

MEMORANDUM OF UNDERSTANDING

BETWEEN

MTA METRO-NORTH

And

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Representing

All Bridge, Building, and Track Department

Employees

The parties hereby agree to the following amendments and changes to the Collective Bargaining Agreement for the period January 1, 2003, through July 15, 2010.

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

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THIS AGREEMENT is made this 8th day of June, 2007 by and between Metro-North Commuter Railroad ("Metro-North") and the employees represented by the International Brotherhood of Teamsters.

ARTICLE I – GENERAL WAGE INCREASES

SECTION 1 – LUMP SUM PAYMENT FOR 2003

Following membership and MTA Board ratification, Metro-North will pay a one-time non-recurring lump sum payment of \$1,000 to each employee who meets the eligibility requirements specified below in Section 8.

SECTION 2 – 2004 GENERAL WAGE INCREASE

Effective January 1, 2004, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on December 31, 2003 shall be increased by three percent (3%).

SECTION 3 – 2005 GENERAL WAGE INCREASE

Effective January 1, 2005, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on December 31, 2004 shall be increased by three percent (3%).

SECTION 4 – 2006 GENERAL WAGE INCREASE

Effective January 1, 2006, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on December 31, 2005 shall be increased by three percent (3%).

SECTION 5 - 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 6 - 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 7 – 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%).

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SECTION 8 – ELIGIBILITY FOR WAGE INCREASES

In order to be eligible to receive the above referenced lump sum payment, the employee must have been on the payroll between January 1, 2003 and December 31, 2003. Employees who were on the payroll during 2003 for less than twelve (12) months (retirees, new hires or otherwise off pay status) for one (1) month or more shall have their lump sum prorated based on the number of months on the payroll over a denominator of twelve (12). Fifteen (15) days or more on the payroll in a month shall constitute a month of service.

Example: An employee retired on September 1, 2003. Such employee had eight (8) months on the payroll and shall receive 8/12ths of the lump sum amount.

Employees who were terminated and not subsequently reinstated or who voluntarily resigned shall not be entitled to any pro rata share of the lump sum payment.

The retroactive payments commencing on January 1, 2004 shall only be granted to current employees for service performed in 2004, 2005, 2006 and 2007 and on a pro-rated basis for employees who since January 1, 2004 have 1) retired, 2) died or 3) were dismissed and subsequently reinstated with full seniority restored.

ARTICLE II – DEFINED BENEFIT PENSION PLAN

Effective with full and final ratification of this Agreement, the Metro-North Defined Contribution Pension Plan for Agreement Employees (also known as the "Vanguard Plan" or "Plan") will be closed and all current employees previously enrolled in the Vanguard Plan, except those employees who exercise the irrevocable option described in paragraph 6 below ("opt-out employees), will be enrolled in Article 12 of the MTA Defined Benefit Pension Plan ("New Program"). Current employees will cease making employee contributions to the Vanguard Plan and Metro-North shall also cease making contributions to the Vanguard Plan. For the purposes of this Article, current employees shall mean employees hired before the date of full and final ratification of the agreement and participants in the New Program shall mean all current employees who do not opt out of the New Program.

All employer contributions attributable to participants in the New Program, including interest, shall be segregated in a Vanguard fund that is specially designated for that purpose, until such time that these assets are transferred into the MTA Defined Benefit Pension Plan.

All participants in the New Program shall have the same terms and conditions as those applicable to non-represented employees of Metro-North in the MTA Defined Benefit Pension Plan except as follows:

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1. All participants in the New Program shall receive service credit for service rendered on or after January 1, 1983, based on their date of hire at Metro-North and all employer contributions and the earnings attributable to such contributions credited to such employees in the Vanguard Plan for such service shall be transferred to the MTA Defined Benefit Pension Plan.
2. All participants in the New Program will be able to elect to transfer their employee contributions, and the earnings from these contributions, made to the Vanguard Plan to the employee's account in the MTA Deferred Compensation Program (401(k) Plan).
3. All participants in the New Program shall make three percent (3%) member contributions to the New Program and shall make such contributions effective January 15, 2006, or on their date of hire, whichever is later, and shall make such contributions until June 30, 2017, or until they have contributed for ten (10) years from the date of participation in the New Program, whichever is later.
4. Retirement Incentive – All participants in the New Program who attain age sixty (60) prior to or on July 15, 2010, and who are otherwise eligible to retire, shall be eligible to retire under the New Program at such age without the early retirement reductions.
5. Metro-North will provide a one (1) time irrevocable option for all current employees to opt-out of participation in the New Program. This election must be made within forty-five (45) days of final ratification and must be made on a form filed with Metro-North's Human Resources Department. Opt-out employees shall become participants of the MTA 401(k) Plan and Metro-North shall continue to contribute at the current rates to the 401(k) Plan. Opt-out employees will not be required to contribute 3% towards the New Program.

Opt-out employees will retain the company paid Life Insurance benefit of \$100,000.

For opt-out employees, the Vanguard Plan will implement a non-tax transfer of such opt-out employees' employer and employee account balances into the 401(k) Plan. This transfer will take place as soon as practicable after the time of the transfer of the applicable Vanguard Plan assets to the MTA Defined Benefit Pension Plan. The employee and employer contributions shall vest in the MTA 401(k) Plan under the same terms and conditions as under the Vanguard Plan.

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ARTICLE III – BENEFITS

Health and Welfare Premium Contributions

Effective January 1, 2006 all active employees will contribute two percent (2%) of their forty (40) hour straight time weekly pay towards Health and Welfare premiums.

