

MEMORANDUM OF UNDERSTANDING

BETWEEN

MTA METRO-NORTH

And

ASSOCIATION OF COMMUTER RAIL EMPLOYEES

Representing

Conductors, Assistant Conductors

And Hostlers

The parties hereby agree to the following amendments and changes to the Collective Bargaining Agreement for the period January 1, 2007, through June 15, 2010.

This Memorandum of Understanding is subject to ratification by the membership of the Association of Commuter Rail Employees Division 1 – Conductors, Assistant Conductors and Hostlers, and final approval by the Metropolitan Transportation Authority Board of Directors.

THIS AGREEMENT is made this 18<sup>th</sup> day of July, 2007, by and between Metro-North Commuter Railroad (“Metro-North”) and the employees represented by the Association of Commuter Rail Employees, Division 1.

## **ARTICLE I – GENERAL WAGE INCREASES**

### **SECTION 1 - 2007 GENERAL WAGE INCREASE**

Effective January 1, 2007, all rates of pay irrespective of the method of payment (hourly, daily, etc) in effect on December 31, 2006 shall be increased by four percent (4%).

### **SECTION 2 - 2008 GENERAL WAGE INCREASE**

Effective January 1, 2008, all rates of pay irrespective of the method of payment (hourly, daily, etc) in effect on December 31, 2007 shall be increased by three and one-half percent (3.5%).

### **SECTION 3 – 2009 GENERAL WAGE INCREASE**

Effective January 1, 2009, all rates of pay irrespective of the method of payment (hourly, daily, etc) in effect on December 31, 2008 shall be increased by three percent (3%).

## **ARTICLE II – DEFINED BENEFIT PENSION PLAN**

Employees enrolled in Article 12 of the MTA Defined Benefit Pension Plan (“Article 12”) shall be subject to the following changes:

1. All participants in Article 12 shall make three percent (3%) member contributions until January 1, 2014, or until they have contributed for ten (10) years from the date of participation in Article 12, whichever is later.
2. Retirement Incentive – All participants in Article 12 who attain age sixty (60) prior to or on June 15, 2010, and who are otherwise eligible to retire, shall be eligible to retire under Article 12 at such age without the early retirement reductions.
3. All employees hired after full and final ratification of this agreement shall become members in the MTA Defined Benefit Pension Plan under a program the same as Article 12 as applicable to other Metro-North employees without any provisions for early retirement prior to age 62, including the retirement incentive referred to in paragraph 2 above; and with provision that overtime earnings in excess of 20% of regular wages shall not be included in the calculation of any retirement benefit, including, but not limited to death benefits.

**ARTICLE III – HEALTH AND WELFARE**  
**PREMIUM CONTRIBUTIONS**

Effective the first pay period following full and final ratification, health and welfare premium contributions for employees hired since 2004 will be discontinued.

**ARTICLE IV – WORK RULES**

**Rule 6 – Promotion to Conductor**

Rules 6, 19 and the Training Agreement will be amended to allow Metro-North to implement a new hire training program that will require employees to be fully qualified Conductors upon completion of the Training Program. The existing rules mandating that Promotion to Conductor examinations will not take place until completion of at least two hundred (200) days worked as an Assistant Conductor are eliminated.

The provision currently allowing an employee to take the Promotion to Conductors test three (3) times before being terminated also is eliminated.

A qualified Conductor who provides instruction at the direction of the Training Department during their tour of duty to employees in the Training Program during the OJT portion of the new Training Program will be paid sixty (60) minutes at straight time. It is understood that the Conductor will complete any required reports on Trainees needed to evaluate their performance.

Effective upon full and final ratification the Conductor hourly rate of pay shall be \$34.55.

**Rule 8 - Bulletins and Assignments**

Amend Rule 8(s) to reflect that thirty (30) percent of the total number of weekend and holiday assignments may be up to ten and a half (10 ½) hours long. Temporary crewbook changes that necessitate minor adjustment to this percentage are permissible.

**Rule 10 – Annulments of Assignments**

An employee whose position is annulled for one (1) day because of a holiday may elect to take a single day vacation or personal day. If the employee makes this election, they are not entitled to an exercise of seniority. Single day vacations and personal days will be granted on Holidays in accordance with the needs of service.

