MEMORANDUM OF AGREEMENT

Between The
THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY

And The
EMPLOYEES IN THE MAINTENANCE OF EQUIPMENT DEPARTMENT
Represented By
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON
SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS
BROTHERHOOD RAILWAY CARMEN OF THE UNITED STATES AND CANADA
SHEET METAL WORKERS INTERNATIONAL ASSOCIATION
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

In order to provide a sufficient number of qualified
employes to meet the needs of the service, IT IS AGREED:

When the Carrier is unable to employ qualified Journey-
men, Apprentices will be advanced to Journeymen as hereinafter pro-
vided. Any upgrading agreement previously in existence is hereby
cancelled and superseded by this Agreement.

(a) The upgrading of apprentices to positions
of journeyman as hereinafter provided may
be made only when all journeymen of such
craft at the point involved are assigned
to work not less than forty (40) hours per
week (except in a week in which a holiday
occurs) and there are no additional quali-
fied journeymen of such craft available with which to increase the force.

(b) The upgrading of apprentices to service as journeymen will be made in the following order:

1. Apprentices who have served 488 or more days of apprenticeship.

2. Should the above procedure fail to provide a sufficient force to meet the Carrier's service requirements, exceptions to the limitations listed above may be made in individual cases by written agreement between the General Chairman of the craft involved and the highest designated appeal office of the Carrier.

(c) Initial upgrading of apprentices to service as journeymen will be made in seniority order according to their respective classifications as shown on the applicable seniority roster.

(d) A list will be established and maintained for apprentices upgraded to service as journeyman denoting the date of initial upgrading. This list shall be used for the downgrading and upgrading of these employees, the assignment of vacations, force reductions, bidding for positions, and for any seniority moves involving
service in an upgraded capacity. Copy of such list will be furnished to the local chairman.

(1) Apprentices upgraded prior to the effective date of the agreement will have their names placed on the established list in the same manner as the apprentices upgraded after the effective date of this agreement.

(e) Apprentices upgraded under this Agreement shall continue to accumulate seniority in their respective class. All time worked by an apprentice in an upgraded position will be credited to their apprenticeship time.

(f) In the application of Rule 31(d) (5) of the revised Agreement, effective April 1, 1980, between the Carrier and System Federation No. 3, governing the ratio of apprentices to mechanics, such apprentices as are upgraded to service as journeyman as herein provided shall not be considered as mechanics in the calculation of the ratio of apprentices to mechanics. Apprentices upgraded to serve as mechanics will be considered as apprentices in the application of Rule 31, referred to in this paragraph, until such time as they have completed the required days of apprenticeship to qualify them as journeymen.
This Agreement shall become effective June 1, 1982 and shall remain in effect until amended or cancelled subject to thirty (30) days' written notice by any party of a desire to cancel the Agreement and the serving of such notice shall have the effect of reinstating the previous practice or procedure effective April 1, 1980, at the expiration of the thirty (30) days in exactly the same manner as if this Agreement had not been written.

Signed at Kansas City, Missouri this 1st day of

FOR THE EMPLOYEES:

General Chairman,
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

D. J. Shoem

General Chairman,
INTERNATIONAL BROTHERHOOD OF BOILERMKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS

L. W. Mann

General Chairman,
BROTHERHOOD KLWAY CARMEN OF THE UNITED STATES AND CADA

FOR THE CARRIERS:

Vice President - Personnel
THE KANSAS CITY SOUTHERN RAILWAY CO.
LOUISIANA & ARKANSAS RAILWAY CO.

General Chairman,
SHEET METAL WORKERS INTERNATIONAL ASSOCIATION

General Chairman,
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
Rates of Pay for Machinists

**JOURNEYMEN:**

<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinists</td>
<td>$14.55</td>
</tr>
<tr>
<td>Lead Journeymen (50¢ above Journeymen Rate)</td>
<td>15.05</td>
</tr>
<tr>
<td>Cranemen (40 tons and over)</td>
<td>14.55</td>
</tr>
<tr>
<td>Cranemen (under 40 tons)</td>
<td>14.09</td>
</tr>
</tbody>
</table>

**DIFFERENTIALS:**

<table>
<thead>
<tr>
<th>Position</th>
<th>Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welders</td>
<td>0.06 above Journ. Rate</td>
</tr>
<tr>
<td>Federal Inspector</td>
<td>0.06 above Journ. Rate</td>
</tr>
</tbody>
</table>

**NOTE:** The 0.06 differential will increase to 0.25 January 1, 1993.

**Helpers, Entry %'s apply to this Rate.**

**APPRENTICES:** (Entry %'s apply to these Rates)

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Period</td>
<td>12.10</td>
</tr>
<tr>
<td>Second Period</td>
<td>12.20</td>
</tr>
<tr>
<td>Third Period</td>
<td>12.24</td>
</tr>
<tr>
<td>Fourth Period</td>
<td>12.33</td>
</tr>
<tr>
<td>Fifth Period</td>
<td>12.52</td>
</tr>
<tr>
<td>Sixth Period</td>
<td>12.69</td>
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</table>

**ENTRY RATES:**

Entry Levels - First 60 Calendar Months

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Levels</th>
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</thead>
<tbody>
<tr>
<td>75%</td>
<td>1st 12 Calendar Months</td>
</tr>
<tr>
<td>80%</td>
<td>2nd 12 Calendar Months</td>
</tr>
<tr>
<td>85%</td>
<td>3rd 12 Calendar Months</td>
</tr>
<tr>
<td>90%</td>
<td>4th 12 Calendar Months</td>
</tr>
<tr>
<td>95%</td>
<td>5th 12 Calendar Months</td>
</tr>
</tbody>
</table>

**Entry Levels Apply to Machinist Helpers, Upgraded Machinists, Apprentices and Student Mechanics**

Human Resources Department

Kansas City, Missouri
July 29, 1992

(35) Journeyman Machinists are no longer subject to entry rates, but Apprentices and Upgraded Apprentices are.