

**DMIR Clerical Protective Agreement  
- Clerical Employees**

This Memorandum of Agreement by and between the Duluth, Missabe and Iron Range Railway Company and its Clerical employees represented by the Transportation Communications Union.

It is agreed:

Upon the effective date of this agreement, the February 7, 1965, Job Stabilization Agreement (Mediation Agreement, Case No. A-7128) as amended between the Duluth, Missabe and Iron Range Railway Company and the Transportation Communications Union is further amended as hereinafter provided, for employees with a seniority date prior to July 2, 2006.

*Supplement 2-A is amended as follows:*

Add the following new language:

F. All employees with a seniority date prior to July 2, 2006, will become protected employees and shall be guaranteed a minimum daily wage equivalent to their regularly assigned position, if not regularly assigned, the daily rate of the last position worked prior to the date of this agreement (which will be his/her EMR under the National Salary plan), or protection as provided in A through E above.

1. The daily guaranteed rate of pay in this paragraph F, shall be multiplied by the workdays and holidays falling in a pay period (either semi-monthly, bi-weekly or weekly) and each employee shall receive no less than this amount each pay date.
  - a. Overtime may not be used as a means to reduce the guaranteed daily earnings.
  - b. Overtime time paid will be paid in accordance with the provisions of the working agreement.

Note: Carrier's payroll is calculated on an hourly basis. Therefore, to determine a daily rate, the hourly rate will be multiplied by eight (8).

2. Employees protected under this Paragraph F will have a daily guaranteed rate, subject to all future general wage increases, and will not have their guarantee entitlement calculated under Paragraph A - E of above or Article VI Section 2 of Supplement No. 2.
3. Protected employees will continued in compensated service with the Carrier and will not be placed in a worse position with respect to compensation as herein provided until such time as they leave the service of the Carrier by natural attrition.

- a. The term "natural attrition" is defined to mean a protected employee leaving the service by reason of retirement, resignation, death, discharge for cause, or dismissal for noncompliance with the terms of the Union Shop Agreement.
4. Employees protected under paragraphs A - E above on the date of this agreement will have ninety (90) days from the date of this agreement to elect either a guarantee as provided in this paragraph F. or protection under paragraphs A - E above.
    - a. The Carrier will provide election forms to each employee affected.
    - b. Employees returning from absence account of sickness, disability and/or leave of absence will have ninety (90) days from the date of return to active service to elect an option.
      - (1) The minimum daily wage will be equivalent to the daily rate of the first position worked upon return to active service.

G. All guaranteed rates however established, shall be increased to the extent of subsequent general wage increases.

H. Employees hired subsequent to July 2, 2006 will be covered under Supplement 2 and Supplement 2-A as amended June 6, 1980.

Paragraph F will become paragraph I.

*Supplement 2 will be amended as follows:*

Article I - Protected Employees

Add a new Section 6 as follows:

Section 6

See amendments in Supplement 2-A

## Article II - Use and Assignment of Employees and Loss of Protection

Section 1 is amended to read as follows:

### Section 1

“An employee shall cease to be a protected employee in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to retain or obtain a position available to him in the exercise of seniority rights in accordance with existing rules or agreements, or failure to accept employment as provided in this Article. A protected employee unable to hold a position through the normal exercise of seniority will, become a protected furloughed employee, revert to an Extra List at the Station or location last worked and may be called for service under the provision of the Extra List rule of the collective bargaining agreement. A protected furloughed employee failing to revert to the Extra List and respond to extra work when called shall cease to be a protected employee. If an employee dismissed for cause is reinstated to service, he will be restored to the status of a protected employee as of the date of his reinstatement.”

Section 2 is amended to read as follows:

### Section 2

An employee shall cease to be a protected employee in the event of his failure to accept employment in his craft offered to him by the Carrier in any seniority district on the DMIR system.

Section 3 will be amended as follows:

Add the following sentence to the end off Section 3:

“Employees utilized under this Section 3 may be called for service in accordance with the Extra List rule of the Working Agreement”.

Add a new Sections 4, 5 and 6 as follows:

### Section 4

In the event work is unavailable to employees under the provisions of Section 3 above, said employees may, after being notified in writing, be used in reverse order of seniority to perform service temporarily on Clerical positions on the DWP Railroad at Pokegama Yard, Superior Wisconsin for which they are qualified, if such employment does not infringe upon the employment rights of other DWP clerical employees. Employees utilized under this Section will be compensated at the rate of the position worked, their protected rate or EMR, whichever is greater.