### **Rule 11 – Extra Lists**

Amend Rule 11 to provide that:

- 1) All employees on the extra lists (conductors and assistant conductors) can be assigned to non-crew book assignments on a first in, first out basis. Non-Crew book assignment will be pre-programmed into the CMS system. The duration of non-crew book assignments will not go beyond the return trip from the last evening rush hour train, except in emergencies or as the needs of service require.
- 2) Employees holding extra list positions who are within sixty (60) days of the expiration of maintaining physical qualifications on a territory will be permitted to qualify on that territory instead of working a non-crew book assignment.
- 3) Extra list employees may take a weekly hold down on open positions. The parties will agree upon the necessary process to facilitate the selection of hold-downs.
- 4) Extra list positions will not be annulled on holidays.
- 5) When the extra list is exhausted at a crewbase, the vacancy will be filled from the relief day list at that crewbase before looking to the extra list at the next nearest crewbase.

### **Rule 26(d) (i) – Pre Trial Meetings**

Immediately preceding a scheduled investigation, the Union and Metro-North representatives will meet for the purpose of attempting to resolve the matter. If the parties are unsuccessful at resolving the matter, the trial will proceed. The parties may agree to hold the pre-trial meeting at a time earlier than immediately preceding the trial.

### **Appendix A**

The job stabilization date is extended to June 15, 1998.

### **Rule 30 – Approval of Application**

Amend Rule 30 to provide that the application for employment can be rejected within sixty (60) days after the completion of the new Conductor Training Program.

### **Rule 32 – Uniforms**

Amend Rule 32(d) to provide that trousers will be issued every year.

**Rule 34 – Vacations**

All existing practices relative to the annual vacation selection are amended. A new selection process includes the following:

- a) Selection is done based on an employee's geographic location on a randomly selected date prior to September 1 of each year.
- b) Selection will be done in two (2) rounds. Employees in the first round will be able to select their vacation weeks with the exception of one (1) week. After round #1 is completed, an employee's remaining week will be chosen in seniority order.

**Rule 37 – Meal Periods**

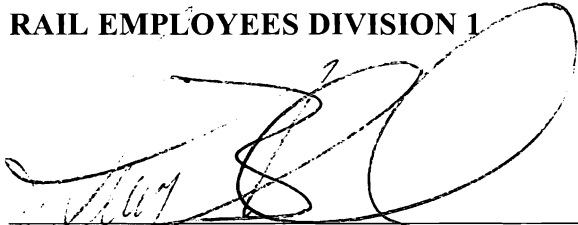
Amend Rule 37 to provide that the meal period is reduced to twenty (20) minutes and must be completed within 4 and 6 ½ hours after starting work.

**ARTICLE V – MORATORIUM**

- (1) The Agreement shall be effective January 1, 2007 and shall remain in effect through June 15, 2010 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- (2) The parties to this Agreement shall not serve or progress prior to January 1, 2010 (not to become effective before June 16, 2010) any notice or proposal for the purpose of changing agreements.

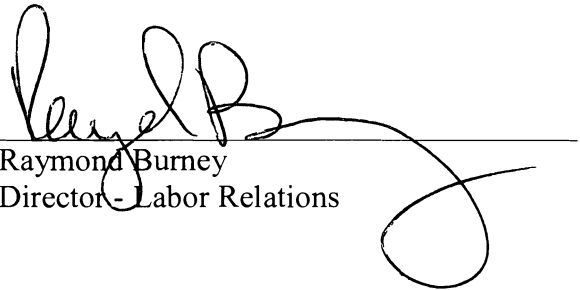
This Memorandum of Understanding is subject to ratification by the membership of the ACRE and final approval by the Metropolitan Transportation Authority Board of Directors.

