



Railroad, Mechanical & Engineering Department

IMPORTANT

This packet contains the following documents:

- 1) A letter from SMART Railroad, Mechanical and Engineering Department Director Peter Kennedy and General Committee 2 Directing General Chairman John McCloskey and a summary of the October 1, 2025 Tentative Agreement between SMART and Alton and Southern that would resolve this round of negotiations between the parties if ratified.**
- 2) A chart illustrating the estimation of the total economic value of the Agreement and an estimation of what your hourly rate of pay will be under the terms of this Agreement.**
- 3) A ballot with instructions for how to cast your vote for the Tentative Agreement. Your ballot must be cast and received by no later than 11:59 PM (Eastern Time) on Thursday, November 6, 2025.**

A copy of the October 1, 2025 Tentative Agreement between SMART and AS, along with supplemental letters and “Questions and Answers” are available on the SMART General Committee 2 website, www.smartgc2.com for your review.

Only SMART-MD Members that are in good standing and that are employed by AS are eligible to vote on this agreement.

Your ballot must be cast and received by no later than 11:59 PM (Eastern Time) on Thursday, November 6, 2025. Please take the time to thoroughly review all materials and cast your vote accordingly by going to <https://www.smartgc2.com/alton-southern-ballot>.

October 31, 2025

TO ALL SMART-MD ALTON SOUTHERN RAIL MEMBERS

Dear Brothers and Sisters:

We have reached a tentative agreement (TA) covering SMART Members employed by Alton Southern (AS), which, if ratified, would resolve this round of negotiations between AS and SMART-MD.

As you are aware, this round of National Negotiations was scheduled to convene January 1, 2025. Most rounds of National Negotiations ordinarily involve the freight railroads negotiating in a coalition against varied Rail Labor Coalitions and take multiple years to reach an agreement. But for the first time in nearly sixty years, several freight railroads, including AS did not bargain in a coalition with other class I freight railroads in National Negotiations. Instead, AS and other freight railroads chose to negotiate on an individual carrier basis. Despite many of the freight carrier's negotiating on an individual carrier basis, they have reached virtually identical agreements to resolve this round of negotiations.

To this point, SMART-MD has been engaging with AS in negotiations since earlier this year and we have now reached a tentative agreement (TA). The TA is very similar to agreements that AS reached with other Unions. The TA is for 5-years and provides SMART-MD members with: 17.5% in annual general wage increases (over 18.75% compounded over the life of the agreement) with backpay to be issued within sixty (60) days of ratification of the TA; up to five (5) paid vacation days for new hire employees based on a pro-rated schedule in their first calendar year of employment; five (5) paid vacation days for employees in their second calendar year of employment; and tenured employees qualifying for 15, 20 and 25 paid vacation days two (2) years sooner for each respective allotment than the current National Vacation schedule qualifying requirements, also based on a prorated schedule for calendar year 2025 for qualifying employees.

The TA also provides improvements to the individual annual maximum dental benefit from \$1,500 to \$2,500 and increases the individual lifetime maximum orthodontia benefit (i.e., braces) from \$1,000 to \$2,500. Vision benefits are also improved, with an increased frame allowance of \$250 every two years, instead of \$115.

The TA continues to provide your traditional health insurance benefits under the National Health and Welfare Plan with no changes or increases to your copays, deductibles, and annual out-of-pocket maximums under your current health insurance benefits. The Employee monthly-cost share for Managed Medical Care Program (MMCP) and the Comprehensive Healthcare Benefit (CHCB) will continue to be 15% of the carrier's monthly payment rate under these benefits, which is currently \$277.54 per month for the remainder of calendar year 2025 but is scheduled to increase to \$308.49 effective January 1, 2026. Your traditional National Plan health insurance benefits will also have a maximum employee monthly cost-share contribution capped at 15% of the carrier's monthly payment rate for calendar year 2030 if the parties are unable to reach another agreement on or before January 1, 2031.

Employees also have the option to select coverage under an entirely new *Employee-only* high-deductible health plan (HDHP) benefit offered under the National Health and Welfare Plan.

Employees who select the HDHP benefit will have a reduced monthly-cost share payment at 10% of the carrier's monthly payment rate, which is \$205.66 per month beginning January 1, 2026. **NOTE: The HDHP benefit is not mandatory and only applies to Employees that select and enroll in such benefits during this year's open enrollment, which runs through November 14, 2025.**

Both plan designs will also provide new coverage for male sterilization procedures (i.e., vasectomy), while only the non-HDHP National Health and Welfare Plan benefits provide for surviving spouse and dependent insurance coverage increases from (4) months to six (6) months. Employees who entirely elect to opt-out of coverage under the National Health and Welfare Plan will now be paid \$200 per month instead of \$100 per month, but they will continue to have dental, vision and life insurance benefits.

In addition, SMART-MD and AS entered into memorandums of agreements (MOA) to address a few minor work rule changes that SMART believes ultimately tilt in favor of the employees. The first MOA's improvements include: pay differentials to increase in accordance with scheduled general wage increases beginning in 2025; the ability for employees to bank up to thirty-two (32) hours of unused paid sick time per year, subject to a maximum bank of 160 hours, and the ability to cash out banked hours; improvement on bereavement leave to include grandparents and grandchildren; optional virtual discipline hearings for charged employees; discipline correspondence to be sent via email; and paychecks to be issued via direct deposit. The memorandum of agreement also requires that employees perform compensated service for four (4) hours for the workdays immediately preceding and following a holiday.

