

MEMORANDUM OF UNDERSTANDING

BETWEEN

MTA METRO-NORTH

And

ASSOCIATION OF COMMUTER RAIL EMPLOYEES

Division 9

Representing Engineers

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 9 - Engineers, and final approval by the Metropolitan Transportation Authority Board of Directors.

THIS AGREEMENT is made this 11th day of July, 2007, by and between the Metro-North Commuter Railroad ("Metro-North") and the employees represented by the Association of Commuter Rail Employees - Division 9.

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.

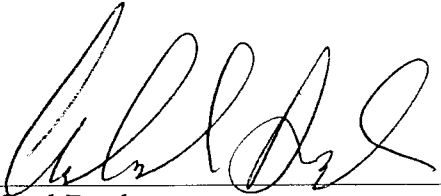
ARTICLE IV – MORATORIUM

- (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.

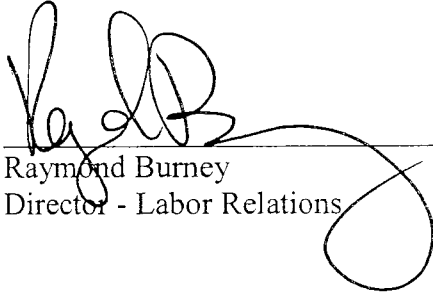
This Memorandum of Understanding is subject to ratification by the membership of the ACRE Division 9 and final approval by the Metropolitan Transportation Authority Board of Directors.

**FOR ASSOCIATION OF COMMUTER
RAIL EMPLOYEES DIVISION 9**

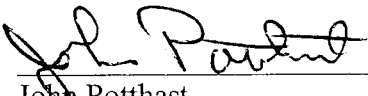
FOR METRO-NORTH



Michael Doyle
General Chairman, ACRE - Division 9



Raymond Burney
Director - Labor Relations



John Potthast
Vice General Chairman, ACRE - Division 9

July 11 2007

Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

Re: **Early Retirement Health Benefits**

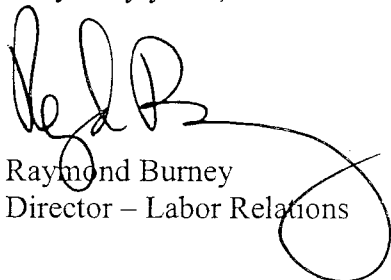
Dear Mr. Doyle:

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 – Engineers 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 - Engineers. 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 11 2007

Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

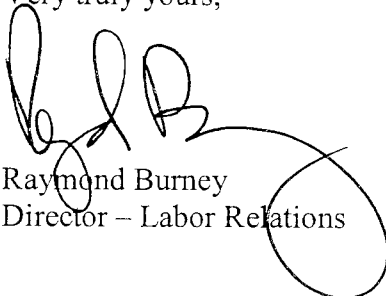
Re: **Retirement Incentive**

Dear Mr. Doyle:

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 16, 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 11 2007

Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

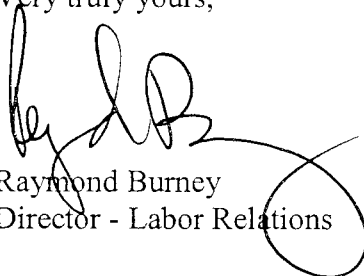
Re: Temporary Retirement Incentive & Actuarial Reductions

Dear Mr. Doyle:

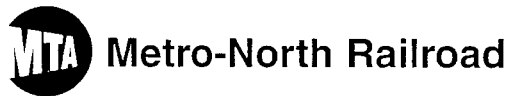
In the Memorandum of Understanding dated July 16, 2007, Article II, Paragraph 2 provides for a temporary Retirement Incentive for participants in the New Program who attain age 60 prior to or on June 15, 2010.

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,



Raymond Burney
Director - Labor Relations



July 11, 2007

Mr. Michael Doyle
General Chairman – ACRE 9
R.R. #3
Skeet Club Road
Durham, CT 06422

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 10(e) - Relief Day Work

Rule 10(e) shall be modified to allow a passenger engineer 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 23 - Discipline and Investigation

Rule 23 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 20 - Jury Duty

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

4. Rule 9(g) - Guaranteed Extra Board

Engineers 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 an engineer choosing not to report for their second assignment.

5. Rule 14b – Calls

Engineers shall be entitled to a payment under Rule 14b in the following situations:

(a) **Test Trains**

Regular engineer assignments that may be required to operate test trains will have this requirement designated in the crew book. An engineer who is required to operate a test train that is not in of their regular duties or assignment shall receive a 14b payment.

(b) **Interdivisional**

Engineers working a passenger assignment out of any crew base, except GCT, who is assigned to operate a train off of their division, shall receive a 14b payment. This will not apply to service to Yankee Stadium.

(c) **Emergency Engineers**

Emergency engineers who are instructed to operate a train that is part of a regular assignment to the farthest outlying point on any division and to operate the next train on that assignment back to Grand Central Terminal shall receive a 14b payment.

(d) **Reporting for an Earlier Assignment**

Any engineer who is requested to work a different assignment whose starting time precedes their regular assignment starting time shall receive a 14b payment.

(e) **Engineer Required to Work as Pilot**

In the event an engineer is required to pilot his train because there is no qualified conductor available, the engineer shall receive a 14b payment.

