### **REPORT**

TO

## THE PRESIDENT

BY

# EMERGENCY BOARD NO. 205

APPOINTED BY EXECUTIVE ORDER 12491, DATED OCTOBER 25, 1984, PURSUANT TO SECTION 9A OF THE RAILWAY LABOR ACT, AS AMENDED.

To investigate a dispute between The Long Island Rail Road and the Brotherhood of Locomotive Engineers.

(National Mediation Board Case No. A-11345)

WASHINGTON, D.C. DECEMBER 24, 1984

#### LETTER OF TRANSMITTAL

WASHINGTON, D.C.,

December 24, 1984

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

DEAR MR. PRESIDENT:

On October 25, 1984, pursuant to Section 9A of the Railway Labor Act, as amended, and by Executive Order 12491, you created an Emergency Board to investigate the disputes between The Long Island Rail Road and the Brotherhood of Locomotive Engineers.

Following its investigation of the issues in dispute, including informal meetings with the parties, the Board has prepared its Report and Recommendations for settlement of the dispute.

The Board now has the honor to submit its Report to you, with its selection of the most reasonable final offers for settlement of this dispute.

The Board acknowledges the invaluable assistance of Mary L. Johnson of the National Mediation Board's staff, who rendered aid to the Board during the proceedings, and particularly in the preparation of this Report.

Respectfully submitted,

- (S) EVA ROBINS, Chairman.
- (S) THOMAS F. CAREY, Member.
- (S) THOMAS N. RINALDO, Member.
  (III)

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#### I. CREATION OF THE EMERGENCY BOARD

Emergency Board No. 205 was created by President Reagan on October 25, 1984, by Executive Order No. 12491 issued pursuant to Section 9A of the Railway Labor Act, as amended, 45 U.S.C. Section 159a. Governor Mario Cuomo of the State of New York had requested the creation of such a board on October 18, 1984.

The President appointed Eva Robins, an arbitrator from New York, New York, as Chairman of the Board. Professor Thomas F. Carey, an arbitrator from Jericho, New York, and Thomas N. Rinaldo of Williamsville, New York, an attorney and arbitrator, were appointed as Members of the Board.

#### II. PARTIES TO THE DISPUTE

#### A. The Carrier

The Long Island Rail Road (LIRR) is a public benefit corporation owned and operated by the Metropolitan Transportation Authority, an agency of the State of New York. The LIRR is the only mode of public transportation that provides through service from the eastern end of Long Island to Manhattan, and is a vital link in the mass transportation system of the New York City metropolitan area. Its freight and passenger service operates over a system covering approximately 325 miles of track. The LIRR employs approximately 7,300 persons, 6,700 of whom are covered by collective bargaining agreements.

The primary business of the LIRR is its commuter traffic. Every weekday the LIRR carries approximately 280,000 passengers. Its revenue from passenger operations was approximately \$200 million in 1982 (the last year for which data are available), an increase of 11 percent over the 1981 level. (A fare increase averaging 25 percent went into effect on July 1, 1982, and accounts for much of the growth in passenger revenue.) The population of Suffolk and Nassau Counties rely heavily on LIRR service; more than 60 percent of the people who work in Manhattan, and more than 20 percent of those who work in Brooklyn, use the LIRR service.

The freight operating revenues were only \$13 million in 1982 (the last year for which figures are available). The LIRR interchanges traffic with the Consolidated Rail Corporation (Conrail) and the Boston & Maine, and in 1982 handled slightly more than 22,000 freight cars, a drop of 41% from 1981 levels.

The LIRR operation has a large annual operating deficit, and receives substantial subsidies from the Metropolitan Transportation Authority and the Federal government. In 1981, government transfer payments to the LIRR amounted to \$190 million, or 48 percent of the Carrier's total railway operating revenues.

The last round of labor negotiations between the LIRR and its employees was in 1983. Issues were resolved without a work stoppage, through Presidential Emergency Board Nos. 199 and 201. These were the first boards appointed pursuant to Section 9A of the Railway Labor Act (RLA), an amendment to the RLA, added by the Northeast Rail Service Act of 1981 and applicable to labor disputes between publicly funded and operated commuter railroads and their employees.

#### B. The Organization

The Brotherhood of Locomotive Engineers (BLE) represents approximately 35,000 locomotive engineers on railroads in the United States. Eleven employees, classified as Assistant Road Foremen of Engines, who are employed by the Carrier, are involved in this dispute.

