period.

The wage increase was the major item in these demands and was intended to raise employees in the two crafts involved to the wage levels enjoyed by similar craftsmen working for the New York Transit Authority and the Port Authority Trans-Hudson Corporation. Those two public bodies operate the New York City subways and the Hudson railroad tubes, respectively.

On August 1, 1966, the Carrier responded to these notices by offering a three year contract with initial and subsequent annual wage increases of 3.2 percent plus adoption of whatever additional vacation and holiday benefits were negotiated at the national level.

The Organizations rejected the Carrier's proposal by letter dated August 29, 1966, and declared their unwillingness to bargain nationally.

On the same day (August 29, 1966), the Carrier served further counter proposals on the Organizations concerning reclassification of work, pay rates, compulsory retirement, the length of the work week, management prerogatives in changing operations, and other matters.⁷

Further negotiations were held by the parties in September 1966, but the Organizations indicated by letter to the Carrier dated October

⁶ The organizations' proposals are contained in Appendix E.

⁷ The Carrier's proposals are contained in Appendix F.

1, 1966, that no change had occurred in the position of either side, that an impasse had been reached and that they would pursue their demands in accordance with the procedures of the Railway Labor Act.

The mediation services of the National Mediation Board were subsequently invoked, but no settlement resulted, and the Board's proffer of arbitration was not accepted.

DISCUSSION OF THE ISSUES AND RECOMMENDATIONS

I. WAGES

The Section 6 notices filed by the Machinists and the Electrical Workers with the Long Island Railroad sought an increase in the minimum straight time rate for journeymen from \$3.0475 to \$3.2064 and a 30 percent wage increase for all rates including the \$3.2064 rate effective January 1, 1967.

In the past, the Section 6 notices of these organizations on the Long Island Railroad have been included in the national shop craft bargaining for an agreement covering all six shop crafts (electricians, machinists, boiler makers, sheet metal workers, carmen and railroad shop laborers).

The Long Island Railroad suggested national bargaining if its offer for a 3.2 percent wage increase was rejected. The Machinists and the Electrical Workers rejected both the Carrier's offers of a 3.2 percent increase and of national bargaining. Three of the other shop crafts on the Long Island Railroad agreed to be bound by the national bargaining. The Carmen are handling their negotiations separately from either the national bargaining or the bargaining of the Long Island Railroad and the Machinists and the Electrical Workers.

The Machinists and the Electrical Workers' position has not changed as a result of negotiations with the Carrier, mediation by the National Mediation Board or the hearings before this Board.

They continue to insist that they are entitled to a minimum journeyman rate of \$3.2064 plus a 30 percent wage increase for all rates including the \$3.2064 rate.

They justify this demand in terms of the wage rates paid to mechanics and electricians by the New York Transit Authority and the Port Authority Trans-Hudson Corporation.

The following chart summarizing information presented by the Organizations compares the average hourly wage rates for the two crafts paid by these three parts of the New York commuter system.

Average hourly wage rates, 1963 through 1968

Electrician:	<i>PATH</i>	<i>TA</i>	<i>LIRR</i>
1963.....	\$2. 966	\$3. 174	\$2. 854
1964.....	3. 898	3. 297	2. 944
1965.....	3. 898	3. 445	3. 190
1966.....	3. 898	3. 637	3. 216
1967.....	4. 064	3. 916	3. 216
1968 (February).....	4. 188	-----	-----
1968 (November).....	4. 321	-----	-----
Machinist:			
1963.....	2. 957	3. 127	2. 826
1964.....	3. 781	3. 248	2. 916
1965.....	3. 781	3. 415	3. 033
1966.....	3. 781	3. 600	3. 136
1967.....	3. 925	3. 876	3. 136
1968 (February).....	4. 051	-----	-----
1968 (November).....	4. 145	-----	-----
Helper:			
1963.....	2. 537	2. 624	2. 465
1964.....	3. 025	2. 725	2. 555
1965.....	3. 025	2. 843	2. 645
1966.....	3. 025	2. 999	2. 735
1967.....	3. 117	3. 255	2. 735
1968 (February).....	3. 225	-----	-----
1968 (November).....	3. 257	-----	-----

This comparison indicates that an increase of approximately 30 percent would be needed to bring the machinist and electrician crafts on the Long Island Railroad up to parity with machinists and electricians who work for the subway and the Trans-Hudson tubes, and to maintain that parity through 1968.