Lastly, the other MOA regards alternative workweek schedules, allowing for work weeks consisting of twelve (12) hour days. The alternative workweek schedules require mutual agreement, meaning that such a work schedule cannot be implemented without a vote by the employees at each applicable work location. Furthermore, the alternative workweek MOA can be canceled by either party invoking such cancellation process. Again, **alternative workweeks cannot be implemented by AS without a specific vote carried out by the employees at each respective location approving such schedule change.**

Overall, we believe this TA contains real wage increases, improved paid time off and health and welfare benefits without any substantive concessions and in timeframe that is certain. However, you and your fellow SMART Mechanical coworkers are the individuals that must ultimately decide if the terms of the tentative agreement are satisfactory. We ask that each of you take the time to review the information regarding the Agreement, as contained in this packet and available online at www.smart-gc2.com, and cast your vote accordingly.

You can cast your vote through SMART General Committee 2's website, <https://www.smartgc2.com/alton-southern-ballot>. **Your ballot must be cast by no later than 11:59 PM (Eastern Time) on Thursday, November 6, 2025.** Only votes that are properly and timely cast will be counted. If you do not properly and timely cast your vote, it will not be counted.

Please take the time to review the information and cast your vote for the Agreement accordingly.

In Solidarity,



Peter E. Kennedy
Director



John McCloskey
Directing General Chairperson

SUMMARY STATEMENT OF SMART-MD AND AS TENTATIVE AGREEMENT

The terms of the tentative agreement between SMART-MD and AS, are virtually identical to tentative agreements reached by other Rail Unions, including SMART-MD, on AS and other freight rail carriers.

Wages

General wage increases (GWIs) apply to all hourly, daily, weekly, and monthly rates of pay in the following percentage amounts:

- July 1, 2025 4.00%
- July 1, 2026 3.75%
- July 1, 2027 3.50%
- July 1, 2028 3.25%
- July 1, 2029 3.00%
- Total** **17.5%**
- Compounded** **18.8%**

Backpay to be issued within sixty (60) days of ratification.

Differentials will also be adjusted starting in 2025 based on the general wage increases schedule.

Paid Time Off

Vacation for New Hires (Year 0)

Effective January 1, 2025, all new hire employees working full-time will receive paid vacation based on their date of hire month as follows:

- January/February 5 Days
- March/April 4 Days
- May/June 3 Days
- July/August 2 Days
- September/October 1 Day

Vacation for Employees in Year 1

Effective January 1, 2025, all employees working full-time in their second calendar year of employment (Year 1) who did not qualify for paid vacation in the prior year (Year 0) under the National Vacation Agreement, will receive five (5) paid vacation days.

Vacation for Tenured Employees – Accelerated Accrual

Effective January 1, 2025, the years of service vacation eligibility requirements will be amended as reflected below:

- ~~Eight (8)~~ Six (6) or more years 15 days
- ~~Seventeen (17)~~ Fifteen (15) or more years 20 days
- ~~Twenty-five (25)~~ Twenty-three (23) or more years 25 days

******Vacation days for New Hires, Employees in Year 1 and Tenured Employees are prorated for calendar year 2025.******

Health and Welfare

Employee Opt-Out Payment

The current monthly employee opt-out payment of \$100 is increased to \$200 per month if an employee opts out of coverage for health and welfare benefits under the National Health and Welfare Plan. Employees that opt-out of coverage still receive dental, vision and life insurance benefits and do not pay the employee monthly cost-share contribution.

Traditional National Plan Benefits

There are no changes in service copays, deductibles, or out-of-pocket maximums under the current Traditional National Plan Benefits.

Employee Monthly Cost-Sharing Payment – Tradition National Plan Benefits

- The employee monthly cost-sharing payment structure remains the same as it was under the October 12, 2022 National Agreement, which is equal to 15% of the carrier's monthly payment rate. The employee monthly cost-sharing payment for 2025 is currently \$277.54. It is set to increase to \$308.49 effective January 1, 2026.
- The Employee Monthly Cost-Sharing Payment is capped at the lesser of 15% of the carrier's monthly payment rate beginning January 1, 2031 unless and until changed by mutual agreement or future negotiations.

Employee-Only High-Deductible Health Plan Benefit

There is a new Employee-Only High-Deductible Health Plan benefit coverage option, effective January 1, 2026. **EMPLOYEE-ONLY HDHP BENEFITS ARE NOT MANDATORY.** Employee-Only HDHP coverage only applies to Employees that actively select such coverage before November 14, 2025, and which has different cost-sharing designs than the Tradition National Plan Benefits, as outlined in the following chart.

EMPLOYEE-ONLY HDHP PLAN	IN NETWORK	OUT OF NETWORK
Deductible	\$2,500	\$5,000
<i>Out of Pocket Maximum</i>	\$5,000	\$10,000
<i>Coinsurance – Office Visits & in/outpatient care</i>	90% after deductible	70%
<i>RX – generic coinsurance (retail & mail order)</i>	10% after deductible	75% of R&C
<i>RX – formulary (retail & mail order)</i>	20% after deductible	75% of R&C
<i>RX – non-formulary (retail & mail order)</i>	30% after deductible	75% of R&C

Employee Monthly Cost-Sharing Payment – Employee-Only HDHP Benefits

- Employee-Only HDHP Benefits monthly cost-sharing payment will equal 10% of the carrier's monthly payment rate. The Employee-Only HDHP Benefits monthly cost-sharing payment will be \$205.66 per month effective January 1, 2026.
- The Employee-Only HDHP Benefits Monthly Cost-Sharing Payment *is not* capped.

