

NCCC COMPREHENSIVE PROPOSAL TO RAIL LABOR UNIONS

July 11, 2022

I. Compensation

1. General Wage Increases totaling 16.0% (uncompounded), as follows:

Date	GWI
7/1/20	2.0%
7/1/21	3.0%
7/1/22	6.0%
7/1/23	3.0%
7/1/24	2.0%

2. The retroactive portion of wage increases that precede the effective date of this Agreement shall be applied to employees who have an employment relationship with the carrier on such effective date or who retired or died subsequent to June 30, 2020. The payment will be made as a single lump sum within 60 days of the effective date consistent with historic practices
3. A \$1,000 signing bonus will be payable to each eligible member of a craft or class upon successful ratification of a Tentative Agreement by the applicable labor organization. Employees who have an employment relationship as of the effective date of this Agreement will be eligible for the bonus, which will be paid as a single lump sum within 60 days of such effective date
4. SMART-TD only: in the absence of agreement on a final and binding process to achieve changes in train crew size and redeployment of conductors in PTC-enabled territory, compensation will be adjusted to the extent necessary to mitigate the economic impact of trains operating with more personnel than would be assigned by the railroad based on operational needs

II. Health and Welfare¹

1. Medical/pharmacy/mental health substance abuse benefits
- A. Identify and implement changes to benefit design cost sharing features (deductible, copays, coinsurance, and member out-of-pocket maximum) to achieve:
- i. An actuarial value in 2023 of 88%, and
 - ii. Identify and implement further changes annually to maintain an actuarial value of 88% in 2024 and each year thereafter

¹Note: the carriers' proposals are without prejudice to: (1) their existing rights to present administrative proposals to the JPC/GC; and (2) any position they may assert in any future arbitration proceeding regarding the scope of the deadlock neutral's authority.

- B. Update medical Plan monthly employee cost sharing as follows:
 - i. Re-establish and maintain 15% employee contribution cost sharing using the historic medical, dental, vision, and life formula (without caps)
 - ii. Introduce two-tier member contribution structure: (a) employee + any dependents other than spouse; and (b) employee + spouse + any dependents other than spouse
 - C. Introduce medical benefit site of care design differentiations and prior authorization programs to encourage the use of free-standing facility or office settings (and discourage the use of outpatient hospital care) for certain surgeries, diagnostic tests, pathology, and dialysis
 - D. See *Attachment A* for changes to implement items 1.A.-C. in 2023
2. Introduce additional pharmacy rules and programs through the pharmacy vendor, including:
- A. Additional available Advanced Utilization Management (“AUM”):
 - i. Step Therapy
 - ii. Prior Authorization
 - iii. Drug Quantity Management
 - B. Advance Opioid Management (“AOM”)
 - C. Copay Assistance

On an ongoing basis, the Plans will continue to revise existing rules and introduce new pharmacy rules and programs as may be recommended by the pharmacy vendor.

3. Require the Plans to competitively re-bid and select vendors upon request of either Joint Plan Committee or Governing Plan Committee Co-Chair, provided that a re-bid may not be required for any particular vendor service more than once in any standard contract period (e.g., three or five years depending on the vendor). Any disputes regarding vendor selection will be resolved by the applicable Plan’s neutral. SPDs will be modified as necessary to reflect the foregoing, if and to the extent necessary.
4. Dental Benefits
- A. Increase the annual maximum dental benefit per person from \$1,500 to \$2,000.
 - B. Increase the lifetime maximum orthodontia benefit from \$1,000 to \$2,000.
5. Vision Benefits
- A. Increase frame allowance from \$115 to \$150.
 - B. Increase contact lens allowance from \$105 to \$150.
6. Hospice Benefits
- A. Increase maximum payment per course of care for room, board, care, and treatment charged by Hospice from \$3,000 to \$6,000.

- B. Increase maximum payment for counseling with a social worker or pastor and counseling for bereavement up to 15 visits for patient's immediate family from \$1,000 to \$2,000.