Vision Benefits

As soon as practical after full and final ratification, all active employees will be covered by the MTA Management Vision Care Plan subject to future amendment by the MTA. The level of these benefits will not be substantially changed without Union concurrence. The current Vision Care Plan for Agreement Employees will be eliminated.

Life Insurance

Effective upon the full and final ratification of this Agreement, the existing Company paid Life Insurance benefit of \$100,000 will be eliminated for all employees who become participants of the New Program and all employees hired on or after full and final ratification of this agreement. These employees shall be covered by the MTA Defined Benefit Pension Plan's death benefit provisions.

However, for a period of thirty six (36) months after the full and final ratification of this agreement, all participants in the New Program shall receive as a death benefit from the New Program either \$100,000 or the Death Benefit as computed under the current death benefit provision of the New Program, whichever is greater.

ARTICLE IV – WORK RULE CHANGES

Personal Leave

Effective January 1, 2010, the extra Personal Day for employees with thirty (30) or more years of continuous service is eliminated.

Paid Holidays

Effective 2010, Martin Luther King Birthday is added to the list of Holidays in Rule 13.

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Scope Rule – Section 2

Metro-North may contract, at its discretion, and not subject to Section 2 of the Scope Rule, with vendors to perform all capital construction work for projects like Yankee Stadium and Harmon Shop and Yard.

Rule 2 will not apply to capital construction work on Port Jervis Line. Metro-North may contract out capital construction work on newly acquired service territories without notification to the Union and the Union shall have no right to progress claims in connection with contracting out such work.

Seasonal Furlough

Metro-North will no longer furlough employees for the winter season.

Foreman Lock-In

Employees represented by the IBT who are awarded a Foreman position will be prohibited from bidding on or displacing onto positions (other than Foreman positions) for a period of three (3) years. This lock-in period is renewed every three (3) years. At the end of each three (3) year lock-in period, the employee has three (3) months to either bid out or to remain a foreman subject to another three (3) year lock-in period. The three (3) year lock-in time frame will commence across the board for all IBT foremen. For example, if the lock-in period starts September 2007, it will end September 2010, regardless of when they actually bid on or displaced onto the position. Employees who do not comply with this Agreement (within the contractual "30 mile" rule) will forfeit all Foreman seniority rights.

During the lock-in period the Foreman will have three (3) bids per year in order to obtain new roster standing. If the Foreman is the senior bidder on a position, he will be "awarded" that position solely in order to obtain roster rights, subject to future qualification. The second senior bidder will actually be awarded the position and will work on that position.

Rule 10 and Rule 12 – Workforce Scheduling

Effective August 1, 2007, Rules 10 and 12 are amended to provide that Metro-North may:

1. Schedule ten percent (10%) of the total number of positions on shifts that start outside of 6 am and 9 am. If these shifts are 5 days/8 hour shifts, the second shift will start between 3 pm and 5 pm and the third shift will start between 10 pm and midnight. If the shifts are 4 days/10 hour shifts, the start time will be between 8 pm and 10 pm. Employees on these positions will receive the previously established shift differential.

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2. Schedule twenty percent (20%) of the total maintenance work force positions (approximately fifty (50) positions) on 5day/8 hour shifts with a work week of Tuesday through Saturday and/or Sunday through Thursday. Employees on these shifts will receive the previously established shift differential.
3. Schedule some or all of the three (3) Special Projects Gangs (approximately twenty-two (22) positions in each gang) on a 4 day/10 hour work week Wednesday through Saturday. Employees on these shifts will receive the previously established shift differential.
4. Schedule the Production Gang (approximately sixty (60) employees) on a 5 day/8 hour shift with a work week of Tuesday through Saturday. Employees on these shifts will receive the previously established shift differential.
5. All previously existing shifts that are other than Monday through Friday day shifts shall continue and will not be modified by these new provisions.

Vehicle Operator Positions

Effective August 1, 2007, employees may be required to have a CDL and meet Book of Rules qualifications in order to be awarded a Vehicle Operator position.

Rate Adjustment

Effective August 1, 2007, the rates of pay for Teamster represented employees shall be adjusted in accordance with the attached rate schedule. This is a one time rate adjustment.

ARTICLE V – MORATORIUM

- (1) The Agreement shall be effective January 1, 2003 and shall remain in effect through July 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 July 16, 2010) any notice or proposal for the purpose of changing agreements.

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

FOR INTERNATIONAL BROTHERHOOD METRO-NORTH
TEAMSTERS

F. Christophe Silvera
Secretary-Treasurer

Raymond Burney
Director - Labor Relations

Glenn Conklin
President, Local #808 - IBT

Metro-North IBT

Metro-North IBT 2007 Rate Chart¹

MN Title	2007 Rate
M OF W FOREMAN	\$35.24
EQUIPMENT INSTRUCTOR	\$35.24
ASSISTANT FOREMAN	\$31.91
LUBRICATOR MAINTAINER	\$31.91
VEHICLE OPERATOR	\$26.59
MACHINE OPERATOR CLS I	\$28.27
MACHINE OPERATOR CLS IA	\$31.41
MACHINE OPERATOR CLS 2	\$27.24
MACHINE OPERATOR CLS 3	\$26.75
WELDER	\$27.77
WELDER HELPER	\$25.79
TRACKWORKER	\$25.18
BRIDGE TENDER	\$25.47
B&B MECHANIC	\$27.79
STRUCTURAL WELDER	\$27.81
VENT CLEANER	\$26.18

¹This chart reflects the August 1, 2007 rates, which includes the negotiated productivity adjustments and the January 1, 2007 4% general wage increase.