**FOR ASSOCIATION OF COMMUTER  
RAIL EMPLOYEES DIVISION 1**

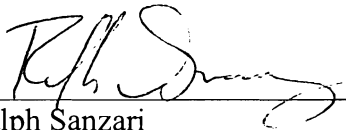


Anthony Bottalico  
General Chairman, ACRE Division 1

**FOR METRO-NORTH**



Raymond Burney  
Director - Labor Relations



Ralph Sanzari  
Vice General Chairman, ACRE Division 1



Andrew J. Steimle  
General Secretary, ACRE Division 1

July 18, 2007

Mr. Anthony Bottalico  
General Chairman - ACRE - Div. 1  
420 Lexington Avenue, Suite 215  
New York, New York 10017

**Re: Early Retirement Health Benefits**

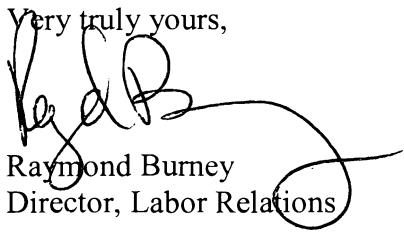
Dear Mr. Bottalico:

This letter shall memorialize the parties understanding with regard to the provision of health benefits to certain retirees. Members of the Association of Commuter Rail Employees who are participants in the Defined Benefit Retirement Program for Represented Employees of the Commuter Rails (hereinafter the "MTA Defined Benefit Plan") who satisfy the minimum age and years of service requirements of the MTA DB Plan for an early retirement benefit (55/10), who receive said benefit from the MTA DB Plan upon retirement, and who have been participants in the New York State Health Insurance Plan for at least six months prior to their retirement date shall be entitled to retiree health benefits until they obtain 65 years of age.

Metro-North Commuter Railroad will provide said health benefits to eligible retirees represented by the ACRE. Dependents shall continue to receive health benefits in accordance with the eligibility criteria established under the "Roosevelt Agreement". Nothing contained in this letter agreement shall be construed to change, alter or amend any other aspect of the "Roosevelt Agreement."

Additionally, retirees who qualify for and receive a regular or disability pension as provided for in the MTA DB Plan will be eligible for health benefits until they reach age 65. If the retiree dies before reaching age 65, the retiree's spouse and dependents will continue to receive health benefits until the retiree would have reached age 65.

Very truly yours,

  
Raymond Burney  
Director, Labor Relations

July 18, 2007

Mr. Anthony Bottalico  
General Chairman - ACRE - Div. 1  
420 Lexington Avenue, Suite 215  
New York, New York 10017

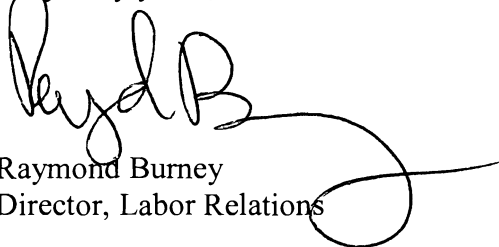
**Re: Retirement Incentive**

Dear Mr. Bottalico:

This letter will confirm our discussions during the recently completed negotiations for a new collective bargaining agreement regarding the Retirement Incentive referenced in paragraph 2, Article II of the July 18, 2007 Memorandum of Understanding ("Retirement Incentive").

It is understood by and between the parties that in order to fund a portion of the Retirement Incentive, this Collective Bargaining Agreement has been extended for two and one-half months beginning in 2010. This two and one-half month extension shall terminate on the then existing contract's anniversary date which occurs after June 15, 2014, unless Metro-North determines to continue the Retirement Incentive. In such event, the reversion of the extension shall not occur and Metro-North's option to discontinue the retirement incentive shall expire.

Very truly yours,



Raymond Burney  
Director, Labor Relations

July 18, 2007

Mr. Anthony Bottalico  
General Chairman - ACRE - Div. 1  
420 Lexington Avenue, Suite 215  
New York, New York 10017

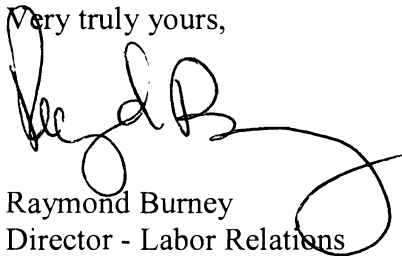
**Re: Temporary Retirement Incentive & Actuarial Reductions**

Dear Mr. Bottalico:

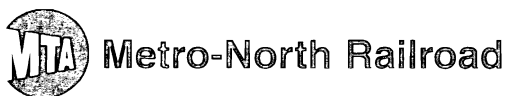
In the Memorandum of Understanding dated July 18, 2007, Article II, Paragraph 5 provides for a temporary Retirement Incentive for participants in the New Program who attain age 60 prior to or on June 15, 2010.