7. Hearing Benefits

- A. Increase the annual benefit limit from \$600 to \$2,000 when using an approved provider, with a maximum of 1 hearing aid per hearing-impaired ear every 3 years.

8. Benefits for Members with Autism

- A. Remove speech therapy age limits
- B. Provide coverage of approved ABA services with no annual dollar limits
- C. Provide autism services with no age restriction
- D. Autism coverage subject to utilization management and overall plan design (e.g., copayments, deductibles, etc.)

III. **Paid Leave and Other Work Rules**

1. Effective as of January 1, 2023, provide an additional paid day off to each employee annually in a manner to be determined by each individual carrier and labor organization. In the absence of agreement, the additional paid day off will be applied as a holiday to be determined by the individual carrier (or, for crafts that receive PL Days in lieu of holidays, an additional PL Day).
2. Operating Craft Automated Bid Scheduling: See *Attachment B*
3. Operating Craft Scheduling Rules: See *Attachment C*
 - A. Self-supporting pools
 - B. Pool and extra board regulation

IV. **Term / Moratorium**

1. The national agreement will settle the disputes growing out of the notices served upon the organizations by the NCCC-represented carriers on or subsequent to November 1, 2019 (including any notices outstanding as of that date), and the notices served by the organizations upon such carriers on or subsequent to November 1, 2019 (including any notices outstanding as of that date); *provided*, that this provision will not apply to any separate local notices served by individual carriers on SMART-TD relating to train crew size and redeployment of conductors.
2. New notices can be served 11/1/24, effective 1/1/25.

Attachment A – H&W Plan Design Features & Contributions

	Current			NCCC Proposal – 2023*		
	MMCP In-Network	MMCP OON	CHCB	MMCP In-Network	MMCP OON	CHCB
Medical						
Individual Deductible	\$350	\$700	\$350	\$500	\$1,000	\$500
Family Deductible	\$700	\$1,400	\$700	\$1,000	\$2,000	\$1,000
Coinsurance	10%	30%	20%	20%	40%	30%
Individual OOP Maximum	\$2,000	\$4,000	\$3,000	\$3,500	\$7,000	\$4,500
Family OOP Maximum	\$4,000	\$8,000	\$6,000	\$7,000	\$14,000	\$9,000
Convenient Clinic Copay	\$10	NA	NA	\$10	NA	NA
PCP Copay	\$25	NA	NA	\$30	NA	NA
Specialist Copay	\$40	NA	NA	\$50	NA	NA
Urgent Care Copay	\$25	NA	NA	\$30	NA	NA
Emergency Room Copay	\$100	NA	NA	\$200	NA	NA
Certain Outpatient Procedures	NA	NA	NA		†	
Pharmacy						
Retail ¹	\$10/\$30/\$60			\$10/\$45/\$90/\$135		
Mail Order ¹	\$10/\$60/\$120			\$10/\$90/\$180/\$270		

† Outpatient surgery, radiology, and pathology services will be changed as follows:

- A - Prior Authorization will apply (administered by the medical vendors)
- B - Copays in addition to applicable deductible and coinsurance amounts will apply if member elects to have procedure performed in outpatient hospital setting rather than a free-standing facility or office setting as follows: \$300 surgery copay, \$200 high-tech radiology copay, \$25 pathology copay
Note that this additional copay provision will not apply to inpatient or emergency room procedures and will not apply if member does not have reasonable access to a free-standing facility or office setting (exception process will be available)

¹ Generic/Brand Formulary/Brand Non-Formulary copays in current design,

Generic/Brand Formulary/Brand Non-Formulary/Specialty (new tier) copays in new designs

Annual indexing beyond 2023 achieved by increasing MMCP In-Network Individual Deductible and Out-of-Pocket Maximum by \$50 and \$500 respectively (and also maintaining relationships with other deductibles and OOPs)

* The NCCC is open to considering different plan design values (deductibles, coinsurance, copays, etc.) that achieve the same 88% AV target as set out in this Attachment A

Member Monthly Contributions (Estimated)

	Estimated Member Monthly Contribution Under Carrier Proposal	
	EE Only or EE+CH (No Spouse Tier)	EE+Spouse or EE+CH+Spouse (WITH Spouse Tier)
2023	\$228.89	\$321

Annual Indexing achieved by applying the 15% formula each year (automatic indexing).