Optional Male Sterilization

- Effective January 1, 2025, the Traditional National Plan Benefits and the Employee-Only HDHP Plans offer male sterilization benefits (i.e., vasectomy) that are subject to your respective plan design coverages (i.e., copays, deductibles, coinsurances and annual out-of-pocket maximums).

Surviving Dependent Coverage Improvement

- Effective January 1, 2025, coverage for surviving dependents of employees will be increased from four (4) months to six (6) months following the month an employee dies under the Traditional National Plan Benefits.

Dental Benefits Improvements

- Effective January 1, 2025, individual annual maximum for dental benefits is increased from \$1,500 to \$2,500.
- Effective January 1, 2025, individual lifetime maximum for orthodontia benefits is increased from \$1,000 to \$2,500.

Vision Benefits Improvement

- Effective January 1, 2025, the vision frame allowance is increased from \$115 every two years to \$250 every two years.

Moratorium

The Agreement is effective through January 1, 2030. On or after November 1, 2029, SMART-MD or AS or their designated bargaining representative may serve notice to change the terms of the agreement, with such changes to be effective no earlier than January 1, 2030.

SMART-MD and AS
TENTATIVE WAGE AGREEMENT
Based on SMART's Rate of Pay
July 2025

Effective Date	General Wage Increase	Hourly Wage
January 1, 2025	<i>Amendable</i>	\$41.03
July 1, 2025	4.00%	\$42.67
July 1, 2026	3.75%	\$44.27
July 1, 2027	3.50%	\$45.82
July 1, 2028	3.25%	\$47.31
July 1, 2029	3.00%	\$48.72
January 1, 2030	<i>Amendable</i>	\$48.73
Increase Over 5-Year Term		18.8%
Increase Per Year		3.50%
Total Value Over 5-Year Term		\$41,184.00

Note: Values based on 40-hour workweek or 173.33 straight time hours per month.

AGREEMENT

THIS AGREEMENT is made this 1st day of October 2025 by and between the Alton and Southern Railway (hereinafter referred to as the Carrier) and its employees represented by the Sheet Metal, Air Rail and Transportation - Mechanical Division (hereinafter referred to as the Organization).

IT IS HEREBY AGREED:

ARTICLE I – WAGES

Section 1 - First General Wage Increase

On July 1, 2025, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2025, for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) Hourly Rates -

Add 4 percent to the existing hourly rates of pay.

(b) Daily Rates -

Add 4 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 4 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 4 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d) inclusive, above, which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increases -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly, or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2026, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2026, for employees covered by this Agreement shall be increased in the amount of three-and-three-quarters (3.75) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2027, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2027, for employees covered by this Agreement shall be increased in the amount of three-and-one-half (3.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2028, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2028, for employees covered by this Agreement shall be increased in the amount of three-and-one-quarter (3.25) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2029, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2029, for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II – VACATION

Section 1 - Vacation for New Hires (“Year 0”)

Effective January 1, 2025, new hire employees working full-time will have paid vacation days prorated based on their date of hire month (in Year 0), to be taken as single day vacation subject to all applicable rules, as follows:

January/February	5 days
March/April	4 days
May/June	3 days
July/August	2 days
September/October	1 day

Employees working alternative work schedules will earn this entitlement in accordance with local agreement terms.

Section 2 - Vacation "Year 1" for Non-Qualifying Employees

Effective January 1, 2025, employees working full-time in their second calendar year of employment (Year 1) who did not qualify for vacation in the prior year (Year 0) under the National Vacation Agreement but who worked a full-time schedule will have five (5) paid vacation days subject to all applicable rules.

Section 3 - Vacation Accrual Acceleration

Effective January 1, 2025, the provisions of the National Vacation Agreement will be amended to reflect the following accrual schedules for employees with six or more years of continuous service:

- (a) Effective with the calendar year 2025, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has six (6) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days in each of six (6) of such years, not necessarily consecutive.
- (b) Effective with the calendar year 2025, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has fifteen (15) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days in each of fifteen (15) of such years, not necessarily consecutive.
- (c) Effective with the calendar year 2025, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-three (23) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days in each of twenty-three (23) of such years, not necessarily consecutive.

ARTICLE III – HEALTH AND WELFARE

Part A – Plan Changes

Section 1 - Continuation of Plan

The Railroad Employees National Health and Welfare Plan ("the Plan"), The Railroad Employees National Dental Plan ("the Dental Plan"), The Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the Organization and their eligible dependents, shall be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Design Changes

The Plan's Managed Care Program ("MMCP") and the Comprehensive Health Care Benefit (CHCB) shall both be revised as follows:

- a) Plan coverage for surviving dependents will be extended through the end of the sixth (6th) month following the month in which the employee dies.
- b) Plan benefits will include male sterilization procedures (i.e., vasectomy), not including reversals.

The plan design changes contained in this Section 2 shall be applicable on the effective date of this Agreement, or as soon thereafter as practicable.