Regarding participants in the New Program who do not reach age 60 prior to or on June 15, 2010 but who otherwise qualify for early retirement under Article 12 of the MTA Defined Benefit Pension Plan, the actuarial reduction factors in Section 12.3.02(b) remain intact. Simply stated, the early retirement reduction factor is 3% per year. For example, participants in the New Program who retire at age 59 prior to or on June 15, 2010 shall have their pension reduced by 3%. Those who retire during this time period at age 58 shall have their pension reduced by 6% and so on down to age 55.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Raymond Burney', with a large, stylized flourish extending from the end of the signature.

Raymond Burney  
Director - Labor Relations



July 18, 2007

Mr. Anthony Bottalico  
General Chairman – ACRE Div. 1  
420 Lexington Avenue, Suite 215  
New York, NY 10017

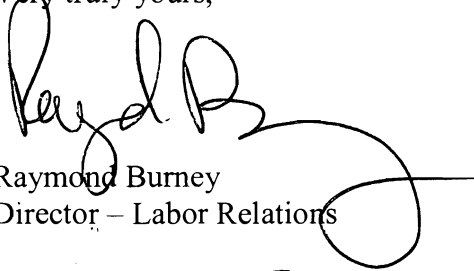
Re: **Hand Held Ticketing Devices**

Dear Sir:

This will confirm our agreement regarding the introduction of ticket issuing machines for on-board personnel at Metro-North. ACRE has been very cooperative in the 2006 Pilot program and understands the importance of this customer service initiative. Union representatives will continue to participate in the development and implementation of this initiative.

It is agreed by the parties that Metro-North has the authority to utilize these devices to modernize the on-board revenue collection procedures. It is further agreed that ACRE has waived its demand for any additional compensation for its members to utilize this device or any future technological device that is used by our train crews to sell tickets, collect revenue, issues receipts, etc.

Very truly yours,

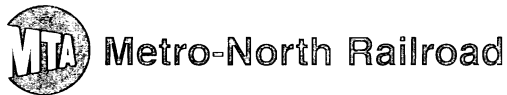


Raymond Burney  
Director – Labor Relations

I agree:



Anthony Bottalico, General Chairman – ACRE 1



July 18, 2007

Mr. Anthony Bottalico  
General Chairman - ACRE Division 1  
420 Lexington Avenue Suite 214  
New York, NY 10017

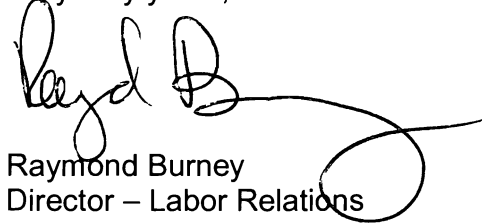
**Re: Grievance Mediation: Operating Procedure 21-021B: Attendance Policy – Represented Employees**

Dear Mr. Bottalico:

In accordance with our recent discussions, ACRE Local 1 acknowledges that it is the obligation of every employee to maintain a satisfactory attendance record. It is further acknowledged that Metro-North's efforts to reduce the levels of unsatisfactory attendance through progressive discipline are legitimate. Metro-North acknowledges that our current attendance policy has been the subject of much discussion and debate concerning exceptions to this policy and that some exceptional cases are legitimate.