#### III. ACTIVITIES OF THE EMERGENCY BOARD

The Board held an organizational meeting on November 12, 1984, in New York, New York. On November 13, 1984, and on November 17, 1984, the Board met with the parties at the carrier's offices in Jamaica, New York. The Board met in Executive Session in New York on November 19, 1984, and held a meeting with the parties on November 20, 1984, in Jamaica, New York. The parties submitted their final offers to the Board on November 24, 1984. The Board met in additional Executive Sessions on November 30, 1984, and December 1, 1984. The Board met with the parties on December 6, 1984, in an attempt to narrow the issues in dispute. The Board met in Executive Sessions on December 14 and 15 in New York City, and again on December 18 and 19, 1984.

The Board's selections are made against the background of all the meetings with the parties and all the materials submitted, including modifications of the parties' final offers, authorized to be filed with the Board up to December 15, 1984. Withdrawal and/or settlement of items was authorized to be made up to December 20, 1984. None was received.

#### IV. HISTORY OF THE DISPUTE

The BLE served its Section 6 Notice to the carrier on July 19, 1983. The application for mediation was filed December 1, 1983, and the National Mediation Board (NMB) docketed the case as NMB Case No. A-11345 on December 6, 1983.

Mediator Francis J. Dooley commenced mediation on February 9, 1984. Mediation continued until May of 1984. On May 15, 1984, the NMB determined that the parties were deadlocked and proffered arbitration in accordance with Section 5, First, of the Railway Labor Act. The BLE rejected the Board's proffer on May 18, 1984. On May 21, 1984, the Board released the parties from mediation and the statutory 30 day "status quo" period began.

NMB Chairman Walter C. Wallace and Mediator Thomas B. Ingles conducted public interest mediation on June 13, 1984. On June 14, 1984, the BLE requested that President Reagan create an emergency board pursuant to Section 9A of the Railway Labor Act which governs publicly funded commuter authorities. Emergency Board No. 202 was created by Executive Order No. 12480 on June 20, 1984.

The Board submitted its Report to the President on July 20, 1984. Following the release of the Report, the parties continued their attempts to resolve their differences. The 60 day statutory time period for this process expired at midnight, October 18, 1984.

Emergency Board No. 205 was created by Executive Order on October 25, 1984. Section 9A provides that the parties must submit their "final offers for settlement of the dispute" to the Board within 30 days of the creation of the Board. The Board then must choose "the most reasonable offer" within the next 30 days. During this 60 day period, and for 60 days after the submission of the Report, the parties must maintain the status quo.

#### V. REPORT

#### A. Background

Between 1976 and 1979, ARSA, BRAC, the Brotherhood of Railway Carmen, and the Office and Professional Employees International Union filed applications with the National Mediation Board to represent certain "supervisory" and "professional" employees on the LIRR. The NMB ordered hearings on the issue of whether these employees were subordinate officials under the Railway Labor Act. The Long Island Rail Road, 7 NMB No. 164 (1980). At the outset of the proceedings, the LIRR stipulated that certain employees, including Assistant Road Foremen of Engines, were subordinate officials. The Board determined that Assistant Road Foremen of Engines were properly part of the craft or class of Engineers in The

Long Island Rail Road, 9 NMB No. 155 (1982). The Board conducted a representation election on November 3, 1982. In 10 NMB No. 15 (1982) the Board certified that the BLE was the duly designated representative of Assistant Road Foremen of Engines on the LIRR.

The carrier specifically described the major activities of these employees as follows:

- Supervising commission hour operations of passenger service at assigned terminals to assure proper equipment, crews availablity and movement of trains in accordance with schedules.
- Evaluate train and engine performance, making recommendtions for improved performance. Review motive power and train operation with Road Foreman for current problems for future changes.

3. Conduct train rides for checks on equipment, attendance and performance of crews and equipment. Make calls on employees injuries and/or researching passenger complaints.

- 4. Disruptions in service, i.e., derailments, breakdowns, and accidents to retard normal operation. Act in the capacity of the engineer.
- 5. Conduct investigations, trials, take statement of facts concerning operational problems. Make recommendations in the issuance of discipline and related administrative duties. Review overtime and claims. The Long Island Rail Road, 9 NMB No. 155 (1982) p. 555.

This is the first contract for these employees.

#### B. Introduction

The parties to this dispute have been in the process of negotiating a first contract for some time. The National Mediation Board commenced mediation in Febrary, 1984, and continued its attempts to help the parties resolve their differences through June of 1984.

