

MEMORANDUM OF UNDERSTANDING

BETWEEN

MTA METRO-NORTH

And

ASSOCIATION OF COMMUTER RAIL EMPLOYEES

Division 166

Representing

Signalmen

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

This Memorandum of Understanding is subject to ratification by the membership of the Association of Commuter Rail Employees Division 166 - Signalmen, and final approval by the Metropolitan Transportation Authority Board of Directors.

THIS AGREEMENT is made this 19th day of October, 2007, by and between Metro-North Commuter Railroad ("Metro-North") and the employees represented by the Association of Commuter Rail Employees - Division 166.

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 July 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 sixty-two (62), including the retirement incentive referred to in paragraph 2 above; and with provision that overtime earnings in excess of twenty percent (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 2 (Selection of Positions)

Amend Rule 2-D-1(a) to provide that

An employee promoted to a position above the class of Maintainer and Signaller will be given a reasonable opportunity to qualify. Before being awarded the position, the employee will be given a written test to demonstrate his basic abilities. If he does not pass, he will be considered disqualified from the position.

Rule 4-C-1 (Paid Holidays)

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

Amend Rule 4-B (Time Allowances)

The Advance Call requirements contained in Rule 4 and the March 8, 2001 Side Letter have been eliminated for Scheduled Work (Appendix M and N). This change does not apply to Appendix K Trouble Calls.

Rule 6 (Discipline) Establish Pre- Trial Meeting

Amend Rule 6(A) 2 (a) to provide that:

Within fifteen (15) calendar days from receipt of notice of the offense, the employee and if he so desires, his duly accredited representative, will meet with the Company's representative for the purpose of discussing the disciplinary matter. At the meeting, the parties will either agree in writing to the discipline, if any, to be assessed, or a trial will be scheduled to begin no later than fifteen (15) calendar days after the meeting.

If management's representative fails to attend the meeting, the charges will be withdrawn. If the employee or his representative fails to attend the meeting, the

Company may assess whatever discipline it considers appropriate, subject to appeal, pursuant to ACRE Rule 7.

NWP Shop Agreement

Metro North has the discretion to establish up to ten positions in North White Plains, New York to repair signal relays where a special expertise is necessary.

These positions shall be subject to all rules of the Agreement effective January 1, 2003, except those dealing with displacement, starting time, and hours of assignment, provided, however, that the overtime provisions shall apply.

It is understood that the existing employees working in North White Plains are grandfathered in on their positions. Subsequent vacancies and new positions will be advertised under the guidelines set forth in this Shop Agreement. Metro-North Railroad will have the right to select from those applicants who have previously expressed an interest in these positions and have completed training to acquire the requisite skills needed to perform the work. All things being equal, seniority will govern the selection.

Employees assigned to such positions shall be paid a wage differential of fifty cents (50¢) per hour above the Signalmen's rate.

In the event of a furlough, the Shop Agreement will not permit a more junior employee to be retained in service in place of a more senior employee.

APPENDIX "E" TRAINING AGREEMENT

- 1) The probationary period for new employees will be extended to one (1) year from start date in the C&S Department..
- 2) Phase I Training will begin at Metro-North's discretion.
- 3) Metro-North has the discretion to reduce the training modules between the phases to as short as three (3) months.
- 4) The passing grade for all training examinations in Phases 1 to 5 will be ninety percent (90%). Incumbents hired before October 1, 2007 must attain a passing grade of 85%.

The Sunset Clause set forth in Section VI (D) of the Training Agreement has been eliminated.

PHASE 5 TRAINING AGREEMENT

The parties have agreed to amend the Dec 1, 1995 Training Agreement by adding a new Phase 5 component covering an advanced training module. (Attached)

The rate changes for employees that will be granted in exchange for passing the Phase 5 examination is reflected in the Rate Chart attached to this Memorandum. The rates will be adjusted on December 31, 2007. The employees will qualify for the new rates when they pass the Phase 5 test.

The Phase 5 test will be available prior to July 1, 2008.

Agreement Books

Metro-North will have agreement books printed and distributed in calendar 2008.

ARTICLE V – MORATORIUM

- (1) The Agreement shall be effective January 1, 2007 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.