The Long Island Railroad did not dispute the accuracy of the comparison offered, nor did it seriously attack the comparability of work done by its electricians and machinists with that done for the Transit Authority and the Port Authority Trans-Hudson Corporation. While the Carrier did suggest that the productivity of its electricians and machinists was lower than that enjoyed by the Transit Authority or the Port Authority, it based its refusal to accede to the Organizations' demands, principally on the following reasons:

a. Whatever the similarities between the Long Island Railroad and the subway and Trans-Hudson service, the Long Island Railroad is a Class I railroad, most of whose wages and working conditions are set on the basis of national, not local agreements.

b. Wage rates for the various crafts on the Long Island Railroad as on other Class I railroads have traditionally maintained a close relationship to each other.

c. The most recent national settlements for crafts working on the Long Island Railroad have been for about a 5 percent wage increase.

d. The reports of the public bodies that have reviewed the national shop craft dispute recognize that inequities in the rates of skilled craftsmen caused by undue compression or other causes should be adjusted over some period of time and on the basis of thorough studies of job content.

e. Any increases above the national settlements given machinists and electricians would have to be matched by corresponding increases for other crafts on the Long Island Railroad.

f. The Carrier cannot pay the increases sought from its present revenues, and further increases in such revenues would have to come from an increase in commuter fares, or an additional state subsidy, neither of which can be counted on for the purposes of agreeing to the wage demands of the Organizations.

The Board was impressed with the case made by the Organizations for comparability with craftsmen employed by the Transit Authority and the Port Authority Trans-Hudson Corporation.

It seems clear that the Long Island Railroad is now and is becoming more and more an integral part of the New York metropolitan commuter system. While it continues to resemble other Class I railroads in certain respects, its dominant orientation is and will be to commuters, not freight service, and to local rather than national or interstate concerns. The fact that the Long Island Railroad is now state owned is one manifestation of this orientation. It must be expected that labor relations will come to reflect this orientation also. Indeed, the successful efforts of the Brotherhood of Railroad Trainmen to achieve its local demands on the Long Island Railroad in 1960 and 1964 show that this process is already underway.

The Organizations took strong exception to the Carrier's suggestion that their members' productivity was less than that of machinists and electricians employed by the Transit Authority. The Carrier did not develop this point beyond comparing the number of craftsmen employed by the two bodies and the number of cars maintained by each. Obviously such a comparison has validity only to the extent that the work per car on each system is the same and that no other work is done by the craftsmen on either system. It was contended by the Organizations that their work on the Long Island Railroad was more extensive and more complex than that of subway electricians and machinists and that they have substantial amounts of work other than car maintenance which was not matched by any craft work on the subways. Under the circumstances, the Board does not believe that the comparison advanced by the Organizations should be rejected because of the alleged differences in productivity.

It seems obvious to the Board, however, that the Organizations' demands for wage comparability with other parts of the New York Transit System and for rejection of the national pattern entitles the Long Island Railroad to request appropriate changes in work rules to permit it similar efficiency in manpower utilization to that enjoyed by other parts of the New York metropolitan commuter system.

In so stating, the Board is not concluding that the Long Island Railroad is presently at a disadvantage in such matters. It is only noting that if there is to be local comparability on wage questions, then local comparability to the extent feasible on work rules and other working conditions should also be anticipated.

While the Board was impressed with the Organizations' argument for comparability with the wage rates paid by the Transit Authority and Port Authority Trans-Hudson, it does not agree that such comparability should be obtained immediately.

It is true that the wage rates of most craftsmen employed on the Trans-Hudson system were increased 30 percent in 1964 following the Port Authority's purchase of the line and that recent subway settlements have increased still further the substantial wage advantage it offers over the Long Island Railroad.

This Board does not recommend an immediate increase comparable to that agreed to by the Port Authority, however. The income position of the Port Authority and of the Long Island Railroad are quite different. It is true, as the Organizations contend, that subsidization of the Long Island Railroad rests more appropriately on the commuters, or the taxpayers of the State, than on the workers. However, the economic position of the Carrier must be considered in evaluating a demand for as substantial and immediate wage increase as that proposed here.

There can be no presumption that either the commuters or the taxpayers will make up whatever further deficit results from granting whatever wage increases are considered justifiable. Certainly there is a point beyond which a commuter fare increase would prejudice, rather than benefit, the Carrier's revenues.

Moreover, while we are confronted only with the demands of two of the shop crafts and while they are the largest of the skilled non-operating crafts employed by the Carrier, we cannot ignore the fact that any significant deviation from the national movement for these two crafts would disrupt the pattern of wages on the Long Island Railroad and would no doubt require adjustments for other crafts also.

As indicated earlier, we believe that a deviation from national wage movements for craftsmen on the Long Island Railroad is inevitable. On the record before us it also seems justified.

The questions for which we do not have answers are whether wage rates are the full measure of comparability, how such comparability can be achieved without producing inequities among the wage rates of the various crafts and how quickly the total wage adjustment required can be financed.

Recommendations

1. The principle of comparability for Long Island Railroad machinists and electricians with those employed by the Transit Authority and Port Authority should be recognized.

2. Significant immediate movement toward such comparability in wage rates should be negotiated by the parties. Such negotiations should include restructuring of the pay grades within the two crafts to insure that the higher rates are paid only to those doing work which is truly equivalent to that being performed for the other commuter systems and to keep this movement within practical cost limits.

3. The agreement to be negotiated should be for at least a three year period to permit the wage inequity to be corrected in stages of one kind or another and to give the Carrier an opportunity to stabilize at least this part of its labor costs in the near future.