## Section 5

Employees working in the clerical craft on the DWP will be allowed Holiday Pay, Sick Leave, Jury Duty, Vacation, Personal Leave, etc. under the DMIR Agreement when such are superior to those under the DWP agreement, but there shall be no duplication of benefits.

## Section 6

In the event training is needed so that employees can work in the clerical craft on the DWP, the cost of such training will be borne by the Carrier. Employees will be compensated for such training at the rate of the position for which being trained, their protected rate or EMR, which ever is greater.

## Article III - Implementing Agreements

Article III will be amended to read as follows:

### Section 1

(a) The company shall have the right to make technological, operational and organizational changes, including the right to transfer clerical work from one clerical position or location to another clerical position or location within a seniority district or between seniority districts on the DMIR, as well as from clerical position on the DMIR to clerical positions on the DWP and/or the WC.

- (1) The company shall have the right to make technological, operational and organizational changes, consisting of the movement of work without the movement of people.

### Section 2

(a). When the Company contemplates a technological, operational or organizational change involving five (5) or more positions, no less than forty-five (45) days' written notice of the intended change will be given to the General Chairman or General Chairmen involved with copy to the local representative. At least thirty (30) days' written notice shall be given to the employees initially affected at their place of employment.

(b). When the Company contemplates a technological, operational or organizational change involving less than five (5) positions, no less than thirty (30) days' written notice of the intended change will be given to the General Chairman or General Chairmen involved with copy to the local representative. At least ten (10) days' written notice shall be given to the employees initially affected at their place of employment.

(c). The notice referenced in (a) and (b) above will contain a complete description of the contemplated change to be effected including the names, location and rate of pay of each employee who will be effected by the change as well as the name, position, location and rate of pay of the employee to which the work is being transferred.

(d). Changes involving the abolishment of positions no longer required in the operation of the company, the transfer or reassignment of work within a department or office within the same seniority district, changes in rest days or hours of assignment, or changes as a result of fluctuations, rises and falls in volume or character of traffic (not including the rerouting of traffic as a result of a merger or consolidation) will not require a notice under this section.

(e). The contemplated change is to take place within ninety (90) days of the date of the notice, unless agreed otherwise by the respective parties. In the event the contemplated change does not take place within the ninety (90) day period, a new notice must be served if the contemplated action is still desired by the Carrier.

### Section 3

(a). An implementing agreement covering the contemplated change will not be necessary prior to the Company effecting a change on which notice has been given unless a dispute arises concerning the rates of pay to be established for the work performed. If the parties are unable to agree upon the rates of pay within the applicable thirty (30) or forty-five (45) day period involved, the New Company may at any time thereafter make the change and either party may refer the dispute over rates of pay to the Special Board of Adjustment, which they will create. If the Special Board of Adjustment rules in favor of the Organization, the rate of pay shall be retroactive to the date the change was made and shall be paid to the employee or Employees involved for the interim period. If the Special Board of Adjustment rules in favor of the Carrier, the rate shall become effective on the date of the decision.

(b). It is the intent of this agreement that the parties enter into implementing agreements when changes described in Section 1 of this Article occur. However, in the event that does not occur, the provisions of this Article will apply.

### Section 4

(a). When the principal duties of a regular position are transferred from one location to another location within the same seniority district, or another seniority district on the DMIR, resulting in the abolishment of a position at the initial location and the establishment of a position at the new location, the incumbents of the positions to be transferred will in seniority order be given the opportunity to follow the transferred position/s and must elect one of the following;

1. Transfer to the new location, if such requires a change of residence and the employee changes his place of residence, the employee will be entitled to the benefits contained in Article V Section 1 of this agreement.

2. Elect not to transfer to the new location and within five (5) days of the abolishment of the position, exercise seniority within their seniority district at the current work location.
3. Elect not to transfer to the new location and within five (5) days following the abolishment of the position exercise seniority within their seniority district outside of the current work location. In the event the employee obtains a regular position which requires a change of residence, and said employee changes their place of residence, said employee will be entitled to the moving transfer and real estate benefits set forth in Article V Section 1 of this agreement.
4. If unable to exercise seniority, within his seniority district, at the current location, an employee will place themselves on the Extra list at their current location, and may be called for service in accordance with the Extra List rule of the working agreement and be entitled to the monetary benefits of Article IV.

