

**MEMORANDUM OF UNDERSTANDING
BETWEEN
KANSAS CITY SOUTHERN RAILWAY COMPANY
AND
THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES**

The purpose of this Agreement is to expand work opportunities to employees of the Kansas City Southern Railway Company. Therefore, it is agreed:

The Carrier shall have the right to establish and operate System Bridge gangs to perform maintenance of way production activities, as identified in Attachment B.

The gangs identified in this agreement shall be governed by the applicable collective bargaining agreement between Kansas City Southern Railway Company ("KCS") and the Union reviewed July 1, 1979, as subsequently amended, which is currently in effect on the KCS, except as otherwise provided below:

(a) The rates of pay for the assignments shall be the highest rate of pay for the classification applicable under the agreement between the BMWED and KCS L&A, the BMW/Mid-South, South Rail, Tex-Mex or Gateway Western.

(b) The Carrier shall have the option to establish the following work cycles:

- i. Four (4) consecutive work days followed by three (3) days off. (4/3)
(With a workweek where two of the three rest days will be Saturday and Sunday.)
- ii. Seven (7) consecutive work days followed by seven (7) days off. (7/7)
(With the work cycle beginning on Wednesday of the work schedule.)
- iii. Eight (8) consecutive work days followed by six (6) days off. (8/6)
(With the work cycle beginning on Wednesday of the work schedule.)

The 8/6 schedule will only be utilized on the core routes, identified as KC-Laredo, Wylie – Meridian

(c) The per diem rate for employees working under this agreement will be \$154.42 payable only on actual days worked. The per diem will be adjusted (increased or decreased) on January 1 of each year based on the annual percentage increase (or decrease) in the Bureau of Labor Statistics Consumer Price Index for Wage Earners (CPI-W) for the preceding fiscal year (April 1 – March 31). The next adjustment scheduled for January 1, 2024.

(d) Employees assigned to gangs under this agreement, will be paid a travel allowance of \$0.50 per mile for travel between home and reporting or work locations at the beginning and end of each work cycle, and between work locations during the work cycle when driving their personal vehicle. All employees including employees who use methods other than driving their personal vehicle (i.e., flying, traveling with coworkers, train, bus etc.) will be entitled to the travel allowances as set forward in this paragraph d. Travel allowance herein shall be adjusted to reflect nominal increases or decreases at 80% of the then-current IRS mileage rates on January 1 of each year, with the next adjustment scheduled for January 1 of 2024. On each travel day at the beginning and end of the workweek, employees will receive an allowance

for meals and incidental expenses at the full then-current Government Services Administration (GSA) standard CONUS per diem rates.

(e) Current positions will be abolished and re-bulletined in accordance with each agreement between the Carrier and the Organization.

(f) A bonus of \$2,000.00 will be paid to individuals who remain on the gang for a period of twelve (12) consecutive months. Employees who may be displaced from the gangs will be entitled to a pro-rated bonus at the time of displacement, if unable to hold a position on such gang.

(g) All employees who are currently in active service, on positions subject to this agreement, will be retained in active service unless or until retired, discharged for cause, or otherwise removed by natural attrition. Currently, 1/3 of the positions come from the Gateway Western, Mid-South and South Rail (hereinafter referred to as seniority Group 1) with the remaining 2/3 coming from the KCS, L&A, Joint Agency, and Tex Mex (hereinafter referred to as seniority Group 2) Going forwards, the 1/3-2/3 split will be maintained in the same fashion as previously described in this paragraph (g).

(h) If there are future work opportunities for the BMWED that arise within the B&B Department, the parties will meet to discuss those positions to be established and how the ratio will be maintained for those positions going forward.

(i) If employees are required to travel at the end of shift, for an assembly point change, upon completion of travel they will be allowed a 10-hour period of rest following the travel, except in situations deemed an emergency (derailment, track out of service, etc.).

(j) To ensure employees are given adequate time to manage and secure travel arrangements, assembly point changes occurring in the middle of a work cycle, notice will be given prior to the end of the work shift the day prior to the move taking place.

(k) Seniority/Prior rights – provided in Attachment A.

The parties agree to meet to discuss any disputes in regards to the application of this agreement. Except as otherwise provided herein, this Agreement makes no change to existing agreements between the Carrier and the Organization.