The Carrier and the state agencies controlling it may need to precede such negotiations by deciding how to phase such a wage movement into a realistic pattern of craft wage movements on the Long Island Railroad and other parts of the New York commuter systems. Such considerations would no doubt be enhanced by studies of job content. However, a beginning should not be delayed until such studies are completed. The machinists and the electricians on the Long Island Railroad are entitled to some immediate recognition of their claims to comparability.

This Board has carefully considered the advantages and disadvantages of translating these general recommendations into a recommended cents per hour or percentage increase. It has decided not to do so, however, believing that the agreement of the parties will be facilitated if they are left to work this out for themselves, once they accept a common standard of comparability within the New York metropolitan commuter service area.

II. ALL NON-WAGE ISSUES

Increased vacations, more paid holidays and paid lunch periods were discussed at the hearing by all interested parties and considered by the Board in its deliberations. We consider these issues incidental to the major issue of wages, and ones which the parties can resolve to their satisfaction once the wage issue is settled.

The other demands for an overtime premium, shift differential and cost of living escalator, would each involve substantial additional costs for the Carrier. The Organizations made a strong case for the recognition of a shift differential. However, in view of the costs involved in moving toward the desired wage comparability, the Board does not consider it appropriate to recommend granting a shift differential or any of the other demands of the Organizations as part of a settlement of the present dispute.

The Carrier has proposed various rule changes to improve its efficiency and minimize its costs. In evaluating the Organizations' demand for comparability in wages with the Transit Authority and Port Authority, some rule changes may be a necessary part of further adapting the Carrier to efficient commuter service and to the high labor standards that have come to be prevailing in the New York commuter area. The Board is not prepared to recommend an adoption of any of the specific changes proposed by the Carrier, however, and instead recommends their withdrawal.

CONCLUSION

While these disputes have serious national implications, the considerations affecting their settlement are almost exclusively local. Three organizations on a vital part of the New York metropolitan commuter system are seeking substantial improvements in wages and other working conditions from a carrier wholly owned by an agency of the New York State Government.

In the case of the Brotherhood of Railroad Trainmen, these improvements would maintain and enhance the favorable position enjoyed by Long Island Railroad trainmen in comparison with trainmen in other parts of the New York commuter system and with trainmen on other Class I railroads.

In the case of the Machinists and Electrical Workers, the improvements sought are directed primarily at achieving comparability with the wage rates paid to machinists and electricians employed by the Transit Authority and the Port Authority Trans-Hudson Corporation.

The demands of the three organizations, if granted, would mean large additional costs to the Long Island Railroad at a time when it is still in financial difficulty despite substantial fare increases on four separate occasions since 1960, and State and Federal subsidization.

Also since these demands involve significant deviations from national movements for the crafts involved and since most other Long Island Railroad crafts are continuing to be bound by national Class I

railroad wage movements, agreement to these demands would present the carrier with additional questions of inter-craft equity.

Recognition of these difficulties, however, does not justify rejection of the demands of the three unions in logic or in practical effect.

The major demands of the Brotherhood are extensions of earlier agreements it has obtained from the Carrier. Some rationalization of its basic daily rates and work week provisions among passenger, freight, and yard service employees seems called for.

The Machinists and the Electrical Workers presented a strong case for achieving comparability in wage rates with those enjoyed by electricians, and machinists on the Transit Authority and the Port Authority Trans-Hudson Corporation.

In each case, the union demands can only be intelligently resolved by the parties themselves and by those state officials able to indicate the amount, if any, of additional revenues which can be made available to the Carrier.

The Carrier and its controlling state officials may also want to consider at this time the labor standards of the various parts of the New York commuter area in some comprehensive fashion. Two parts of that system, the Long Island Railroad and the Port Authority Trans-Hudson, are subject to the procedures of the Railway Labor Act. A third, the Transit Authority, is governed by the recent revision of the Condon-Wadlin Act providing for final settlement of public employee labor disputes without an interruption of service.

Under either the Railway Labor Act or the successor to Condon-Wadlin, the goal in resolving such labor disputes must be to provide fair and equitable conditions for the workers involved, while assuring uninterrupted and improved service to commuters. To the extent possible, these various commuter systems should also be helped to become as self sufficient as possible.

What is "a fair and equitable" return for the labor of employees of the various parts of the New York commuter system is difficult for any board to decide based on an isolated view of one part of the total system. National railroad wage movements no longer seem controlling per se. The financial problems of one part of these publicly operated systems cannot justify maintenance of inequitably low rates to employees in that part of the system. But, higher than national rates on a state subsidized system should be justified on the basis of the complexities of the work involved or in terms of prevailing rates for comparable work in the area. They should not rest solely on the dependence of the community on the services involved.

In this case, the parties remain subject only to a 30 day status quo period following submission of this Board's report. They are now faced with the opportunity and the need to justify their exclusion

from the final dispute settlement provisions of state law. They have the responsibility for reaching a satisfactory agreement without public inconvenience. Only they have the power and the knowledge to do so.

The Board believes in the parties' desire to demonstrate the workability of free collective bargaining in a situation so vital to the public interest. It is confident of their ability to make such a demonstration.