Section 3 - Plan Design Changes to Contain Costs

- a) The Plan's Prescription Drug Card Program and Mail Order Prescription Drug Program shall be revised to include the PBM's full utilization management rules package for specialty drugs and four additional non-specialty therapeutic classifications (anti-infective agents, central nervous system, gastroenterology and ophthalmology).
- b) The Plan shall implement improper billing detection and mitigation programs where available with the Plan's medical vendors.
- c) The Plan shall implement out-of-network referenced-based pricing programs where available with the Plan's medical vendors.
- d) The monthly payment for employees who elect to opt-out of coverage under the Plan will be increased from \$100 to \$200.

The plan design changes contained in this Section 3 shall be applicable on the effective date of this Agreement, or as soon thereafter as practicable.

Section 4 - Plan Design Changes – The Dental Plan

The individual annual maximum dental benefit under the Railroad Employees National Dental Plan will be increased from \$1,500 to \$2,500, and the individual lifetime maximum orthodontia benefit will be increased from \$1,000 to \$2,500.

The plan design changes in this Section 4 shall be applicable on the effective date of this Agreement, or as soon thereafter as practicable.

Section 5 - Plan Design Changes – The Vision Plan

The vision frame allowance under the Railroad Employees National Vision Plan will be increased from \$115 every two years to \$250 every two years.

The plan design changes in this Section 5 shall be applicable on the effective date of this Agreement, or as soon thereafter as practicable.

Section 6 – Plan Design –Employee-Only, Reduced-Rate Option

The Plan will offer a medical coverage option with a reduced, employee-only rate as follows:

- a) There will be a single funding pool to include existing plan options and the new reduced-rate option.
- b) The employee-only reduced-rate option employee monthly contribution will be ten percent (10%) of the Carrier's Monthly Payment Rate (as defined below), and will be subject to the provisions of the Side Letter covering contribution rates during the post-2030 amendable period (attached).
- c) The employee-only reduced-rate option will be HSA eligible.
- d) The reduced-rate option will have the following plan design features:

	In Network	Out of Network
Deductible	\$2,500	\$5,000
Out of pocket maximum	\$5,000	\$10,000
Coinsurance – office visits and in/outpatient care	90% after deductible	70%
RX – generic coinsurance (retail and mail order)	10% after deductible	75% of R&C
RX – formulary (retail and mail order)	20% after deductible	75% of R&C
RX – non-formulary (retail and mail order)	30% after deductible	75% of R&C
Employee contributions	10% of payment rate (2025 = \$185.03/month)	

The plan design changes contained in this Section 6 shall be applicable on the effective date of this Agreement, or as soon thereafter as practicable.

Part B – Employee Sharing of Plan Costs

Section 1 - Monthly Employee Cost-Sharing Contributions (Not Applicable to Employee Only, Reduced-Rate option)

- a) Effective January 1, 2025, each employee covered by this Agreement shall contribute to the Plan, for each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for the employee and/or the employee's dependents, a monthly contribution equal to 15% of the Carriers' Monthly Payment Rate. Effective on each subsequent January 1, the monthly employee cost-sharing contribution shall be adjusted to reflect 15% of the Carrier's Monthly Payment Rate for the relevant year.
- b) For purposes of subsection (A) above, the "Carrier's Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carrier's monthly payments to:

- 1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- 2) the Dental Plan for employee and dependent dental benefits, and
- 3) the Vision Plan for employee and dependent vision benefits

Part C – Other

If existing national health care legislation is repealed, the parties will meet and confer on a voluntary basis to discuss the benefits that were previously mandated.

ARTICLE IV – GENERAL PROVISIONS

Effect of this Agreement

- (a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the Organization by the Carrier on or subsequent to December 17, 2024 (including any notices outstanding as of that date), and the notices served by the Organization signatory hereto upon the Carrier on or subsequent to December 12, 2024 (including any notices outstanding as of that date).
- (b) This Agreement shall be construed as a separate agreement by and on behalf of Carrier and its employees represented by the Organization signatory hereto, and shall remain in effect through December 31, 2029 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- (c) No party to this Agreement shall serve or progress, prior to November 1, 2029 (not to become effective before January 1, 2030), any notice or proposal.
- (d) This Article will not bar management and the Organization on individual railroads from agreeing upon any subject of mutual interest.

Signed on the _____ day of _____, 2025.

**FOR THE ALTON AND
SOUTHERN RAILWAY:**

**FOR THE SHEET METAL, AIR, RAIL
AND TRANSPORTATION -
MECHANICAL DIVISION:**

Maqui Parkerson
Vice President, UPRR Labor Relations

John McCloskey, General Chairman
SMART - Mechanical Division

Guy Seguin
General Manager, Alton and Southern

Peter Kennedy
Director, Railroad Mechanical Departmen

October 1, 2025

Side Letter #1

John McCloskey
SMART-MD, General Chairman
25 Amanda Circle
Bear, Delaware 19701

Dear Mr. McCloskey:

This confirms our understanding and agreement regarding the employee contribution to the Railroad Employees National Health and Welfare Plan. For each month that the employer is required to make a contribution to the Plan on the employee's behalf for foreign-to-occupation health benefits coverage for themselves and/or their dependents, a monthly cost-sharing contribution by the employee shall be made in an amount equal to 15% (fifteen percent) of the Carrier's then current Monthly Payment Rate. In the event new collective agreements are not negotiated and ratified prior to January 1, 2031, the monthly cost-sharing contribution will not be increased beyond the rate last established under the terms of the October 1, 2025 agreements.