- Monthly contribution for Employee Only or Employee+Child(ren) tier will remain at \$228.89.
- Monthly contribution for Employee+Spouse or Employee+Child(ren)+Spouse will get the full increase in the composite contribution.

Attachment B – Automated Bid Scheduling (Operating Crafts)

A. General

- i. The carriers propose that it is necessary to establish a new approach to job assignments that brings structure, stability, predictability, and efficiency for all employees and the carriers covered by this Agreement.
- ii. Previous agreements are amended to permit carriers to provide employees direct and immediate placement to a job through an automated bid system as provided herein. Said amendments will become effective: (a) on the date agreed to by the parties; or (b) absent agreement, 30 days following the date that any carrier-specific implementation issues have been resolved by final and binding arbitration, as provided below.

B. Automated Bid Scheduling (ABS)

- iii. Automated Bid Scheduling (ABS) will serve as the primary method to assign employees on a regular basis, based on seniority, qualifications and job preferences.
- iv. Carriers will maintain a system containing all employees' assignments, including pools and extra boards, which will be updated as necessary. Employees may update their assignment preferences at the designated time. New assignments will be bulletined or posted.
- v. Employees will be responsible for accessing the system to determine if their assignment has changed.

C. Submitting Preferences

- i. All employees will be required to electronically file their individual preferences for their assignment(s) on their Automated Bid Application and will specify a sufficient number of preferences to ensure a selection will be granted.
- ii. Employees may make changes or update their individual preferences on their Automated Bid Application.

D. Job Assignments

- i. Assignments awarded will be posted electronically for employees. All employee assignments will be assigned based upon the individual preferences employees submitted on their Automated Bid Applications, qualifications and seniority permitting. It is the employee's responsibility to be aware of the new assignment (if applicable) and be rested and available to report when required.
- ii. Employees changing assignments will protect their assignment until the designated date and time. Employees who are at their home terminal (and not working) will be placed on their new assignment at the designated date and time. Employees on-duty or not at their home terminal at the start of a new assignment will remain on their previous assignment until returning to their home terminal.

- iii. Employees newly assigned to an extra board or pool freight service will be placed at the bottom of the board/pool at the start of a new assignment or when they return to their home terminal in accordance with their tie- up time. If two or more employees have the same tie-up time, they will be placed on the board in accordance with their last on-duty time.

E. Vacation

- i. Weekly vacations will commence and end at a designated date and time. Employees scheduled to be off for weekly vacation will not have their Automated Bid processed and will not be assigned to a new assignment. Employees returning from weekly vacation will have their Automated Bid Application processed by the system.
- ii. Weekly/block vacation will begin at 12:01 a.m. and will end at 11:59 p.m., unless otherwise authorized.

F. Carrier-Specific Implementation and Other Issues

- i. Each carrier may serve a notice of its intent to implement the Automated Bid Scheduling Agreement and, in doing so, may identify any carrier-specific implementation matters that it believes must be addressed in connection with such implementation. The organization may respond with its own list of carrier-specific implementation issues that it believes must likewise be addressed.
- ii. The parties shall meet and confer within 30 days following the carrier's notice to discuss the carrier proposals and any related proposals made by the organization. If the parties fail to resolve all issues within 60 days of the first meeting, then either party may submit the matter to final and binding, party-paid arbitration at any time thereafter.
- iii. An arbitrator shall be selected within 10 days of the request for arbitration and a hearing shall be held within 30 days thereafter. The arbitrator will give consideration to pre-existing agreements on the carrier involved that cover the matters set forth in the parties' proposals. The terms of the arbitrator's decision, which shall be issued within 30 days following the hearing and will be final and binding, shall ensure availability of a sufficient number of employees to improve operational efficiency and service reliability and comply with applicable regulatory requirements.
- iv. A joint committee between the individual carrier and organizations will be established to address implementation issues and to recommend any further changes to carrier-specific rules.
- v. Nothing in this Automated Bid Scheduling Agreement is intended to restrict any existing right of a carrier.