Emergency Board No. 202 was established on June 20, 1984, and functioned through July 20, 1984, releasing its Recommendations for settlement of the dispute on that date.

That Board viewed the issue of seniority as "crucial to resolution of this dispute." The Board dealt only with the issues of seniority and wages, noting that it would be "inappropriate to make recommendations on issues which were neither the subject of bargaining nor presented in detail to the Board."

This Board is persuaded that as of the time Board No. 202 wrote its Report, there was indeed a sense that the major item in dispute was the seniority issue. Board No. 202 recommended that "the carrier make, at the least, some accommodation to the concept of seniority in areas including, but not limited to, vacation selection, holiday selection and matters of similar impact."

The Recommendations made by Board No. 202 were not used as a basis for settlement. In later negotiations the carrier did offer a seniority program for the purposes of vacation selection and holiday assignment.

In the period from the date of the issuance of Board No. 202's Report to the date of the establishment of Board No. 205 the parties engaged in some bargaining. In presenting their positions to Board No. 205 it became clear that the items in dispute were not limited to seniority and indeed covered a multitude of issues dealing with basic conditions of employment, including work rules.

It should be noted here that the statutory scheme provides for very different functions of the two Boards established under Section 9A. The function of the first Board (Board No. 202) is to "investigate and report." The function of the second Board (Board No. 205), is to "submit a report...setting forth its selection of the most reasonable offer."

The Board concentrated in the initial stages on helping the parties to narrow the issues between them through encouraging the give and take of collective bargaining and through the mediation efforts of the Board Members. It is apparent that the parties have been able to resolve some of their problems but that they are still apart on the major issues. No useful purpose is served by an attempt to measure the distance between them, but, it is the Board's conviction that final offer selection works best when the parties have bargained to closer positions than they have here. Substantial differences continue to exist on the issues of Wages, Overtime, Seniority, Health and Welfare, Shift Differential, and Stabilization of Forces, and it is those issues which this Board has considered.

The Board has considered whether to treat the problem before it as a final offer selection of "the most reasonable offer" based on a total of the identified items in dispute or on an item-by-item basis. In certain situations it would be necessary to treat the package as a whole and in others to treat items on an individual basis. As the language of the statute provides no direction on this, the Board is persuaded that it has the option to select either.

The Board has decided that it is in the interest of the parties and the public, and consistent with its interpretation of the statute, to make its final offer selections not on the total package but rather on a item-by-item basis.

#### C. Issues

#### 1. Wages

In the period since this Board was named, the parties' positions have changed in a variety of ways, but this Board is concerned only with the offers finally submitted to the Board as the positions of the carrier or BLE.

The LIRR proposes to establish a base rate for each job at the midpoint of the existing salary range (100%), and to abolish the existing salary ranges (the Hay System), effective December 31, 1984. Additionally, the carrier would grant each employee either a 7% pay increase or the amount necessary to raise the employee to the new base rate, whichever is greater. The carrier would further grant each employee a \$2500 retroactive payment.

For 1985 and thereafter, the LIRR proposes to grant the same pattern of wage increases to these employees as to the other employees represented by the BLE. However, employees whose salaries exceed the base rate would be "red-circled", receiving only half the general increase until the base rate equals or exceeds their salaries.

BLE proposes a base rate established at the midpoint effective August 1983, plus a 7% increase for 1983, effective December 31, 1983, and a 4.5% increase for 1984 effective December 31, 1984. On the subject of retroactive pay, the union proposes a lump sum payment of \$5,000 for each employee. Additionally, BLE proposes that all future pay raises granted Engine Service employees on the LIRR be applied to the Assistant Road Foremen of Engines.

#### 2. Overtime

The carrier proposes a five day week and eight hour day with two consecutive relief days. The LIRR proposes compensatory time off for overtime under the following conditions:

a) on a regular work day, employees would receive compensatory time after the ninth hour on duty, for each half hour.

b) on relief days and holidays, employees would receive compensatory time for each half hour on duty (except as noted below).

The carrier makes the following proposal to insure that employees will be able to use accrued compensatory time by the end of the next calendar quarter. In a situation where an employee has scheduled compensatory time off and the carrier cancels that time off, the carrier would pay cash at straight time rates. The carrier would pay cash overtime at time and a half for work performed on Thanksgiving, Christmas and New Year's Day. All other holidays would be paid by compensatory time.