Upon ratification of the successor agreement(s), the full 15% employee contribution rate will be reinstated unless otherwise agreed. If the negotiations for such successor agreement(s) result in retroactive wage increases applicable for the period that the parties are in negotiations and the employees' monthly contribution to the Health and Welfare Plan would have otherwise exceeded the rate established under the predecessor agreements, retroactive application will also be applicable to those contribution increases.

This arrangement shall not be cited in future negotiations under Section 6 of the Railway Labor Act (up through and including a Presidential Emergency Board or interest arbitration) as a reason or justification for any future increase in compensation or limit or reduction in employee health care contributions.

Please acknowledge your concurrence by signing in the space provided below.

Sincerely,

Agreed:

Maqui Parkerson
Vice President, UPRR Labor Relations

John McCloskey
General Chairman
SMART - Mechanical Division

Guy Seguin
General Manager, Alton and Southern

Peter Kennedy, Director
Railroad Mechanical Department

October 1, 2025

Side Letter #2

John McCloskey
SMART-MD, General Chairman
25 Amanda Circle
Bear, Delaware 19701

Dear Mr. McCloskey:

This confirms our agreement regarding implementation of vacation enhancements for 2025. Employees who have an employment relationship with the Carrier on the signatory date of this Agreement, and who would have been eligible for vacation enhancements under Article II, Sections 1-3 will receive prorated vacation benefits for 2025 subject to the following schedule:

Date of Agreement	Pro Rata Benefits
January/February	5 days
March/April	4 days
May/June	3 days
July/August	2 days
September/October	1 day

Please acknowledge your concurrence by signing in the space provided below.

Sincerely,

Agreed:

Maqui Parkerson
Vice President, UPRR Labor Relations

John McCloskey
General Chairman
SMART - Mechanical Division

Guy Seguin
General Manager, Alton and Southern

Peter Kennedy, Director
Railroad Mechanical Department

October 1, 2025

Side Letter #3

John McCloskey
SMART-MD, General Chairman
25 Amanda Circle
Bear, Delaware 19701

Dear Mr. McCloskey:

This confirms our understanding with respect to the general wage increase provided for in Article I, Section 1 of this Agreement. The Carrier agrees to pay the general wage increase retroactively from July 1, 2025, so long as the parties enter into this Agreement in the month of October 2025.

The Carrier will make all reasonable efforts to pay the retroactive portion of such general wage increases within sixty (60) days of the Agreement's ratification, or as soon as possible thereafter. In the event payment cannot be made within the sixty (60) days set forth herein, the Carrier will notify the Organization in writing as to why and will provide an adjusted date for payment.

Sincerely,

Agreed:

Maqui Parkerson
Vice President, UPRR Labor Relations

John McCloskey
General Chairman
SMART - Mechanical Division

Guy Seguin
General Manager, Alton and Southern

Peter Kennedy, Director
Railroad Mechanical Department

October 1, 2025

John McCloskey
SMART-MD, General Chairman
25 Amanda Circle
Bear, Delaware 19701

Dear Mr. McCloskey:

This letter of understanding (LOU) will confirm our discussions regarding the carryover of unused paid sick time from year-to-year and the substitution of unused and banked paid sick time when an employee lays off for Family Medical Leave (FMLA).

Effective July 1, 2025, the following will apply to employees who are entitled to paid sick time pursuant to the April 1, 2023 Paid Time Off for Illness and Wellness Agreement between the Carrier and your Organization:

1. An employee will have the option to "bank" up to (32) hours of unused paid sick time in any calendar year, subject to a maximum bank of (160) hours at any given time.
2. An employee may request to use their banked sick time when approved for a medical leave of absence through the Carrier's existing medical leave process for critical or long-term illness/injury and only after exhausting their current year paid sick time.
3. If an employee has "banked" a minimum of (32) hours of unused paid sick time, the employee may request to be paid out a minimum of (32) hours of their "banked" time subject to the following:
 - a. An eligible employee will be notified in September of each calendar year of their election to carry over their unused paid sick time or have the (32) hours paid out.
 - b. An eligible employee, once notified must submit their election no later October 31st of each calendar year. Failure to submit an election will result in the unused paid sick time being automatically "banked" (up to the maximum 160 hours allowed at any given time).
 - c. Additional time requested to be paid out in excess of the minimum (32) hours will be paid in (8) hour increments (i.e., 40 hours, 48 hours, 56 hours, etc.)
 - d. Payment for the time requested will be calculated at the employee's straight time hourly rate of their current position, or if unassigned, at the last position the employee held and was compensated (subject to applicable withholdings).
 - e. Payment will be made in December to an employee who elects to be paid out in the current calendar year.

NOTE 1: It is understood the request to be paid out under this Section 3 will apply to an employee who has been furloughed on a one-time basis so long as the request is made in the same calendar year as their furlough and the request meets the requirements set forth herein.

NOTE 2: If the furloughed employee is subject to the self-executing seniority termination clause provided for in Rule 31 (d) of the January 1, 2009 SMART-MD Collective Bargaining Agreement, the minimum number of hours to request to be paid out will not apply.

4. Upon an employee's death, voluntary resignation, or retirement, the Carrier will pay out an employee's "banked" unused paid sick time (calculated in accordance with Section 3 (c) above).