(b). When the principal duties of a regular position are transferred from one location to another location within the same seniority district, or another seniority district on the DMIR, resulting in the abolishment of a position at the initial location, and no position is established at the new location, the incumbent of the position abolished must elect one of the following;

1. Exercise seniority within their seniority district at the current work location.
2. Exercise seniority within their seniority district outside of the current work location. In the event the employee obtains a regular position which requires a change of residence, and said employee changes his place of residence, said employee will be entitled to the moving transfer and real estate benefits set forth in Article V Section 1 of this agreement.
3. If unable to exercise seniority, within his seniority district, at their current location, an employee will place themselves on the Extra list, if one exists, at their current location, and may be called for service in accordance with the Extra List rule of the working agreement and be entitled to the monetary benefits of Article IV.

(c). Employees subsequently affected by the chain of displacements must elect one of the following:

1. Exercise seniority within their seniority district at the current work location.
2. Exercise seniority within their seniority district outside of the current work location. In the event the employee obtains a regular position which requires a change of residence, and said employee changes his place of residence, said employee will be entitled to the moving transfer and real estate benefits set forth in Article V Section 1 of this agreement.

3. If unable to exercise seniority, within the seniority district, at the current location, an employee will place themselves on the Extra list at their current location, and may be called for service in accordance with the Extra List rule of the working agreement and be entitled to the monetary benefits of Article IV.

#### Section 5.

(a). When the principal duties of a regular position are transferred from the DMIR to either the WC or DWP, resulting in the abolishment of a position at the initial location and the establishment of a position at the new location, at the Carrier's option, the incumbents of the positions to be transferred will in seniority order be given the opportunity to follow the transferred position/s and must elect one of the following:

1. Transfer to the new location, if such requires a change of residence and the employee changes his place of residence, the employee will be entitled to the benefits contained in Article V Section 1 of this agreement.
2. Elect not to transfer to the new location and within five (5) days following the abolishment of their position exercise seniority within their seniority district at the current work location.
3. Elect not to transfer to the new location and within five (5) days following the abolishment of their position exercise seniority within their seniority district outside of the current work location. In the event the employee obtains a regular position which requires a change of residence, and said employee changes his place of residence, said employee will be entitled to the moving transfer and real estate benefits set forth in Article V Section 1 of this agreement.
4. If unable to exercise seniority, within the seniority district at the current location an employee will be placed on the Extra list at the current location, and may be called for service in accordance with the Extra List rule of the working agreement and be entitled to the monetary benefits of Article IV.

(b). If the principal duties of a regular position are transferred from the DMIR to either the WC or DWP, resulting in the abolishment of a position at the initial location, and no positions are established at the new location, the incumbents of the positions to be transferred and those subsequently affected will be covered under Section 4 (b) and (c) respectively.

#### Section 6.

In the event the employee obtains a regular position and moves their place of residence to a location which outside of the current location and which is in excess of forty-five (45) normal travel miles from the last regular assigned location, and the employee changes his residence, said employee will be entitled to the moving transfer and real estate benefits set forth in Article V Section 1 of this agreement.

## Section 7.

In the event an employee transfers to another seniority district or another railroad as a result of changes described in this Article, that employee's seniority shall be dovetailed into the roster to which transferred and their name shall be removed from the roster from which transferred. The employee's protective status, including the agreement provisions under which protected and the protected rate, shall also transfer with the employee to the new location.

## Section 8

The provisions of Implementing Agreements negotiated as herein above provided for with respect to the transfer and use of employees and allocation or reassignment of forces shall enable the carrier to transfer such protected employees and rearrange forces, and such movement, allocations and rearrangements of forces shall not constitute an infringement of rights of unprotected employees who may be affected thereby.

## Article IV - Compensation Due Protected Employees

Section 3 will be amended as follows, remove the following language towards the end of the paragraph:

“an implementing agreement made pursuant to”

Section 5 will be amended to read as follows:

### Section 5

A protected employee shall not be entitled to the benefits of this Article during any period in which such employee fails to work due to disability, discipline, leave of absence, military service or other absence from the Carrier's service.

Add a new Section 7 to read as follows:

### Section 7

See amendments in Addendum 3-A.

## Article V - Moving Expenses, Transfer Allowance, Real Estate Benefits and Separation Allowance

Article V shall be amended to read as follows:

### Section 1. - Moving Expense, Transfer Allowance and Real Estate Benefits

(a). An employee electing, to accept, or exercise seniority to, a position at a new location which requires a change of residence as defined in the NOTE at the end of this Article will be entitled to moving, transfer and real estate benefits of this Article.



(b). In the case of any transfers or rearrangement of forces under Article III of this agreement, any protected employee transferring to a new point of employment requiring him to change his residence shall be given the option of electing one (1) of the following elections, within seven (7) calendar days from the date of electing an option under Article III.