The organization states that it "will agree to compensatory time for overtime...as long as our salary demand of this proposal is met."

Should the carrier not accept BLE's salary demand, the organization demands time and one half for all overtime worked.

Assuming its salary demand is met, BLE proposes time off with pay based upon accrual of hours and/or minutes after eight hours. Accrued compensatory time would be used at the end of the following month. If any employee is prevented from using compensatory time the time would be paid on a minute basis at time and one half in the second pay period following the month in which it should have been taken.

#### 3. Seniority

The carrier states that seniority has no application to the hiring, promotion, and assignment of these employees. The LIRR has offered to use seniority in the areas of vacation selection and holiday assignments.

The BLE proposes that the LIRR be divided into zones which would be used for the selection of assignments. These assignments would also be selected on the basis of seniority.

The carrier opposes this system of selecting assignments on the basis of seniority, as the position of Assistant Road Foreman is one which requires seven days a week, twenty-four hours a day coverage. For example, the Assistant Road Foreman on the midnight shift at Penn Station, the carrier's major terminal, is usually the ranking supervisor over engine service employees. The carrier does not want its least experienced employees assigned to this shift, arguing the necessity to rotate its assignments which it proposes to do on a semi-annual basis.

#### 4. Shift Differential

BLE proposes a 10% shift differential for all work between 6 p.m. and 6 a.m. and all work on weekends.

The carrier proposes no shift differential, arguing that a differential was built into the job of Assistant Road Foreman through the Hay System. However, the carrier would consider some form of shift differential compensation, less than 10%, if BLE withdraws its demand on the seniority issue.

#### 5. Health and Welfare

The carrier proposes that the Assistant Road Foremen of Engines be covered under the plan of benefits generally applicable to most represented employees on the LIRR.

The BLE seeks the current management package, including retention of the current life insurance policy and optional life insurance. In the alternative, BLE would accept the Engineers Health and Welfare

package, with an increase in life insurance, "whichever the carrier feels is the most cost effective."

#### 6. Stabilization of Forces

The BLE has filed an action in the United States District Court for the Eastern District of New York seeking a determination that the carrier has no right to abolish vacant Assistant Road Foremen positions, or to fill the positions with Assistant Trainmasters. The carrier insists that it will not settle its contract with the BLE unless this suit is withdrawn with prejudice, arguing that restrictions on the carrier's right to abolish positions is a matter for negotiations. The BLE has offered to withdraw this litigation, without prejudice, subject to the signing of an agreement on all items.

The BLE proposes a Scope Rule which in effect would guarantee a minimum number of Assistant Road Foreman of Engines positions. The carrier refuses to guarantee a minimum number of jobs, claiming it is impossible to commit to particular jobs in particular locations.

#### 7. Rules

In addition to its proposed Scope Rule, BLE seeks certain rules taken from the BRAC agreement. The carrier proposes application of the BRAC rules, with certain modification appropriate to Assistant Road Foremen of Engines.

#### D. Discussion

The parties have been able in their direct negotiations to resolve many items which were in dispute between them. These are first agreements covering a very large number of issues. For the purpose of the discussion below the Board is referring to the six major areas of dispute separating the parties. There may be other items which continue to be open because the parties are continuing to work on the development of language and the Board will not refer to them in this discussion. The Board refers to the basic issues in dispute between the parties which are described above and on which the parties have fundamental differences.

This Board does not have the luxury of making suggestions as to the contract terms which the parties should find acceptable. Our function is to select from the final offers made by the parties and served on the Board the one which, in the language of the statute, is "the most reasonable offer."

#### 1. Wages

The Board, in making its selection, envisions all of the wage items as interdependent and inseparable; thus, the Board must choose between the two wage packages contained in the final offers. The Board is persuaded that there is such a relationship among wages, future in-

creases, retroactive pay, and "red-circling" as to require that a judgment on reasonableness be made on the whole rather than on its constituent parts.

The organization has requested a total salary increase of  $11\frac{1}{2}\%$ , broken into two increases; 7% on December 31, 1983, and 4.5% on December 31, 1984. BLE also seeks retroactive pay of \$5,000 for each employee and it objects to the "red-circling" of any employee's rate. In attempting to justify its wage proposal, BLE refers to the fact that these employees did not receive a salary increase in 1983.