NOTE: An employee who passes away will remain eligible for pay out of the employee's current year unused paid sick time under existing agreement provisions.

5. The Carrier will substitute an employee's unused paid sick time, including any banked time, when an employee lays off for FMLA leave, as defined in 25 CFR § 825.207, as amended, and to the fullest extent permitted by law. The term "substitute", as defined in 25 CFR § 825.207, means that the paid leave provided by the employer, and accrued pursuant to established policies of the employer, will run concurrently with the employee's unpaid FMLA leave.
6. It is understood the following provisions provided for in the April 1, 2023 Paid Time Off for Illness and Wellness will no longer apply:

"Unused paid sick time will be paid out within 30 days following the end of each calendar year (or at such earlier time as may be required by applicable law) at the Employee's straight time hourly rate of the position currently held by the Employee, less applicable withholdings. If the Employee is unassigned at the time of use of paid sick time, the paid sick time off shall be paid at the respective straight time hourly rate of pay of the last position the Employee worked and was compensated. The Carrier agrees to make reasonable efforts to amend its 401(k) savings plan for agreement employees ("Agreement 401(k) Plan") to permit an Employee's election to have an amount equal to the value of the Employee's entire unused paid sick time determined as of the end of the calendar year contributed as an elective deferral to the Employee's Agreement 401(k) Plan account, in lieu of the payment of such amount in cash."

7. Nothing in this LOU will increase the hours of paid sick time provided to an employee and/or limit the existing rights of the Carrier with respect to the substitution of paid leave.

Please indicate your concurrence by signing in the space below.

Sincerely,

Agreed:

Liz Dewald
Director, UPRR Labor Relations
Mechanical & Shop Crafts

John McCloskey, General Chairman
SMART - Mechanical Division

Guy Segun
General Manager, Alton and Southern

Peter Kennedy
Director, Railroad Mechanical Dept.

MEMORANDUM OF AGREEMENT

Between

ALTON AND SOUTHERN RAILWAY

And the

SHEET METAL, AIR, RAIL, & TRANSPORTATION
MECHANICAL DIVISION

MODIFICATION TO EXISTING WORK RULES

This Agreement is made by and between the Union Pacific Railroad Company (hereinafter referred to as the Carrier) and its employees represented by the Sheet Metal, Air, (hereinafter referred to as the Organization) to modify/amend certain work rules currently in effect between the parties in the January 29, 1947 SMART-MD Collective Bargaining Agreement.

THEREFORE IT IS AGREED:

ARTICLE I: Modification to Bereavement Leave

- A. Bereavement leave for employees will be expanded to include the employee's grandparents and grandchildren. Existing terms and conditions applicable to bereavement leave not specifically modified by this Agreement remain in full force and effect.

ARTICLE II: Modification to Discipline-Investigations

A. Virtual Hearings

1. The primary and default method for conducting investigative hearings will be via virtual means (e.g., Microsoft TEAMS, etc.). Upon request by either party, the parties will hold an in-person hearing for any case.
2. The Notice of Investigation (NOI) will advise of the virtual meeting program to be used to attend the investigative hearing. The parties will work together to make proper accommodations to facilitate virtual hearings.
3. The parties will cooperate to ensure exhibits entered into record are viewable by all participating parties (i.e., scan and email; share screen, etc.). This will not restrict the parties from entering additional exhibits as needed concurrent with hearing proceedings.
4. The investigative hearing will be recorded and transcribed in its usual and customary manner.
5. All due process rights of charged employee(s) will be preserved in all respects with the parties agreeing to utilize virtual investigative hearings.

6. Existing terms and conditions applicable to investigative hearings not specifically modified by this Agreement remain in full force and effect.
7. The parties recognize the ever-changing nature, state, and impact of technology. Thus, it is not the intent of this Agreement that a single technology, process or application would be forever used and never thereafter changed. Accordingly, the parties mutually agree to meet and discuss where/when more appropriate and applicable technologies become available to conduct virtual investigative hearings and that no such new technology will be implemented without mutual consent.

B. Discipline Correspondence

1. All discipline-related documents, including but not limited to, Waivers, Notices of Investigation (NOI), Notices of Discipline Assessed (NODA), hearing transcripts, hearing exhibits, appeals, etc., between the Carrier and the Organization will be transmitted via the use of modernized processes (i.e., electronic mail, etc.).

NOTE: This includes, but is not limited to, any transmission of correspondence for the charged employee, witnesses, and/or union representatives (both Local and General Level) for the Notices of Investigation (NOI), Notices of Discipline Assessed (NODA), postponements, hearing transcripts/ exhibits, requests for conference, appeals, etc.).

2. The delivery method for correspondence to a charged employee for all discipline cases will be sent via email effective January 1, 2026. Employees are required to provide a valid working email to the Carrier no later than December 1, 2025. Employees will be required to maintain their email address and update changes promptly with the Carrier.
3. The Carrier, at its discretion, may deliver paper copies of communications to employees in addition to sending them electronically.

ARTICLE III: Modification to Paying Off

- A. Unless prohibited by applicable law, all employees will be paid by electronic deposit.
- B. Employees who do not have electronic deposit already established must sign up for electronic deposit by December 31, 2025.
- C. Effective January 1, 2026, paystubs will only be available electronically, unless prohibited by applicable state law.
- D. The Carrier will establish a process to accommodate employees who may not have access to its systems for the purpose of viewing or printing electronically.