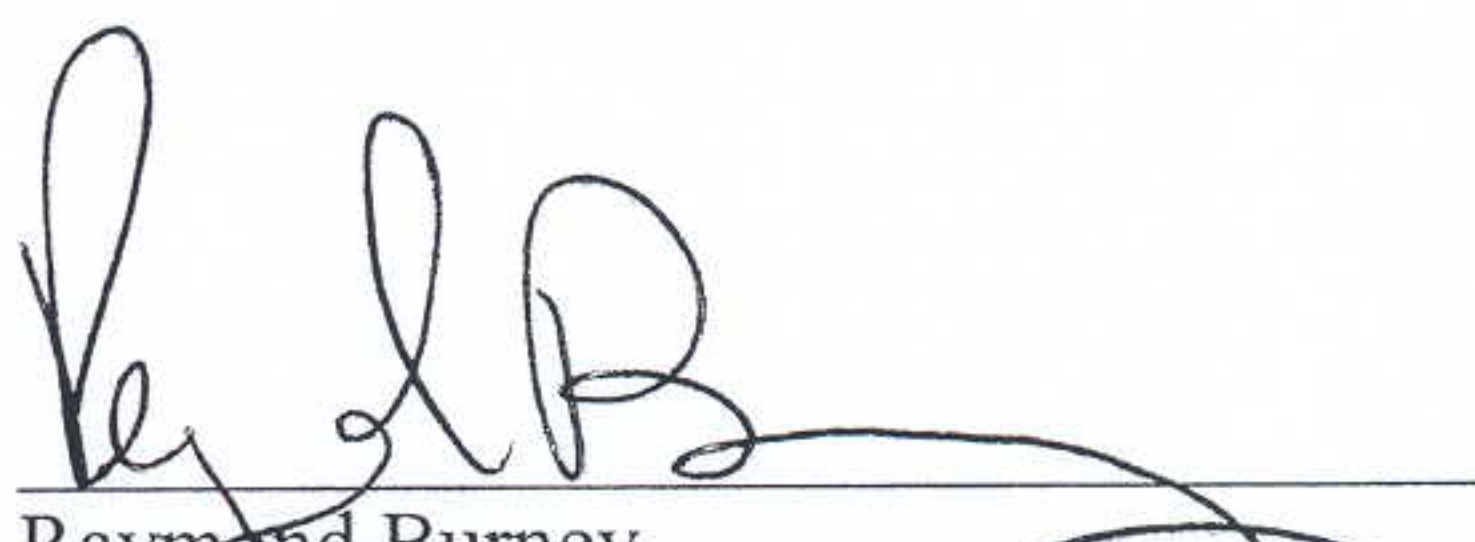
This Memorandum of Understanding is subject to ratification by the membership of the ACRE Division 166 and final approval by the Metropolitan Transportation Authority Board of Directors.