The wage increase offered by the LIRR follows the general pattern on the LIRR. Also the carrier's wage proposal includes an adjustment in retroactive pay higher than that proposed for BRAC and ARSA. The carrier makes this proposal recognizing that the employees in this unit did not receive an increase in 1983. As to the "red-circling" of employees who would fall above the base rate, this is not an unusual practice aimed at bringing consistency to a wage structure.

Thus, the Board will select the carrier's final offer as the more reasonable.

#### 2. Overtime

It is the carrier's position that these employees, having formerly been in a "managerial" capacity, have had included in their salary levels (without identification) recognition that their hours frequently would be uncertain and variable. This now has become an issue between the parties since the organization sought to have the employees paid for overtime.

The carrier, as described above, has offered a proposed compensatory time plan. The carrier is not suggesting in its final proposal that the Hay System differential for overtime hours included in the pay structure of supervisors be deducted from their pay. The compensatory time proposed by the carrier would be in addition to the differential contained in these employees' salaries.

Although the organization has placed in its final offer a proposal for compensatory time for overtime, it has linked that proposal with its salary demand. The BLE states unequivocally that if the carrier decided not to accept the organization's salary proposal, the BLE would revert to its demand for time and a half for all overtime. The Board, therefore, considers this to be the BLE's final offer.

The other differences in the parties' positions, e.g., the minute-byminute overtime as distinguished from half-hour increments are not described here in detail, but it is the Board's view that with positions at the level of these positions there is probably not a reasonable basis for the minute time-keeping that would be implicit in acceptance of the organization's proposal. The Board notes that the carrier's proposal includes provisions for employees to receive compensatory time for time accrued and also provides for time and one half cash payment for Thanksgiving, Christmas, and New Years Day.

The Board selects the carrier's offer as the more reasonable.

#### 3. Seniority

Emergency Board No. 202 made a recommendation to the parties regarding seniority in which it expressed its view that some accommodation be made to seniority in such areas as vacation and holiday selection. That Board, based upon what was before it, judged seniority to be a major obstacle to the settlement of this dispute.

The BLE proposes a zone system for the assignment of employees which would allow for seniority consideration within zoned areas throughout the property. The carrier opposes the application of seniority in the areas of job location and work assignment.

The Board is not persuaded that there is justification for the use of seniority in the areas proposed by the BLE. With the importance and training obligations implicit in the filing of these jobs, it would appear that the carrier's hesitancy to allow seniority to become either the sole or major factor in filling the assignments is well-founded.

Accordingly, the Board believes the carrier's position to be more reasonable and will make that selection.

#### 4. Shift Differential

The Board recognizes that the carrier has indicated in its offers that a less stringent union position on seniority would cause it to consider an offer on shift differentials. That indication has not produced any visible improvement in the positions of the parties on the shift differential or any items offered by the carrier. The Board is left with the carrier's position that there be no shift differential and BLE's position that there be a 10% shift differential for the hours between 6:00 p.m. and 6:00 a.m. and weekends. Here, as in the case of overtime, it is the carrier's position that the formula of the Hay System included within the pay structure a differential for hours variations. Although the Board is aware that there is no disagreement in principle between the parties on the utilization of shift differential for employees in this category, no amount has been offered by the carrier and the union has maintained its demands for a 10% shift differential.

The LIRR claims that these employees have been receiving a shift differential of some kind in a percentage of salary under the Hay System. Whether that is measurable is for our purposes unimportant.

The selection the Board has made as to seniority produces the kind of pre-condition that the carrier sought from the organization in order to produce a proposal for a shift differential. If the organization accepts the final offer selection made by the Board with regard to seniority, it is this Board's conviction that this is precisely the precondition the carrier sought "in exchange for [the BLE's] agreement to allow management to retain its existing right to make assignments."

Whether that should be 10% under the conditions sought by BLE or, as the LIRR stated in an earlier position, something less than 10%, it appears to the Board that if the seniority provision selected by the Board is accepted, the parties must reach a conclusion for "some form of compensation for shift work."

The Board therefore does not make a final offer selection on the shift differential demand because if it did, it would be predicated upon the acceptance of the seniority demand and, further, this Board does not have enough evidence before it to make an informed judgment on the precise conditions which should apply.

#### 5. Health and Welfare

Although Emergency Board No. 203 had before it matters relating to Health and Welfare and commented on those matters, Board No. 202 indicated that that issue was not discussed before it.