Respectfully submitted,

(S) GEORGE EDWARD REEDY, Jr., *Chairman.*

(S) ROLAND BOYD, *Member.*

(S) N. THOMPSON POWERS, *Member.*

WASHINGTON, D.C. *May 12, 1967.*

APPENDIX A

EXECUTIVE ORDER NO. 11343

CREATING AN EMERGENCY BOARD TO INVESTIGATE THE DISPUTES BETWEEN THE LONG ISLAND RAIL ROAD AND CERTAIN OF ITS EMPLOYEES

WHEREAS, three disputes exist between The Long Island Rail Road, a carrier, and certain of its employees represented by the Brotherhood of Railroad Trainmen, International Brotherhood of Electrical Workers, and International Association of Machinists and Aerospace Workers, 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 a section of 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 these 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 Long Island Rail Road, or by its employees, in the conditions out of which these disputes arose.

Signed LYNDON B. JOHNSON.

THE WHITE HOUSE,
April 12, 1967.

APPENDIX B

APPEARANCES

FOR THE BROTHERHOOD OF RAILROAD TRAINMEN

Harold J. Pryor, General Chairman

Harry Burke, Vice Chairman

Charles Quinn, Secretary of the General Grievance Committee

FOR THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

**Andrew Ripp, International Representative, International Brotherhood of
Electrical Workers**

**James P. Gallagher, General Chairman, Local 589, International Brotherhood of
Electrical Workers**

**A. C. Moroy, General Chairman, Lodge 754, International Association of
Machinists and Aerospace Workers**

Edward G. Dougherty, Attorney

FOR THE CARRIER

George M. Onken, Vice President and General Counsel

James T. Gallagher, Counsel

Howard J. Bellis, Director of Personnel

Thomas Moore, Comptroller

Richard J. Morrison, Auditor of Disbursements

Thomas Egan, Wage Examiner

Thomas Noone, Examiner

APPENDIX C

THE BROTHERHOOD'S PROPOSALS

PASSENGER SERVICE

1. Change the current basic hourly rate by incorporating the daily guarantee into the basic day and dividing that by eight to obtain a new basic hourly rate and a new mileage rate. In addition, add five per cent wage increase effective October 1, 1966, five per cent wage increase effective January 1, 1967 and ten per cent wage increase effective July 1, 1967.

2. Time and a half for all overtime after eight hours. Time and a half for work on relief days. Time and a half for extra men working on their sixth and seventh day. Double time and a half for work on all holidays.

3. Night differential of \$0.10 per hour for all assignments commencing on or after 3:59 p.m.

4. Free uniforms.

FREIGHT SERVICE

1. Incorporate into the basic daily rate the arbitrary payment for conductors and brakemen and base overtime rates on this new basic daily rate. This to be accomplished by dividing eight into the new rate. Add to the new rates five per cent wage increase effective October 1, 1966, five per cent effective January 1, 1967 and ten per cent effective July 1, 1967.

2. Carrier to pay for the cost of all work equipment for freight crews.

3. Night differential of \$0.10 per hour for all assignments commencing on or after 3:59.

YARD SERVICE

1. Demand for six days' pay for five days' work based on 1964 wage rates. In addition, thereto, a five per cent wage increase effective October 1, 1966. An additional five per cent effective January 1, 1967, and an additional ten per cent effective July 1, 1967.

2. Carrier to furnish work clothes and equipment necessary for yard employees.

3. Night differential of \$0.10 per hour for all assignments commencing on or after 3:59 p.m.

PATROLMEN

1. Pay schedules for Long Island Railroad Patrolmen will be made comparable to those now enjoyed by the New York City Transit System Patrolmen; and, in addition thereto, effective October 1, 1966, their salaries will be increased by five per cent. Effective January 1, 1967, their salaries will be increased an additional five per cent. On July 1, 1967 their salaries will be increased an additional ten per cent.

2. Court Attendance—change present procedure to permit police officers to attend court at time and one half instead of straight time.

SPECIAL SERVICE ATTENDANTS

1. Effective October 1, 1966 rates of pay for Special Service Attendants will be made comparable to the highest rates paid by any railroads in the industry. In addition, add five per cent wage increase effective October 1, 1966, five per

cent wage increase effective January 1, 1967 and ten per cent wage increase effective July 1, 1967.

2. An additional compensation for lounge men who issue stock and supplies to other attendants.

3. Extra men who fill extra jobs must be considered as regular men and paid accordingly.

4. Change Rule 2A2—Paragraph B—to read . . . thirty (30) days instead of sixty (60).

5. Bar cars which run on regular schedules to be considered as regular jobs and put up for bid.

6. Employees relieved from a regular assignment to fill another assignment are to be paid for both assignments. (No less than eight hours for the second assignment.)

7. Eliminate line 7 of Rule 4A1—which reads . . . “even though it extends beyond five (5) calendar days.”

8. Pay differential between bar car and parlor work to be eliminated.

9. Prohibit swing schedules.

10. Consult with representatives of the Brotherhood of Railroad Trainmen before welfare facilities are built or changed.

GENERAL DEMANDS

Vacations

Two weeks after one year of service. Three weeks after five years of service. Four weeks after ten years of service. Five weeks after fifteen years of service.