ARTICLE IV: Modification to Shop Craft Holiday Provisions

A. A regular assigned employee shall qualify for the holiday pay provided for in Section 1 of Appendix C under the following conditions:

1. Service is performed and compensated at a minimum of four (4) hours for the work days immediately preceding and following such holiday and,
2. The employee is not assigned to work but is available for service or observing compensated vacation/personal leave on the holiday and/or on the days immediately preceding and following the holiday.

NOTE 1: Paid Sick days and/or “burn provisions” (e.g., supplementing a paid entitlement) when laying off for Family Medical Leave (FMLA) will not count as qualification for holiday pay under this Article IV.

NOTE 2: Regarding Section A.1 of this Article, in the event an employee is unable to perform the minimum of (4) hours of service due to a bona fide emergency, the employee may request consideration for purposes of qualifying for holiday compensation.

3. Existing terms and conditions applicable to holiday provisions not specifically modified by this Article IV remain in full force and effect.

ARTICLE IV: Modification to Differentials

A. For those employees who meet the criteria, the differential per hour payment outlined under this rule will be subject to all future general wage increases (GWI's) beginning in calendar year 2025.

ARTICLE V – GENERAL PROVISIONS

Where rules, other agreements and practices conflict with this Agreement, the provisions of this agreement shall apply.

Signed on the _____ day of _____, 2025.

**FOR THE ALTON AND
SOUTHERN RAILWAY:**

**FOR THE SMART -
MECHANICAL DIVISION:**

Liz Dewald
Director, UPRR Labor Relations
Mechanical & Shop Crafts

John McCloskey
General Chairman
SMART - Mechanical Division

Guy Seguin
General Manager, Alton and Southern

Peter Kennedy
Director, Railroad Mechanical Department

MEMORANDUM OF AGREEMENT

Between

ALTON AND SOUTHERN RAILWAY

And the

SHEET METAL, AIR, RAIL, & TRANSPORTATION
MECHANICAL DIVISION

ALTERNATIVE WORK SHIFT/WEEK AGREEMENT

Alton and Southern Railway and the Sheet Metal, Air, Rail, and Transportation - Mechanical Division (SMART-MD) hereby agree to provide a mechanism for establishing alternative work shifts/weeks at different locations across the system. By mutual agreement, the parties may establish work weeks consisting of (12) hour days ("alternative work week") in lieu of the "traditional" (5) day / (8) hours per day work week or any other schedule. The parties agree to amend the applicable hours of service rules of the controlling agreements subject to the following terms and conditions:

Article I: Positions, Assignments, and Work Schedules

A. Regular starting times for 12-hour shift schedules will be as follows:

1. First shift between 0500 hours and 0900 hours
2. Second shift between 1700 hours and 2100 hours

B. Start times identified in Section A above may be changed by the Carrier provided the impacted employee(s) are given 72 hours advanced notice of the start time change.

C. The 12-hour shift schedule will work on either of the following cycle(s):

<u>Schedule A</u>	or	<u>Schedule B</u>
(3) consecutive 12-hour work shifts		(4) consecutive 12-hour work shifts
(4) consecutive rest days		(3) consecutive rest days
(4) consecutive 12-hour work shifts		(3) consecutive 12-hour work shifts
(3) consecutive rest days		(4) consecutive rest days
Repeat		Repeat

Article II: Overtime

A. Overtime will be paid on the minute basis at (1.5) times the straight time rate for all time in excess of (12) hours of a continuous single shift until the employee is relieved/released from service.

NOTE: Time in excess of eighty (80) hours in a two-week cycle (i.e., a pay half) will be paid on the minute basis at (1.5) times the straight time rate.

- B. Employees who are required to work on their rest day(s) will be compensated as follows:
1. First rest day the employee will be paid at (1.5) times the straight time rate.
 2. Second rest day (if the employee works consecutively with rest day 1) the employee will be paid at (1.5) times the straight time rate.
 3. Third rest day (if the employee has worked consecutively on rest days 1&2), the employee will be paid at two (2) times the straight time rate (i.e., "double time").
 4. Employees will not be forced to work on their fourth rest day if they have worked consecutively on rest days 1, 2, and 3. This section does not prevent an employee from accepting/volunteering to work on their fourth rest day. If the employee elects to accept the work, it will be paid at the straight time rate.
 5. An employee who works their rest days in a non-consecutive manner will be paid at time (1.5) times the straight time rate.
- C. This provision will not apply to instances where an employee moves from one assignment to another.
- D. Emergency Service - Road Work will continue to be governed by the SMART-MD January 29, 1947 Collective Bargaining Agreement (CBA). If an employee is called and utilized for "emergency work" it will not count for purposes of compensation or qualification under this Article as outlined in Sections A and B above.
- E. There will be no overtime on overtime.

Article III. Vacation

- A. Qualification: The SMART-MD Shop Crafts National Vacation Agreement will be modified as follows:
1. An employee working under this Agreement will have their qualifying vacation days/week converted to hours:

Days/Weeks Allowed	Hours Allowed
5 days	40 hours
2 weeks	80 hours
3 weeks	120 hours
4 weeks	160 hours
5 weeks	200 hours

2. For each 12-hour shift an employee works, 1 and ½ days will be credited towards the employee's compensated service for vacation qualification.