**FOR ASSOCIATION OF COMMUTER
RAIL EMPLOYEES DIVISION 166**

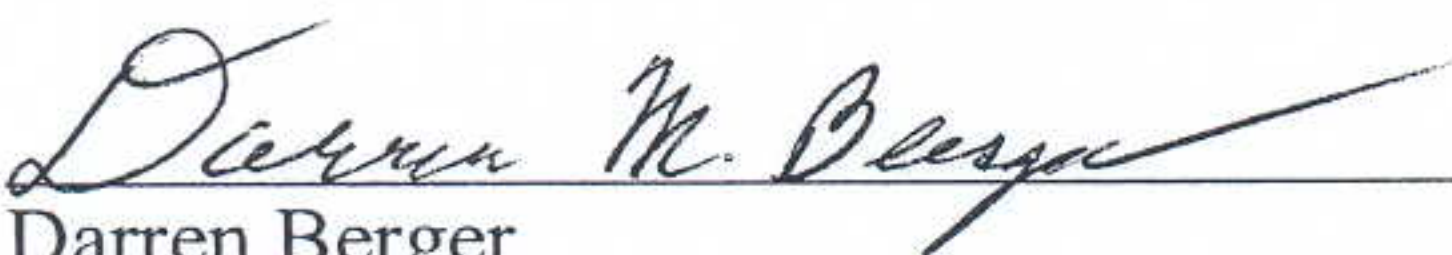


Joseph D. Santorelli
General Chairman, ACRE Division 166

FOR METRO-NORTH



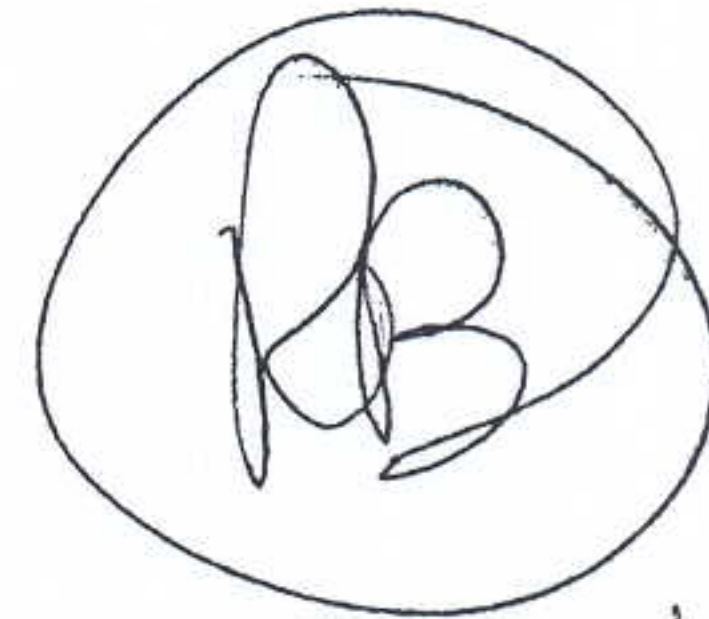
Raymond Burney
Director - Labor Relations



Darren Berger
Deputy General, ACRE Division 166

**Metro-North Railroad
Collective Bargaining 2007-2010
ACRE Signalmen**

METRO-NORTH TITLE	2007 rate	Increase	New Rate
Foreman - Signal	\$32.64771	\$0.75	\$33.40
Assistant Foreman - Signal	\$29.39287	\$1.25	\$30.64
Electronic Specialist	\$33.03388	\$0.50	\$33.53
Electronic Technician	\$32.47118	\$0.50	\$32.97
Signal Maintainer	\$28.75294	\$1.15	\$29.90
Signal Maintainer Test	\$29.20530	\$1.00	\$30.21
Signalman	\$28.41090	\$0.50	\$28.91
Signal Trainee - Full Rate	\$28.41090		
Signal Inspector	\$33.12215	\$0.75	\$33.87
Assistant Signal Inspector	\$29.39287	\$1.25	\$30.64



10/19/07

APPENDIX "E" PHASE 5 TRAINING AGREEMENT

IT IS AGREED

The purpose of this Agreement is to institute a procedure for classroom sessions; to provide for continuous advanced education and training in the existing and evolving signal technology. This provision is not intended to establish pre-award qualifications.

I. PARTICIPANTS

- A. All Signal employees, in the class of Signaller and above, will be required to participate in this program. They will be compensated at their straight time rate of pay for attending the training session.
- B. An employee, within seven (7) days of receipt of notice to attend a training session, may request to take an examination covering the material to be used in the training session. The examination will be administered in accordance with Article II Paragraph G within fifteen (15) days after receipt of the employee's request.

II. TRAINING PROGRAM

- A. A training session will not exceed one consecutive week. The session will be held at Metro-North's North White Plains facility.
- B. Participants will be given at least thirty (30) calendar days advance notice to attend a session. The advance notice requirement may be voluntarily waived by a replacement candidate in the event there is a cancellation.
- C. When arranging to utilize the training facilities, classes will not be scheduled on agreed upon holidays.
- D. Employees enrolled in the training program will have training scheduled so that it does not conflict with the employee's vacation request.
- E. During the time employees are temporarily away from their regularly assigned positions on authorized training sessions, the training site will be their recognized headquarters. They will be considered as working with, and under, the guidance of the designated instructors.
- F. All participants in the program will be furnished with the appropriate training materials at the time notified to attend each training program. This will enable them to prepare for examination for that training period. The contents of each training session, and the exams that will be administered, will be reviewed and approved by the General Chairman.

All the required training materials and documents will be furnished by the Carrier at no expense to the employee. The General Chairman will also be furnished with a copy of the training materials.

G. There will be a uniform examination for each training period. Such examination will be restricted to material covered during that training period. This examination, to be given under the guidance of the Carrier, will be an open book exam, consisting of multiple choice questions. A 90% total grade is required to pass the test. Organization representatives may be present, if they desire, to observe examinations, and/or classroom sessions.

Examinations provided for in this Agreement will be fair and impartial. Employees taking these examinations will not be examined on matters in which they have not had an opportunity to become familiar.

H. If an employee fails to receive a score of 90% or above on the examination, he will, upon completion of the training session, be given an opportunity to take the exam a second time. A local representative, if requested, will be present to observe the re-examination and will be reimbursed by the carrier.

I. Re-examination will be given in the office of the employee's supervisor or the headquarters during the employee's tour of duty. Both the employee and the local union representative will be notified one week in advance of the date set. A local representative will be present to observe the re-examination and will be paid by the carrier.

J. If the employee should again fail the re-examination, the employee may request a future re-examination. The examination will be given in accordance with Paragraph H. Such re-examination(s) will be at the employee's expense.