After the twenty-fifth year of service, each man will be entitled to an additional day vacation for each year of service starting with the twentieth year.

Paid Holidays

Three extra holidays will be added to those now enjoyed, plus, an additional holiday for the employee's birthday.

Sick Days

The factor of cumulative sick days will be instituted based upon length of service of the employees involved.

Welfare Payments

The carrier will increase the present welfare monthly payments to the Brotherhood of Railroad Trainmen to an additional \$10 per month. Eliminate one day per month service.

Supplemental Pensions

A supplemental pension fund will be established at the rate of \$.10 per hour. This fund will be initiated on January 1, 1967. All moneys will be held in escrow for those members of the Brotherhood of Railroad Trainmen on the Long Island Railroad who retire subsequent to January 1, 1967.

The manner in which these escrow funds will be used for pensions will be determined by actuarial studies made by the Long Island Trainmen's Organization.

GENERAL

Three days personal leave resulting from death in the immediate family.

Standard of Living Index

Effective October 1, 1966, there will be established a Standard of Living Index Clause providing for \$.02 an hour increase for each *tenth* of a point raise in the Federal Standard commencing with the base index as of October 1, 1966.

Medical Facilities

The Long Island Railroad will establish for train service employees medical facilities capable of giving complete and compulsory medical examinations to all men required to appear for period examinations each year. These examinations to include those necessary for the detection of cancer, particularly lung and throat. The facilities will also be equipped to cope with such chronic problems as alcoholism. When attending this annual periodic examination, the employee will be relieved from and paid for his entire assignment.

Apprentice Training

The Long Island Railroad will establish on January 1, 1967, an apprentice training program in conjunction with the Federal Antipoverty Program and patterned after that program which is sponsored by the City of New York and run by the New York Port Authority. This will be for the purpose of providing employees for train service and other departments who will be completely qualified before being employed.

APPENDIX D

THE CARRIER'S PROPOSALS TO THE BROTHERHOOD

PASSENGER, FREIGHT, AND YARD SERVICE

1. Revised Rule 26 to provide for a "first in, first out" extra list.
2. Revise Rule 32, Paragraph 5(a), (Budd Cars), to provide for one conductor and one brakeman. When equipment is changed on weekends during the summer months, one additional brakeman will be added to the crew.
3. Eliminate all monthly guarantees from speed-base and extra assignments.
4. Eliminate Rule 40, which provides for the payment of additional arbitrary compensation for making lapbacks or side trips.
5. Eliminate payment of time and one-half to freight trainmen for working a second tour of duty in 24 hours.
6. Abrogate Letter Agreement of August 3, 1965, providing for allowance of earnings to extra road freight trainmen for markup on following tour of duty.
7. Abrogate understanding in effect which provides that extra freight assignments cannot be turned short of the designated turning point.
8. Revise Rule 49 to eliminate the day and night boards and establish one crew board for freight trainmen.
9. Eliminate Rule 81 providing for fixed starting times for yard crews.
10. Revise guaranteed extra list of yard conductors to provide for no guarantee when used for other than conductor service.
11. Eliminate the so-called "Blue Agreement" dated November 19, 1958, providing for the payment of earnings to yardmen when not available to cover their regular assignments on the following tour of duty due to their use for additional service.
12. Revise Rule 86(f) of the applicable agreement to provide that the junior, qualified yardman who is assigned to a position due to no bids having been received, must remain on the assigned position for the life of the general pick, unless the assignment is abolished, revised or he is displaced by a senior yardman, in which event he will return to the status he had prior to his assignment to such position.
13. Establish a rule to provide that the maximum deadhead payment for yardmen covering assignments within the Metropolitan District will be 2 hours and 20 minutes.
14. Revise Rules 20 and 45 of the applicable agreement to provide that the so-called "make whole" provisions shall not apply to trainmen assigned to advertised conductor positions under Paragraphs (c) and (d), respectively, of those rules.
15. Revise Rule 73 to provide for 692 days in lieu of the present 528 days after which a trainman is entitled to be examined for promotion to conductor.
16. Revise Rule 104 of the applicable agreement by substituting the word "informed" for "consulted."
17. Establish a rule to provide that trainmen marking off sick for 3 days or more must see the company doctor before returning to duty.

18. Establish a rule to provide that all vacancies remaining open after the freight and yard general picks in April and October will be assigned without further bulletining.

19. Revise Rule 103 to provide that the Carrier will determine what, if any, flag protection is required both within and outside of yard switching limits.

20. Enter into an agreement which will recognize the Carrier's right to change work methods and procedures when and if it should be decided to use automated equipment. Should it be decided to utilize such equipment on a permanent basis, an agreement will be entered into which will afford protection, on an attrition basis, to affected employees represented by the Brotherhood of Railroad Trainmen.

POLICE DEPARTMENT

1. Revise Rule 2-A1(c) to provide that the Superintendent of Transportation, Chief of Police and the General Chairman shall jointly agree upon appointments to the Detective class.