The issue of Health and Welfare benefits has, however, been placed before this Board and the BLE proposes either the management Health and Welfare benefit plan "as amended" or the Engineers' benefit package (with an increase in life insurance) "whichever the carrier feels is the most cost effective."

The carrier offers the "standard" plan which is applicable to most of the represented employees on the LIRR.

In assessing the carrier's offer and the BLE's offer, the Board selects the carrier's offer of the standard benefit plan as the more reasonable.

#### 6. Stabilization of Forces

The Board has described the position of the parties on this issue in its analysis above. It appears to the Board that this is an item on which a selection should not be made. There is inadequate information not only as to the specifics of the proposals but also as to the conditions under which the proposals would be administered. The Board simply has insufficient information to allow for an evaluation of the parties' proposals and the attendant problems.

Something should be added here about the BLE litigation pending as of the time of the making of the final offer selections. The union has stated that it would withdraw the litigation, but without prejudice, if an agreement could be reached and signed on all items. The carrier has refused to make any guarantee of a minimum number of Assistant Road Foremen or the jurisdiction over some of the

assignments. The carrier asks that the Board require the BLE to withdraw its lawsuit, with prejudice, "within 15 days of the ratification of this agreement."

The Board does not make a final offer selection on this item and remands it to the parties for further negotiations.

#### 7. Rules

As to the rules on which there remains disagreement, some are tied to the overtime provisions and the Board believes that with its selection on the overtime issue the parties should work out those rules or their continuation or discontinuance through direct bargaining without the Board's intervention.

Other of the rules have been agreed upon in principle, and there appears to be no doubt that the parties can work out their own language without the assistance of the Board. A third category of rules on which apparently no agreement has been reached, includes rules upon which there is no evidence before the Board and on which the Board has simply the bare positions of the parties. It would be mischievous for the Board to comment on these.

#### VI. CONCLUSION

Based on the rationale as stated above, the Board selects as "the most reasonable" offers the following:

- 1. Pay Package, including wages, future wage increases, retroactive pay, and "red-circling."—The Board selects the carrier's final offer.
  - 2. Overtime—The Board selects the carrier's final offer.
  - 3. Seniority—The Board selects the carrier's final offer.
- 4. Shift Differential—The Board does not make a final offer selection on shift differential but refers it back to the parties so that if the parties accept the Board's selection on the seniority issue, the parties will bargain on the shift differential for the employees covered by this contract.
  - 5. Health and Welfare-The Board selects the carrier's final offer.
- 6. Stabilization of Forces, including the BLE lawsuit—the Board does not make a final offer selection on this item but remands it to the parties for negotiation and resolution.
- 7. Rules—The Board has commented in the discussion on its understanding of the status of the open rules. No selection is made or required.

Respectfully submitted,

- (s) EVA ROBINS, Chairman
- (s) THOMAS F. CAREY, Member
- (s) THOMAS N. RINALDO, Member

#### **EXECUTIVE ORDER 12491**

ESTABLISHING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN THE LONG ISLAND RAIL ROAD AND THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS

A dispute exists between The Long Island Rail Road and the Brotherhood of Locomotive Engineers representing employees of The Long Island Rail Road.

The dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended ("the Act").

A party empowered by the Act has requested that the President establish an emergency board pursuant to Section 9A of the Act.

Section 9A(e) of the Act provides that the President, upon such a request, shall appoint an emergency board to investigate and report on the dispute.

NOW, THEREFORE, by the authority vested in me by Section 9A of the Act, as amended (45 U.S.C. 159a), it is hereby ordered as follows:

Section 1. Establishment of Board. There is hereby established a board of three members to be appointed by the President to investigate this dispute. No member shall be pecuniarily or otherwise interested in any Organization of railroad employees or any Carrier. The board shall perform its functions subject to the availability of funds.

Section 2. *Report*. (a) Within 30 days from the creation of the board, the parties to the dispute shall submit a report to the President setting forth its selection of the most reasonable offer.

(b) Within 30 days after submission of final offers for settlement of the dispute, the board shall submit a report to the President setting forth its selection of the most reasonable offer.

Section 3. *Maintaining Conditions*. As provided by Section 9A(h) of the Act, as amended, from the time a request to establish a board is made until 60 days after the board makes its report, no change, except by agreement, shall be made by the parties in the conditions out of which the dispute arose.

Section 4. Expiration. The board shall terminate upon the submission of the report provided for in Section 2 of this Order.

RONALD REAGAN

THE WHITE HOUSE, October 25, 1984.