Attachment C – Pools & Extra Boards (Operating Crafts)

The carriers propose to establish a new approach to job assignments that brings more structure, stability, predictability, and quality of life for all employees covered by this Agreement. By modifying current rules and leveraging technology, the carriers believe it is possible to achieve these goals in a mutually beneficial way that improves efficiency and does not increase carrier costs. Accordingly, each carrier may serve notice on the authorized Organization representative(s) to implement some or all of the following:

A. Self-supporting pools

- i. Pools will be converted to a system under which pool vacancies are primarily protected within that pool
- ii. Pools will operate on a first in/first out basis, unless otherwise agreed to by a carrier and labor organization

B. Pool and extra board regulation

- i. Pool service will be regulated based on a target number of starts that takes length of run into consideration
- ii. There will be a predetermined time period during which the number of starts is tabulated for use in the carrier's calculation of the requisite number of employees in the pool
- iii. There will be a predetermined time period for predicting the future number of pool starts utilizing technology
- iv. There will be a process for automatic pool adjustment to ensure consistency with the requirements and intent of the Rail Safety Improvement Act (RSIA), full-time employee availability and fatigue abatement
- v. Pools will operate on a first in/first out basis, unless otherwise agreed to by the parties
- vi. The carrier may abolish or establish road, yard or combination extra boards which will be regulated by the carrier based on the needs of service

C. Workforce predictability and flexibility

- i. In conjunction with adoption of the carrier proposals listed in Paragraph A and/or Paragraph B above, new agreements will provide for one or more of the following:
 - a. Opportunity for employees to observe rest outside the requirements of the Rail Safety Improvement Act
 - b. A procedure under which employees may trade assignments
 - c. A procedure under which employees may receive a pre-arranged layoff

D. Carrier-Specific Implementation and Other Issues

- i. Each carrier may serve a notice of its intent to implement some or all of the items above and, in doing so, may identify any carrier-specific implementation matters that it believes must be addressed in connection with such implementation. The organization may respond with its own list of carrier-specific implementation issues that it believes must likewise be addressed.
- ii. The parties shall meet and confer within 30 days following the carrier's notice to discuss the carrier proposals and any related proposals made by the organization. If the parties fail to resolve all issues within 60 days of the first meeting, then either party may submit the matter to final and binding, party-paid arbitration at any time thereafter.
- iii. An arbitrator shall be selected within 10 days of the request for arbitration and a hearing shall be held within 30 days thereafter. The arbitrator will give consideration to pre-existing agreements on the carrier involved that cover the matters set forth in the parties' proposals. The arbitrator will only have jurisdiction to issue an award that provides efficiency and savings for the carriers while at the same time achieving one or more of the items in Section C.i.a.-c., above.
- iv. The terms of the arbitrator's decision, which shall be issued within 30 days following the hearing and will be final and binding, shall ensure availability of a sufficient number of employees to improve operational efficiency and service reliability and comply with applicable regulatory requirements.
- v. A joint committee between the individual carrier and organizations will be established to address implementation issues and to recommend any further changes to carrier-specific rules.
- vi. Nothing in this Pool and Extra Board Proposal is intended to restrict any existing right of a carrier.
- vii. Agreements reached pursuant to this Paragraph (C) will supersede any previous work/rest related rules and/or agreements and will become effective as agreed by the parties or 30 days following the arbitrator's award, as applicable, unless otherwise agreed to by the parties.