2. Revise Rule 3-K-1 to the extent that when the rule is invoked by the Carrier, no penalty claims will be entertained or allowed.

3. Revise Rule 3-A-1(b) to the extent that positions of Desk Man and Office Man will be appointed by the Chief of Police.

4. Positions of Lieutenant shall be removed from the Scope of the collectively-bargained agreement, and appointment to these positions will be made jointly by the Superintendent of Transportation, the Chief of Police and the General Chairman.

5. Revise Rule 2-B-1(g) by eliminating the words "assigned territory" from that rule.

6. Establish a rule to provide that only one patrolman will be assigned to a Squad Car and when such car is not available for service, the affected patrolman will be assigned to patrolmen's duties at the direction of the Chief of Police.

SPECIAL SERVICE ATTENDANTS

1. Rule 4-A-1 will be amended to include the following paragraph:

(e) A Special Service Attendant or Club Car Porter who reports for his assignment 15 or more minutes later than his scheduled reporting time will be considered as missing his assignment for that day. The assignment will then be covered by the first available employee.

2. Rule 5-C-1(c) will be amended to include the following:

Any employee who fails to meet the requirements of this Rule shall not be allowed to cover his assignment and will be subject to disciplinary action.

3. Rule 5-C-3(a) will be amended to include the following:

A Special Service Attendant will be required to make a complete physical inventory of supplies when assigned to a coach bar car, parlor bar, parlor lounge, observation club, diner lounge or portable cart and when closing their trip sheets.

A Special Service Attendant will be required to turn in his trip sheet within 24 hours after completion of work week or assignment. Transferred trip sheets of supplies on hand must be left on car, unless otherwise instructed by the proper officer of the Carrier.

4. Rule 5-C-3(b) will be amended to include the following:

All revenue reports (Form 6408) must be stamped and remitted to the Ticket Receiver within 24 hours of the date the revenue is taken. Special Service Attendants will be required to have a revenue report (Form 6408) for every train covered by them.

5. The following rules will be added to the controlling Agreement :

Rule 5-B-1.—The use of intoxicants or narcotics by employes covered by this Agreement while on duty will not be tolerated ; and failing to comply with this Rule, the employe will be subject to discipline.

Rule 5-H-1.—Special Service Attendant or Club Car Porter desiring to return to service after leave of absence, sickness disability, suspension must notify the office of the Manager Special Services 24 hours in advance of the reporting time of his assignment, and he will be subject to the provisions of the Return to Duty Agreement.

APPENDIX E

THE ORGANIZATIONS' PROPOSALS

ARTICLE I.—VACATIONS

The Vacation Agreement of December 17, 1941, as amended, is hereby further amended to read as follows :

(a) Effective, with the calendar year 1967, an annual vacation schedule for each employe, covered by this agreement, who renders compensated service on not less than one hundred (100) days during the preceding calendar year, is as follows:

<i>Length of service (continuous, not necessarily consecutive)</i>	<i>Vacation allowance (consecutive work days off with pay)</i>
1 year (100 days or more)	10 work days (two weeks)
3 years or more	15 work days (three weeks)
5 years or more	20 work days (four weeks)
15 years or more	25 work days (five weeks)
20 years or more	30 work days (six weeks)

(b) For the purpose of computing length of vacation due under the above vacation schedule it is understood that any calendar year in which an employe qualifies for a vacation in the succeeding year, shall be counted as a year of service.

(c) Service rendered under agreements between the carrier and one or more of the Non-operating Organizations parties to the General Agreement of August 21, 1954, the General Agreement of August 19, 1960 or to the General Agreement of November 20 and 21, 1964, and February 4, 1965, or to this Agreement shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.

(d) Calendar days in each current qualifying year on which an employe renders no service because of sickness, injury or disability shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes.

(e) Employees who have performed service in five (5) months with the carrier, or have performed, in a calendar year service sufficient to qualify them for a vacation in the following calendar year, and subsequently become members of the Armed Forces of the United States, the time spent in the Armed Forces will be credited as qualifying service in determining the length of vacation for which they may qualify upon their return to the service of the carrier.

(f) An employe who leaves the carrier's service after rendering compensated service on not less than one hundred (100) days in a calendar year will be compensated in lieu of the vacation he has qualified for provided he files written request therefor to his employing officer, a copy of his request to be furnished to the General Chairman. The carrier will compensate the employe in the amount of vacation due within 30 days after receipt of written request.

(g) When any of the recognized holidays occurs during an employe's vacation period, the holiday shall not be considered as a vacation day for the period for

which the employe is entitled to vacation, such vacation period shall be extended accordingly, and the employe be entitled to his holiday pay for such day.

(h) If for any reason an employe's assignment is worked at the overtime rate while the employe is on vacation, the vacationing employe will be paid the overtime for such day while on vacation.

(i) Except as otherwise provided herein, this Agreement shall be effective as of January 1, 1967, and shall be incorporated in existing Agreement as a supplement thereto, and shall be in full force and effect thereafter, subject to change upon written notice by any carrier or organization party hereto, of desire to change this Agreement, in accordance with the provisions of the Railway Labor Act, as amended.