3. If at the end of the year an employee is (4) hours (i.e., ½ day) short of being qualified for the next year's vacation, the (4) hours (i.e., ½ day) will be credited to the employee for purposes of qualification.
4. Section 1 (h) of the SMART-MD Shop Crafts National Vacation Agreement will remain in effect for employees working under this Agreement.

B. Compensation

1. Vacation pay will be calculated at the straight time rate.
2. An employee who qualifies, may continue to utilize up to (80) hours in a single shift allotment (i.e., single day vacation). Remaining hours must be used in consecutive "blocks" of the employee's scheduled "work week".

Example 1: Employee A is working a week of (3) work days and (4) rest days. Employee A's block vacation will deduct (36) vacation hours from the employee's total vacation allotment.

Example 2: Employee B is working a week of (4) work days and (3) rest days. Employee B's block vacation will deduct (48) vacation hours from the employee's total vacation allotment.

Example 3: Employee C takes a single shift vacation day. Employee C will have (12) hours of vacation time deducted from their single shift allotment.

3. An employee may utilize their single shift allotment of vacation in increments of (4) hours provided that:
 - (a) The (4) vacation hours will only be taken at the beginning of, or the end of , their single shift.
 - (b) This includes any unused vacation hours associated with the modified shift schedule as outlined in this Section B.2.
4. An employee who does not exhaust their vacation will have their unused hours paid out in accordance with existing practices.

- C. If an employee exercises their right to observe a (4) hour vacation allotment in accordance with Section B.3 above, the Carrier reserves the right to assign the employee to any position they are qualified to protect and may fill the employee's position by another qualified employee. Should the Carrier exercise this right, it will not be considered a violation of the governing agreements.

Article IV: Personal Leave Day(s) / Paid Sick Day(s)

A. Personal leave day(s) will continue to be governed by applicable rules with the following understanding:

1. Eight (8) hours of pay at the straight time rate will constitute a single personal leave day (regardless of the hours assigned for a single shift).
2. Personal leave day(s) will be granted for the full shift.

B. Paid sick time will continue be governed by applicable rules based on the following understanding:

1. Paid sick time must be taken in either (6) or (12) hour increments.
2. An employee who qualifies for paid sick hours will be compensated at the straight time rate for the hours taken.

Article V: Holiday Compensation

This section applies to holidays listed in the SMART-MD National Holiday Provisions and will apply to the days the Carrier elects to observe the listed holiday.

A. When an employee meets the qualifying conditions for holiday pay pursuant to existing agreements, compensation will be as follows:

1. If the employee is normally scheduled to work (but not required to report) compensation will be for (12) hours at the straight time rate.
2. If the employee is observing a rest day, compensation will be for (8) hours at the straight time rate.

B. If an employee performs service on a holiday for a minimum of (4) hours or more, compensation for the shift will be at (1.5) times the straight time rate in addition to (8) hours at the straight time rate for the holiday.

NOTE: An employee performing service on a holiday that is also the employee's third consecutive rest day worked (see Article II.B.1) will be compensated at (2) times the straight time rate in addition to (8) hours at the straight time rate for the holiday.

Article VI: Bereavement and Jury Duty

Bereavement and Jury Duty rules of the January 29, 1947 SMART-MD CBA are amended as follows:

A. Bereavement Leave for an employee who meets the qualifying criteria will be compensated at a maximum of (12) hours at the straight time rate for each single

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shift the employee is absent on a scheduled work day.

- B. Jury Duty for an employee who meets the qualifying criteria will be compensated at a maximum of (12) hours at the straight time rate for each single shift the employee is absent on a scheduled work day.

Article VII: Trainers and Safety Assistants

This Agreement will not apply to training instructor, assistant system training instructor, system training instructor, and safety assistant positions.

Article VIII: Miscellaneous Provisions

- A. This Agreement may be cancelled by either party with a (45) day advanced written notice by either party signatory hereto (or their designee) under the following conditions:
1. The Notice must individually specify the location(s) to be cancelled and;
 2. The parties agree to meet (virtual or in person) during the (45) day period to discuss and attempt to resolve the issues leading to the requested cancellation.
 3. If no resolution is reached for the locations identified, the agreement will be cancelled (at the identified locations) and existing rules and practices prior to the implementation of this Agreement will be placed back into effect (at the identified locations).
- B. It is understood the establishment of alternate work shifts under the terms of this Agreement is subject to review and approval by both the Carrier and the Organization signatory hereto.
- C. This Agreement is made without prejudice to either parties position and is non-referable except in those instances where a dispute may arise regarding the provisions outlined herein. In the event circumstances or operational needs change requiring a change to this Agreement, the parties agree to work together to effect any necessary changes.

*****REMAINDER OF PAGE INTENTIONALLY LEFT BLANK*****

Signed on the _____ day of _____ 2025.

**FOR THE ALTON AND
SOUTHERN RAILWAY:**

Liz Dewald
Director, UPRR Labor Relations
Mechanical & Shop Crafts

Guy Seguin
General Manager, Alton and Southern

**FOR THE SHEET METAL, AIR, RAIL, AND
TRANSPORTATION - MECHANICAL
DIVISION:**

John McCloskey
General Chairman
SMART - Mechanical Division

Peter Kennedy
Director, Railroad Mechanical Department

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