6. Rule 36 – Personal Leave

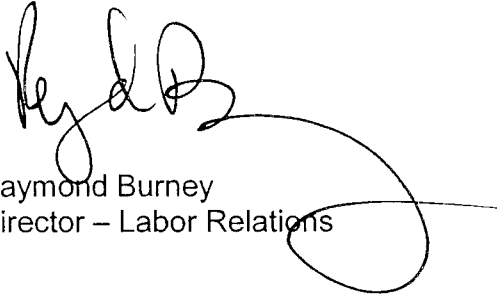
Engineers on the extra list who are permitted a personal leave day will be paid the earnings of the assignment they would have worked that day.

Mr. Michael Doyle
July 11, 2007
Page 3

7. Agreement Books

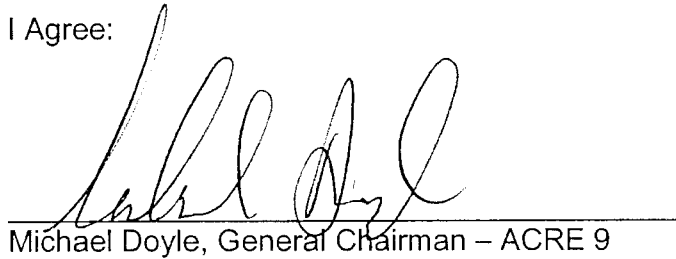
Metro-North will update and revise the ACRE 9 agreement book to incorporate all new MOUs and side letters.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ray Burney', with a large, sweeping flourish extending to the right.

Raymond Burney
Director – Labor Relations

I Agree:

A handwritten signature in black ink, appearing to read 'Michael Doyle', written over a horizontal line.

Michael Doyle, General Chairman – ACRE 9

July 11 2007

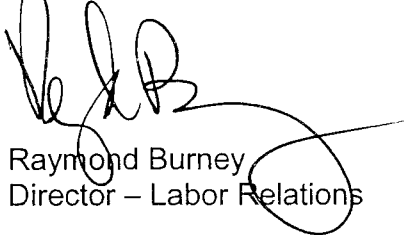
Mr. Michael Doyle
General Chairman – ACRE 9
420 Lexington Avenue, Suite 215
New York, NY 10017

Re: **Definition of Regular Wages**

Dear Mr. Doyle:

The Memorandum of Understanding dated July 16, 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 Engineers, 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,



Raymond Burney
Director – Labor Relations



Metro-North Railroad

July 11 2007

Mr. Michael Doyle
General Chairman – ACRE Div. 9
420 Lexington Avenue – Suite 215
New York, NY 10017

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

Dear Mr. Doyle:

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.

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:

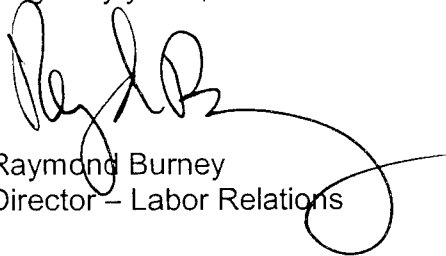
- Metro-North and ACRE will enlist the services of the National Mediation Board and submit this controversy to a non-binding Grievance Mediation process sponsored by the National Mediation Board;
- Metro-North and ACRE will contact the National Mediation Board and hold as many mediation sessions as necessary with the Mediator to fully examine the competing interest; these meetings will be completed by the end of July, 2007; any changes to policies or mutually accepted procedures will be finalized and in place by September 30, 2007;

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. Michael Doyle
Grievance Mediation – Return to Duty Status
July 11 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,



Raymond Burney
Director – Labor Relations



July 11 2007

Mr. Michael Doyle
General Chairman - ACRE Division 9
3 Skeet Club Road
Durham, CT 06422

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

Dear Mr. Doyle:

In accordance with our recent discussions, ACRE Local 9 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 9 have agreed to submit these issues to a non-binding grievance mediation process. That process should conclude by October 1st of this year.

Very truly yours,

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

Raymond Burney
Director – Labor Relations

I Concur:

A handwritten signature in black ink, appearing to read "Michael Doyle".

Michael Doyle, General Chairman – Div. 9

July 11, 2007

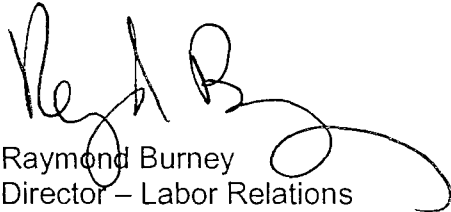
Mr. Michael Doyle
General Chairman – ACRE 9
R.R. #3
Skeet Club Road
Durham, CT 06422

Re: **Waiver of 100 Day Requirement in Retirement Year**

Dear Sir:

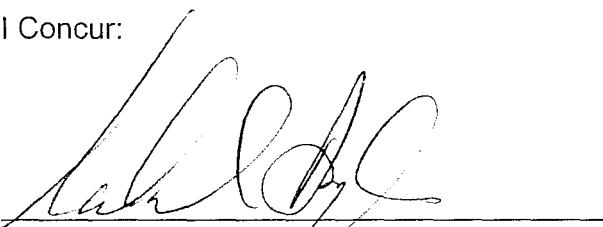
This will confirm that an Engineer whose 60th birthday occurs in the calendar year prior to that Engineers ability to work 100 days (in order to earn the following years vacation), that engineer will not have to work beyond their 60th birthday in order to earn the next year's vacation. This limited waiver of the 100 work day requirement is conditioned upon the Engineer actually retiring in the calendar year they reach age 60.

Very truly yours,



Raymond Burney
Director – Labor Relations

I Concur:



Michael Doyle