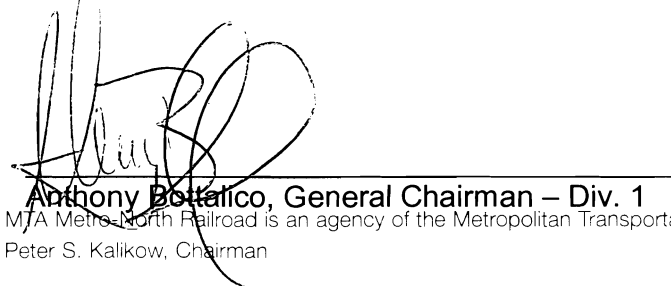
In our continuing effort to work cooperatively, Metro-North and ACRE Local 1 have agreed to submit these issues to a non-binding grievance mediation process. That process should conclude by January 1, 2008. This agreement does not mitigate or compromise either parties right to argue contrary positions in arbitration.

Very truly yours,



Raymond Burney  
Director – Labor Relations

I Concur:



**Anthony Bottalico, General Chairman – Div. 1**

MTA Metro-North Railroad is an agency of the Metropolitan Transportation Authority, State of New York  
Peter S. Kalikow, Chairman



## Metro-North Railroad

July 18, 2007

Mr. Anthony Bottalico  
General Chairman – ACRE 1  
420 Lexington Avenue, Suite 215  
New York, NY 10017

Dear Sir:

In order to resolve miscellaneous outstanding issues and to clearly define the parameters of actions that may generate a valid time claim or arbitrary payment, the following is hereby agreed to:

**1. Rule 12(e) - Relief Day Work**

Rule 12(e) shall be modified to allow an employee who is marked-up on the relief day list to miss four (4) successive calls before having his or her name removed from the Relief Day List.

**2. Rule 26 - Discipline and Investigation**

Rule 26 will be modified to allow more than one representative of the Organization to participate, for training purposes only, in investigations. The Hearing Officer shall have the discretion to limit such participation.

**3. Rule 23 - Jury Duty**

Employees required to report for jury duty **shall** be paid the earnings of their assignment.

**4. Rule 11 - Extra Board**

Employees called off the Extra board shall not be required to work a second assignment within a twenty-four hour period if they feel they are not rested sufficiently to competently perform their duties. There shall additionally be no penalty assessed against a conductor choosing not to report for his or her second assignment.

**5. Rule 37 – Meal Periods**

It is agreed that Yard assignments and MU Conductors will receive no meal payments.

**6. Rule 39 – Personal Leave**

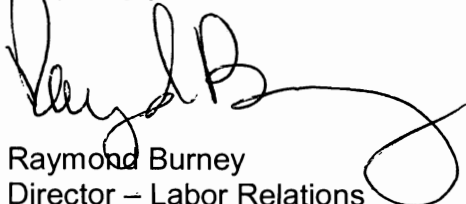
Employees on the extra list who are permitted a personal leave day will be paid the earnings of the assignment they would have worked that day.

Mr. Anthony Bottalico  
July 18, 2007  
Page 2

**7. Agreement Books**

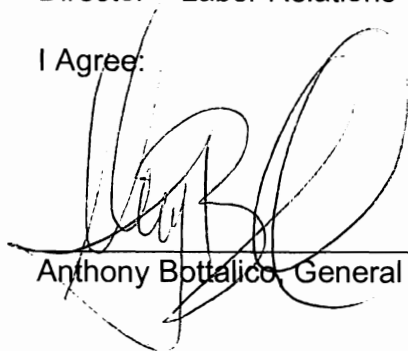
Metro-North will update and revise the ACRE 1 Agreement book to incorporate all new MOUs and side letters.

Very truly yours,



Raymond Burney  
Director – Labor Relations

I Agree:



Anthony Bottalico, General Chairman – ACRE 1

July 18, 2007

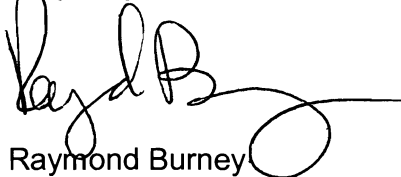
Mr. Anthony Bottalico  
General Chairman – ACRE 1  
420 Lexington Avenue, Suite 215  
New York, NY 10017

Re: **Definition of Regular Wages**

Dear Mr. Bottalico:

The Memorandum of Understanding dated July 18, 2007, in Article II Section 3 establishes a modified Defined Benefit Pension Plan for employees hired after the date of final ratification. In this modified Defined Benefit Pension Plan, overtime earnings in excess of 20% of *regular wages* are not included for the purpose of calculating retirement benefits. For Train Service employees, the basic principle in defining *regular wages* will be the earnings of that position as defined by the crew book or the position job description. A committee will be formed to review the various pay codes and to determine precisely which pay codes are appropriately included in the calculation of regular wages and which pay codes will be subject to the overtime limit of pensionable earnings.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Rayd B', with a long horizontal flourish extending to the right.