Signed this X day of X, 2023

FOR THE EMPLOYEES:

Dennis Albers
General Chairman
BMWED Allied Federation

Brian Rumler
General Chairman
BMWED USD Division

Galen E. Owen
BMWED National Division
West Region Vice President

Reese Saulter
BMWED National Division
South Region Vice President

FOR THE CARRIER:

C.K. Cortez
Director Labor Relations
The Kansas City Southern Railway

Jacob McCahill
AVP Labor Relations
The Kansas City Southern Railway

ATTACHMENT A

KCS System Gang B&B Seniority

Seniority for purposes of assignment to positions and other exercises of seniority within the gangs shall be determined on the basis of each employee's relative standing on the "System Bridge and Building Bid and Displacement List" (hereafter the "List"). The List shall be created as follows:

(1) The seniority rosters of the involved seniority districts on the KCS, L&A, Joint Agency, Mid-South, South Rail, Gateway Western and Tex-Mex will be dovetailed in seniority order for the purpose of establishing the agreed upon "List" as attached under Attachment "B" to be used solely to administer bids and displacements to the Gangs established under this Agreement.

(2) Employees on the List that apply for positions in Gangs established under this Agreement in a class in which they have no seniority, will, if qualifications are sufficient, be awarded the position and will acquire seniority in that class on their home seniority district roster. An employee who establishes seniority in a classification on his/her home seniority district will have his/her name and seniority in that classification placed on the "List" concurrent with the establishment of the new seniority.

(3) Except as otherwise provided, an employee may exercise seniority to a position for which he is qualified in a gang established under this Agreement based upon his or her relative ranking on the List.

(4) Except as otherwise provided, an employee who holds a position on a gang established pursuant to the System Bridge and Building Agreement dated **March 1, 2023 (TBD)**, may displace on such system bridge and building gang prior to exercising displacement rights on their home seniority district.

(i) An employee who elects to remain on a system gang as outlined above, will not suffer a loss of seniority or any protective benefits to which they may be entitled.

(5) Except as otherwise provided, an employee may exercise seniority back to a position for which he is qualified on his home territory without losing seniority associated with the position relinquished.

(6) The List will be published and distributed to all employees subject to this Agreement on its effective date and every January 1 thereafter.

(C) Seniority for purposes of the assignment shall continue to accrue in the home seniority district.

(D) Positions which become vacant shall continue to be filled in the usual manner per the provisions of the Bulletin and Assignment Rule of the July 1, 1979 BMW/KCS L&A agreement.

(E) Currently, 1/3 of the positions come from the Gateway Western, Mid-South and South Rail (hereinafter referred to as seniority Group 1) with the remaining 2/3 coming from the KCS, L&A, Joint Agency, and Tex Mex (hereinafter referred to as seniority Group 2) Going forwards, the 1/3-2/3 split will be maintained in the same fashion as previously described.

Employees who at the time of the agreement have seniority or displacement rights on a respective group will continue to have prior rights to the positions under that respective seniority group.

If at any time the positions allocated for one seniority group or the other is not filled by the respective seniority group it will be open to assignment to the opposing seniority group. If a position is being filled an employee from the opposing seniority group, that position would then be subject to displacement by any employee of the seniority group to which it belongs or a senior employee of the seniority group to which the assignee belongs.

(F) Subsequent to the effective date of this agreement additional positions that are established will be bulletined to all the effected employees and will be assigned based on the employee with the highest ranking seniority according to the System B&B seniority list.

(G) The seniority list for the purpose of this agreement will be compiled in the following manner:

(1) Employees will be place on the seniority list first by those who hold seniority and who have at the date of this agreement previously been assigned by bulletin to perform service in the B&B Sub department. Employees will be placed in the order they first performed service within the B&B Sub Department.

(2) At the date of this agreement any employee who has not performed service as outlined in paragraph one of this section will be placed in ranking order based on the employee's hire date with the earliest hire date being superior.

(3) When two or more employees from prior rights group 1 place application for a position within their respective seniority group, assignment will be made based on the senior hire date as has been done in the past with that seniority group.

(4) When two or more employees from prior rights group 2 place application for a position within their respective seniority group, assignment will be made based first on the employee with the seniority in the class and if no previous seniority has been established assignment will be made based on the employee with the senior hire date as has been done in the past with that seniority group.

(5) When new positions beyond those established in paragraph (E) are advertised for assignment and two or more employees from the same seniority group make application for a position; assignment will be made based on the established practice within that respective seniority group. If two or more employees from opposing seniority groups, make application for a position; assignment will be made based on the employee with the senior hire date.

ATTACHMENT B

B&B FOREMAN	38.11
B&B LOCO CRANE OPR	37.59
CARPENTER	37.59
B&B ASST. FOREMAN	35.52
B&B MECHANIC	38.11
B&B HELPER	32.69