ARTICLE A.—WAGES

A. Adjustment of Straight Time Wage Rates and Differentials

1. Increase all straight time rates of pay for employes covered by the agreement, other than helpers and apprentices, to an amount that will result in a basic straight time rate of pay of \$3.2064 per hour.

2. Increase all existing straight time rate of pay and differentials for all employes covered by the agreement by an amount equal to thirty percent (30%) effective January 1, 1967, applied so as to give the thirty percent (30%) increase after the basic rate of \$3.2064 per hour as set forth in paragraph 1. above has been established.

3. *Cost of living adjustment.*—Wage rates established in accordance with paragraphs 1. and 2. of this Part A shall be subject to a cost-of-living adjustment, effective on April 1, 1967, July 1, 1967, October 1, 1967, January 1, 1968, and each quarter thereafter. Such cost-of-living adjustment shall be in the amount of one cent (1¢) per hour for each three-tenths (0.3) of a point change in the Bureau of Labor Statistics Consumer Price Index for the months of March, June, September and December respectively, above the base index figure for December, 1966 (1957-59=100) except that it shall not operate to reduce wage rates below those established under paragraphs 1 and 2 of this Part A.

B. Increase in Overtime Rates

Effective January 1, 1967, all overtime rules in existing agreements, including but not limited to those requiring payment for time in excess of eight hours in a calendar day or in any other twenty-four hour period, or on rest days, holidays or vacation days, or for calls and change of shifts, shall be revised to provide for payment at twice the straight-time rate, except that where rules now in effect require payment at twice the straight time rate, the rate shall be increased to three times the straight-time rate. All service performed on Saturday or Sunday shall be paid for at the overtime rate.

C. Shift Differentials

In addition to all other wage payments required effective January 1, 1967, all employes shall be paid shift differentials of twenty five cents (25¢) per hour for work on any shift beginning at or after 12:00 noon and before 6:00 A.M.

ARTICLE B.—PAID LUNCH PERIOD

Effective January 1, 1967, revise and supplement existing agreements to provide a paid thirty-minute lunch period for all employes regardless of where employed within an eight hour tour of duty.

ARTICLE C.—HOLIDAYS

Article II of the Agreement of August 21, 1954, as amended, hereby amended to read as follows:

(a) Effective January 1, 1967, each hourly rated employe shall be guaranteed 8 hours' pay at the pro rata hourly rate of the position on which he last worked before the holiday in addition to any other payments required for each of the following thirteen enumerated holidays:

New Year's Day	Labor Day
Lincoln's Birthday	Columbus Day
Good Friday	Election Day
Decoration Day	Veteran's Day
Fourth of July	Thanksgiving Day
Washington's Birthday	Christmas Day
Employee's Birthday	

(b) This Article does not disturb agreement now in effect under which another holiday has been substituted for one of the above-enumerated holidays. This Article shall be applicable to any day which by agreement or practice has been designated as a holiday in addition to those enumerated above: it shall be applicable to any day which by agreement or practice is observed by the employe instead of the day on which the holiday occurs (holidays enumerated above or holidays in addition thereto designated by agreement or practice, or holidays substituted for one of the holidays enumerated above).

(c) Each hourly rated employe shall qualify for the holiday pay provided in paragraph (a) hereof if compensation paid by the carrier is credited to him at any time during the sixty calendar days preceding the holiday or holidays.

(d) Whenever any hourly rated employe is required to work on a holiday to which paragraph (a) of this Article applies, he shall be compensated at the applicable overtime rate for the position worked for a minimum of eight (8) hours, in addition to the compensation provided for in paragraph (a).

(e) An employe whose birthday falls on February 29 may, on other than leap years, by giving reasonable notice to his supervisor, have February 28 or the day immediately preceding the first day during which he is not scheduled to work following February 28 considered as his birthday for the purposes of this Article. If an employe's birthday falls on one of the other holidays named in paragraph (a) of this Article, he may, by giving reasonable notice to his supervisor, have the following day or the day immediately preceding the first day during which he is not scheduled to work following such holiday considered as his birthday for the purposes of this Article.

APPENDIX F

THE CARRIER'S PROPOSALS TO THE ORGANIZATIONS

CLASSIFICATION OF WORK

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

International Association of Machinists and Aerospace Workers

International Brotherhood of Electrical Workers

shall be merged into three classifications of work rules. The first rule shall govern the work of all mechanics, 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 employe of the class to which the rule is applicable, irrespective of craft.

The number of mechanics, helpers and apprentices in the craft of machinist and electrician to be employed shall be determined by the carrier.

The rates of pay of mechanics now in existence shall be changed to the extent that only mechanics who have demonstrated their ability to perform the higher graded work will be paid the higher rate. Mechanics who do not have the required ability to perform higher graded work will be paid the basic mechanics' rate of pay.

The present practice of employes picking certain jobs in certain shops on a seniority basis shall be eliminated.

A two-year apprentice program for all crafts shall be established. At the end of this program, the employe should get two years seniority as a mechanic.