1. Subject to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement notwithstanding anything to the contrary contained in said provisions and in addition to such benefits, shall receive a transfer allowance of one thousand dollars (\$1000.00) and five (5) working days with pay instead of the "two working days" provided by Section 10(a) of said agreement.

2. In lieu of the benefits in 1 above, elect to receive the following:

a. The transferred employee will be allowed a transfer allowance of \$10,000 payable as follows:

(1)	After fifteen (15) working days	\$3,000
	After sixty (60) working days	\$2,000
	After six (6) months	\$3,000
	After one (1) year	\$2,000

(2) To qualify for the payments in 1 above, an employee must be employed by the Carrier, at the location to which transferred at the time such payment is due or transferred to another location of the Carrier with the approval of the Carrier.

b. Employees who relocate their primary residence and select the benefits of this paragraph 2 will at the time of their transfer, be entitled to an additional \$10,000 upon proof of sale, at a reasonable price, of their primary residence at their former location and proof of relocation to a new primary residence within a reasonable distance of their new location. To qualify for these benefits, relocation of primary residence, including both sale and relocation, must occur within two (2) years of the date of transfer.

(c). Those employees who are not protected employees under this agreement and who change their place of residence shall be entitled to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement notwithstanding anything to the contrary contained in such provisions and in addition to such benefits, shall receive a transfer allowance of one thousand dollars (\$1,000.00) and five (5) working days instead of "two working days" provided in Section 10a of said Agreement.

NOTE: A "change in residence," as used in this Agreement shall be considered "required" if the work location of the employee would be more than forty-five (45) normal highway miles from his last regular assigned work location.

## Section 2. - Separation Allowance

(a) In the event the Carrier has an excess of clerical employees on the DMIR, the Carrier may offer a Separation Allowance as provided herein.

1. The Carrier will post a notice for not less than fifteen (15) calendar days, at all locations in every Seniority District where clerical employees are employed on the DMIR, advising the Carrier is accepting written applications for a specified number of separation allowances and the date upon which they are to be awarded and become effective.

2. The separation allowance/s will be awarded in seniority order, from the combined Seniority Roster, to those making written application.

3. Employees electing to accept a separation allowance must resign and accept a lump sum separation allowance in accordance with the following provisions:

a. A lump sum separation allowance of \$90,000.00, subject to applicable payroll deductions and taxes, including Railroad Retirement, and twenty-two (22) months union dues. An employee electing a separation may do so in the following manner:

(1). Accept a lump sum separation allowance of \$90,000.00, less applicable withholding taxes. The separation allowance will be paid on the employee's last paycheck, at which time the employee's position will be abolished or re-bulletined and the employee's employment relationship with the company will terminate.

(2). Accept a dismissal allowance to be paid over a period of time, designated by the employee, not to exceed thirty-six (36) months. The gross amount of the dismissal allowance will be \$90,000 less \$1,000 per month for each month of the dismissal allowance and a minimum of twenty-two (22) months union dues. Employees who take a dismissal allowance in excess of twenty-two (22) months will have an equal number of months of union dues deducted. The dismissal allowance will be paid, subject to applicable payroll deductions and taxes, including Railroad Retirement, in equal increments on the first pay period of each of the months for the duration of the dismissal allowance, at which time the employee's position will be abolished and the employee's employment relationship with the company will terminate. Employees receiving a dismissal allowance in accordance with this paragraph will be entitled to Health and Welfare benefits in accordance with the TCU National Health and Welfare Plan. Employees receiving a dismissal allowance in accordance with this paragraph will not be

entitled to any other benefits of the DMIR Clerical/TCU Agreement.

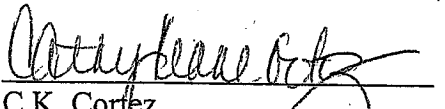
Article VI - Application to Mergers, Consolidations and Other Agreements

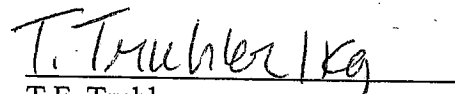
Add a new Section 5 to read as follows:

Section 5

In the event, a New York Dock "Transaction" or Washington Job "Coordination" occurs subsequent to the date of this agreement, between the DMIR and any of the railroad properties within the United States which are owned and operated by the Grand Trunk Corporation, the provisions of this agreement will be applicable.

Signed this 28<sup>th</sup> day of July 2008.

  
C.K. Cortez  
Senior Manager - Labor Relations

  
T.F. Truhler  
International Representative