K. Such re-examination(s) will be prepared at the NWP Training facility and will be given to the employee in a sealed envelope by his supervisor. When completed, he will place the re-examination papers in another envelope addressed to the training facility, seal it, and return it to the supervisor or his representative.

L. If the employee should fail the first re-examination, he will not be permitted to obtain seniority in a higher classification until such time as he/has successfully passed the re-examination. The provisions of this section will not affect the rights of an employee to exercise seniority in any class which he already possesses. This is in accordance with all other Rules pertaining to seniority in the Collective Bargaining Agreement.

M. If an employee should fail the second re-examination, he will not be allowed to work in a classification higher than Signaller or Maintainer.

1. Signallmen and employees with twenty-five (25) or more years of service, and within five (5) years of retirement age, shall be exempt from item M of Section II.

N. All re-examinations will be administered within a thirty (30) calendar day period and will not exceed such time period.

III. EXPENSES

1) Employees who are scheduled to attend the training session will not be assigned to regular or overtime duties in connection with his/her bulletin assignment. For the duration of the training session, this period will begin eight (8) hours prior to the start of the first class on the first day, and ending at the close of the last class on the last day.

2) For all on property training, classroom sessions will begin at 8:30 a.m. and end at 3:30 p.m., which includes a one-hour meal period. Employees will receive one-hour compensation per day for travel and waiting to and from the classroom training location.

IV. SELECTION FOR TRAINING

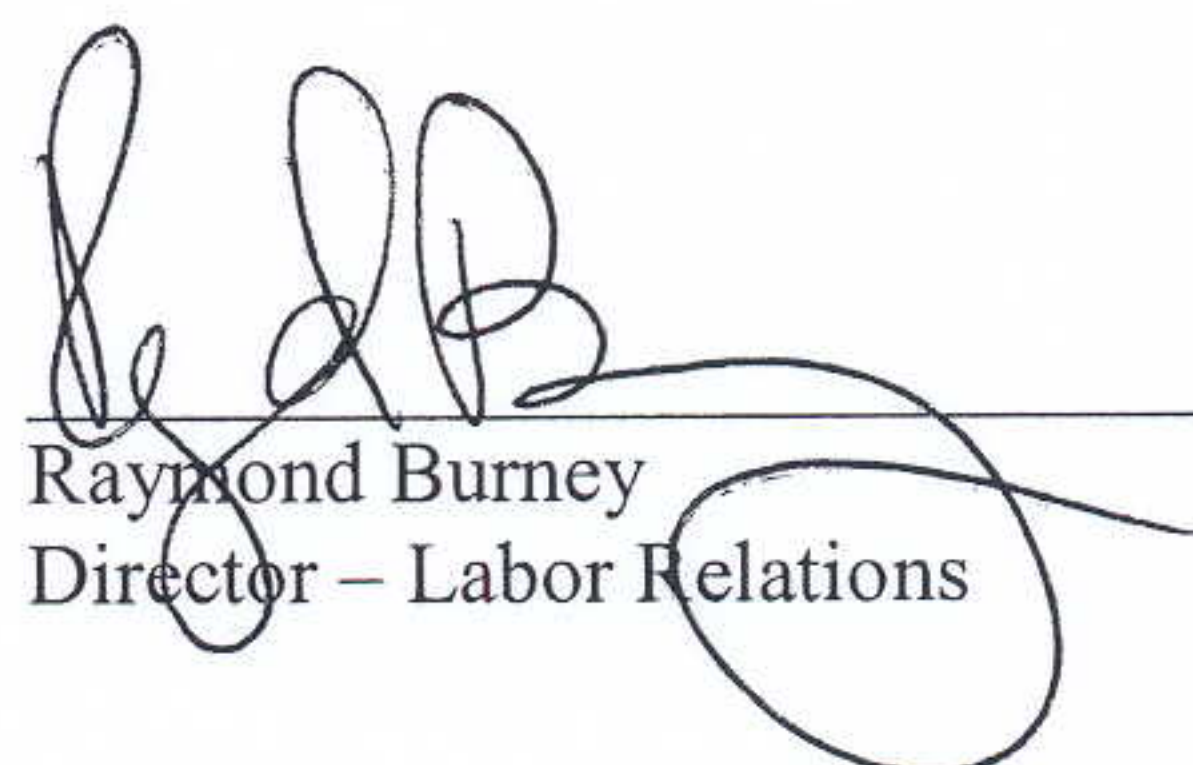
A. Metro-North agrees to have all existing employees on the property cycle through the Phase 5 Training within three (3) years from the start of Phase 5 training. It is planned that this training will commence in the first quarter of 2008. Best efforts will be made by Metro-North to commence the training as soon as possible after ratification.