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

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;

(5) Lease or purchase equipment or component parts thereof, the installation, operation, maintenance or repairing of which is to be performed by other than employes of the carrier;

(6) Voluntarily 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 ;
- (11) Consolidate, merge or eliminate one or more seniority rosters or districts required to accomplish or fully realize the benefits of the introduction of a technological, operational or organizational change such as those set forth in items (1) through (10) above.

(b) Eliminate all agreements, rules, regulations, interpretations and practices, however established, which provide for any payments to employees adversely affected as a result of the technological, operational or organizational changes set forth in paragraph (a) hereof.

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

ENTERING RATES

Establish a rule, or amend existing rules, to provide that entering rates of pay for all basic hourly rated employees, except journeymen mechanics represented by the organizations signatory to this agreement, shall be 80% of the established rates, with increases of four per cent (4%) of the established rate effective on completion of the first and each succeeding year of compensated service until the established rate is reached.

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

COMPULSORY RETIREMENT

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

	<i>Years of age</i>
July 1, 1967.....	69
January 1, 1967.....	68
July 1, 1968.....	67
January 1, 1968.....	68
July 1, 1969.....	65

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

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

FORTY-HOUR WORK WEEK RULES

A. Eliminate all agreements, rules, regulations, interpretations and practices, however established, applicable to the forty-hour work week for regularly assigned employes which are in conflict with the rule set forth in Paragraph B.

B. Establish a rules to provide that :

1. The normal work week of regularly assigned employes shall be forty hours consisting of five days of eight hours each, with any two consecutive or nonconsecutive days off in each seven. Such work weeks may be staggered in accordance with the carrier's operational requirements.

2. Regular relief assignments may include different starting times, duties and work locations.

3. Nothing in this rule shall constitute a guarantee of any number of hours or days of work or pay.

4. Work performed by a regularly assigned employe on either or both of his assigned rest days shall be paid for at the straight time rates, unless the work performed on either of the assigned rest days would require him to work more than 40 straight time hours in the work week, in which event the work performed on either of his rest days in excess of 40 straight time hours in the work week shall be paid for at the rate of time and one-half.

5. Any overtime worked by the employe will be computed into straight time hours and be used for purposes of determining when he has completed his forty-hour work week but not for the purpose of determining when the time and one-half rate is applicable.

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

PROHIBITION AGAINST MULTIPLE TIME AND ONE-HALF PAYMENTS ON HOLIDAYS

Under no circumstances will an employe be allowed more than one time and one-half payment for service performed by him on any day which is a holiday.

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

MONETARY CLAIMS

Establish a rule to provide that no monetary claim based on the failure of the carrier to use an employe to perform work shall be valid unless the claimant was the employe contractually entitled to perform the work and was available and qualified to do so, and no monetary award based on such a claim shall exceed the equivalent of the time actually required to perform the claimed work on a minute basis at the straight time rate, less amounts earned in any capacity in other railroad employment or outside employment, and less any amounts received as unemployment compensation.

Existing rules, agreements, interpretations or practices, however established, which provide for penalty payments for failure to use an employe contractually entitled to perform work shall be modified to conform with the foregoing, and where there is no rule, agreement, interpretation or practice providing for penalty pay, none shall be established by this rule.

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

MISCELLANEOUS RULE CHANGES

- (a) Revise Overtime and Call Rule to read as follows:

In cases of emergency work the qualified employee living in the area where the emergency exists, without regard to seniority, will be called.

Employees who refuse to accept overtime work will be subject to discipline.

Employees called for overtime work shall be paid on a minute basis at the rate of time and one-half.

Employees called for overtime work prior to their regular starting time will be paid at the time and one-half rate at a minute basis until the beginning of their regular starting time when they will then revert to the pro-rata rate of pay.

All traveling time shall be paid at the pro-rata rate of pay.

- (b) Check In and Out Time:

The practice of allowing check in and out time shall be discontinued.

- (c) Examinations:

Employees bidding for advertised positions shall be required to take written examinations or other tests and/or physical demonstration of ability in order to determine their qualifications.

- (d) Rule 24 shall be revised as follows:

Employees will not be allowed time off from work to cash their paydrafts. The employee's paydraft will be mailed to the employee's home.

All agreements, rules, regulations, interpretations and practices, however established, which conflict with the above shall be eliminated, except that any existing rules, regulations, interpretations or practices considered by the carrier to be more favorable may be retained.

CARRIER'S VACATION PROPOSAL

1. Effective January 1, 1967, Article 6 of the December 17, 1941 Vacation Agreement, shall be amended to read as follows:

"6. The Carrier may at its discretion blank the position of a vacationing employee or provide a vacation relief worker. If the Carrier decides to blank the position of a vacationing employee, those employees remaining on the job will perform the duties of the vacationing employee without additional expense to the Carrier and such arrangements shall not constitute an infringement of rights of any employees."

Effective January 1, 1967, Article 10(b) of the December 17, 1941 Vacation Agreement, and all interpretations thereof, shall be abrogated.

All existing rules, regulations, interpretations or practices however established, in conflict with the foregoing rule shall likewise be abrogated.