Raymond Burney  
Director – Labor Relations

July 18, 2007

Mr. Anthony Bottalico  
General Chairman – ACRE Div. 1  
420 Lexington Avenue – Suite 215  
New York, NY 10017

**Re: Grievance Mediation – Return to Duty Status**

Dear Mr. Bottalico:

Metro-North's current policies state that employees who suffer an on-the-job injury must be evaluated by Occupational Health Services as soon as possible after the occurrence. Metro-North policies further provide that if OHS determines that the employee is qualified for full duty, that employee must return to work on his or her next regularly scheduled tour of duty. If the employee fails to return to work, that employee will not receive any payment for all regular work days missed and will ultimately be brought up on disciplinary charges for unauthorized absence.

ACRE objects to the employee being subject to disciplinary actions when the employee's treating physician has not yet authorized the employee to return to work or has not yet been examined by the treating physician.

This conflict between Metro-North policy and the employee's treating physician has caused significant debate and dispute between Metro-North and ACRE. Without either Metro-North or ACRE conceding any position or argument, and without prejudice to any actions or positions taken by either side, the parties agree to the following:

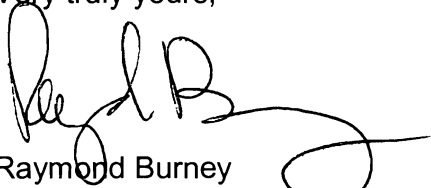
- Metro-North and ACRE will enlist the services of the National Mediation Board and submit this controversy to a non-binding Grievance Mediation process sponsored by the National Mediation Board;
- Metro-North and ACRE will contact the National Mediation Board and hold as many mediation sessions as necessary with the Mediator to fully examine the competing interests; these meetings will be completed by the end of 2007; any changes to policies or mutually accepted procedures will be finalized and in place by July 1, 2008;

In the intervening time period, employees who are deemed qualified for duty by the OHS after an on-the-job injury will not be paid sick pay if they fail to return to

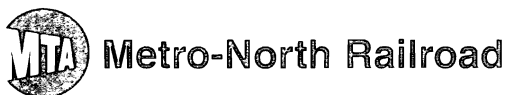
Mr. Anthony Bottalico  
**Grievance Mediation – Return to Duty Status**  
July 18, 2007  
Page 2

work and they will be brought up on charges for unauthorized absence if they continue to refuse to come to work. However, no discipline will be assessed until after the grievance mediation process is concluded.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ray B', with a long horizontal flourish extending to the right.

Raymond Burney  
Director – Labor Relations



July 18, 2007

Mr. Anthony Bottalico  
General Chairman – ACRE Div. 1  
420 Lexington Avenue – Suite 210  
New York, NY 10017

Re: **Yankee Stadium**

Dear Mr. Bottalico:

This is regarding our recent discussions concerning the new station at Yankee Stadium and service to that station on game days.

It is Metro-North's intention to operate trains on all three (3) of our lines to and from Yankee Stadium on the various dates there are games played at Yankee Stadium. This will confirm our agreements that the assignment of crews from all three (3) lines to provide service to and from Yankee Stadium will not violate any provisions of the Collective Bargaining Agreement and will not be subject to claims for additional compensation or penalty. Crews will be qualified on the territory as needed.

Very truly yours,

A handwritten signature in black ink, appearing to read "Raymond Burney".

Raymond Burney  
Director – Labor Relations

I agree:

A large, stylized handwritten signature in black ink, likely belonging to Anthony Bottalico.

**Anthony Bottalico, General Chairman – ACRE Div. 1**

MTA Metro-North Railroad is an agency of the Metropolitan Transportation Authority, State of New York  
Peter S. Kalikow, Chairman