For the ACRE Signal – Division 166:

For Metro-North:



Joseph Santorelli
General Chairman



Raymond Burney
Director – Labor Relations

October 19, 2007

Mr. Joseph D. Santorelli
General Chairman - ACRE - Div. 166
50 Ninham Avenue
Wappingers Falls, NY 12590

Dear Sir:

This will confirm our understanding reached in collective bargaining concerning a number of issues of concern to the parties. An outline of the resolution of these issues is set forth below:

Trouble Desk

Metro-North agrees to change the rate of pay from Signalmen to the Maintainers Rate of Pay.

Vacation Relief Issues

Metro-North agrees to allow the vacation relief employee(s) to have some choice when there are multiple assignments. This change will not change MN's discretion in determining which vacancies will actually be filled.

The open vacation jobs for selection will be posted as close to two (2) weeks in advance as possible to allow the vacation relief employees to select. The details regarding the administration of this process will be worked out locally with C & S and ACRE.

Metro-North agrees to allow the vacation relief employees to slot in at the bottom of the Appendix M Scheduled Work call list.

The current payment for vacation relief employees going on or off shift will be eliminated December 31, 2007.

Electronic Technicians/ Specialists

Metro-North agrees to a loosening of the current restrictions which provide for seniority forfeiture when an employee bids down to a Maintainer or Signaller position. It is agreed to allow an employee who has worked as a Specialist or Technician for ten (10) years to bid back, on a limited basis.

Mr. Joseph D. Santorelli

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October 19, 2007

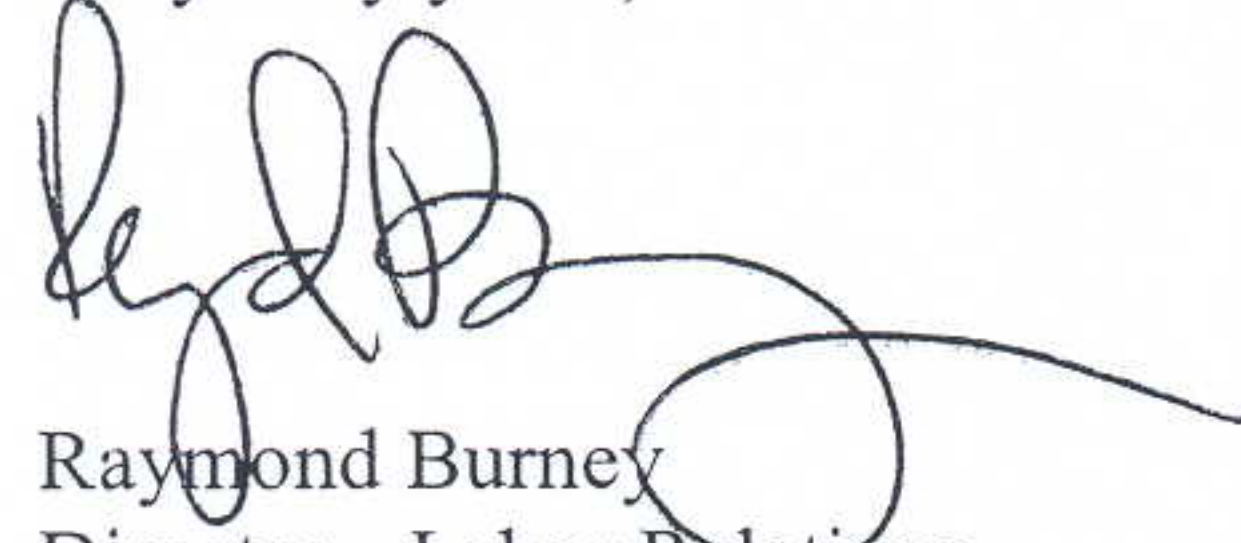
Metro-North will allow one employee in each category (Specialist and Technician) to bid back to the field in a calendar year. This will start in January 2008.

Further, the employee who goes back to the field cannot voluntarily return to a Specialist or Technician position for two (2) years.

Monthly Appeals Conferences

Two (2) Local Union Representatives with issues or cases on the monthly docket will be released without loss of compensation to attend appeals conference with the Labor Relations Department.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Raymond Burney', written over a horizontal line.

Raymond Burney
Director - Labor Relations

I agree:

A handwritten signature in black ink, appearing to be 'Joseph Santorelli', written over a horizontal line.

Joseph Santorelli
General Chairman