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**MEMORANDUM OF UNDERSTANDING
BETWEEN
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
AND
LOCAL 689, of the AMALGAMATED TRANSIT UNION
REGARDING AMENDMENTS TO COLLECTIVE BARGAINING AGREEMENT**

April 2, 2002

(Operators + Maintenance)

X-4 / 30 / 04

The Washington Metropolitan Area Transit Authority (the "Authority") and Local 689, ATU (the "Union") hereby agree to amend and extend the existing collective bargaining agreement (the "CBA") and the supplemental agreement (the "NSA" or "Supplemental Agreement") between the parties that expired April 30, 2001 as set forth herein. This agreement is contingent upon approval by both the Authority's Board and ratification by the Union membership. References to sections and subsections are to those contained in the CBA or NSA, as the case may be. All sections and subsections not amended by this Memorandum of Understanding (other than any provision that was scheduled to expire at the end of the contract term absent agreement to the contrary) shall continue in effect without change. Unless specifically provided otherwise, all changes are effective as of the date of ratification.

6,300 workers

Part I – Amendments to the CBA

The CBA shall be amended as follows:

1. Section 104 – Discipline and Grievance Procedure

The following new paragraph shall be added at the end of Section 104(d):

"The Authority shall, without further cause or recourse to any program, discontinue the employment of any employee who violates the Substance Abuse Policy within the first six months of employment. Except as provided in the next sentence, any such discharge shall not be subject to the grievance procedure contained in this Section 104. A non-probationary employee who is discharged for violating the Substance Abuse Policy pursuant to this provision can use the grievance procedure contained in this Section 104 to challenge the validity of a positive test for drugs or alcohol (but may not use such procedure to challenge any other aspect of such discharge)."

The amendment made to Section 104 shall apply to employees hired on or after May 1, 2002.

21 fags

2. Section 111 – Driver's Permit and Other Allowances

The following new subsection (c) shall be added at the end of Section 111:

- (c) "Employees holding a position that requires a Commercial Driver License (CDL) shall submit an annual authorization allowing the Authority to obtain a copy of their record at the appropriate Department of Motor Vehicles (or similar agency)."

3. Section 117 – Pensions

- 3.1 Amend the benefit formula in Appendix A, Section 5.01 to read as follows:

"1.85% of Average Compensation times the number of Years of Continuous Service (or fraction thereof based on completed months) at Retirement."

The amendment made to Section 5.01 shall apply to employees who retire from the Authority with an effective date of retirement on or after May 1, 2001.

- 3.2 Restate Appendix A, Article VI (Disability Allowance) (and such other provisions of the Transit Employees' Retirement Plan as may be necessary) effective as of January 1, 2002, in order to:

3.2.1 Transfer the existing LTD policy issued by MetLife from the Health and Welfare Trust to the Retirement Plan and provide for the payment of all premiums out of the Retirement Plan (subject to any limitations imposed by the Internal Revenue Code on the provision of ancillary benefits through qualified governmental retirement plans).

3.2.2 Provide that the assets of the Retirement Plan will be used to pay premiums on the MetLife LTD policy in an amount equal to 100% of the premium on the LTD policy, up to .88% of gross payroll or the premium amount in effect after the current rate guarantee under the MetLife policy expires, whichever is greater (with any premium increase that takes effect after April 30, 2004 being funded by employee contributions, absent agreement of the parties (or an arbitration award) to the contrary).

3.2.3 Provide a disability allowance under the Retirement Plan (insured through MetLife) that is equal to the fixed percentage specified in the current MetLife LTD policy (subject to the same qualification/eligibility/elimination and other requirements in the MetLife LTD policy).

- 3.2.4 To the extent that a disability allowance is not payable under the MetLife LTD policy, provide a disability allowance equal to the disability allowance that is currently contained in the Retirement Plan (subject to the same qualification/eligibility/elimination requirements, the same service crediting provisions and the same definitions of "Disabled", "Disability" and "Totally and Permanently Disabled" that are currently contained in the Retirement Plan).
- 3.2.5 Amend the Retirement Plan so that the disability allowance ends when an employee reaches his or her normal retirement date, at which time the employee would begin to receive a retirement allowance (which the employee could elect to receive in any of the optional forms permitted under the Retirement Plan—including a joint and survivor annuity).
- 3.2.6 Provide a pre-retirement death benefit to the surviving spouse of an employee who is out on disability and who has at least 15 years of continuous service, so that if the employee dies before his or her normal retirement date, the employee's surviving spouse will be eligible for the pre-retirement death benefit provided to active employees with at least 15 years of continuous service on the date the disability allowance commenced.

The amendment made to Appendix A, Article VI shall apply to any employee who incurs an illness or injury giving rise to a disability on or after January 1, 2002.

The Retirement Plan shall reimburse the Health and Welfare Trust for premiums paid by the Trust on or after the January 1, 2002 through the date that the Retirement Plan begins paying the required premium. Such reimbursement shall be allocated to the Authority's portion of the Rate Stabilization Reserve and fifteen percent (15%) of such reimbursement shall be allocated to the participant's portion of the Rate Stabilization Reserve.

Notwithstanding the January 1, 2002 effective date for the transfer of the disability allowance from the Health and Welfare Trust to the Retirement Plan, the Retirement Plan shall also reimburse the Health and Welfare Trust for that portion of the disability premium paid to MetLife in excess of .75% of gross payroll from the effective date of the MetLife policy through December 31, 2001. Such reimbursement shall be allocated to the participant's portion of the Rate Stabilization Reserve.

- (3) Any member described in Section 1(c) who retires on or after October 1, 1999, and who elects HMO coverage will be automatically enrolled in any Medicare risk HMO offered by the HMO provider. For example, if a member enrolls in the Kaiser HMO and Kaiser offers a Medicare risk HMO, the member will be automatically enrolled in the Kaiser Medicare risk HMO (or comparable supplemental coverage). If the provider selected by the member does not offer a Medicare risk HMO (or comparable supplemental coverage) or the Medicare risk HMO (or comparable supplemental coverage) ceases to be available, such retiree will be enrolled in the "regular" HMO offered by the provider that has been selected by the member.
- (4) The Blue Cross Blue Shield PPO coverage shall not be available to an employee hired on or after October 1, 1999 until the third anniversary of the date their probationary period ends.
- (5) The Blue Cross Blue Shield PPO policy shall be amended effective May 1, 2002 as follows: (i) the out-of-network deductible shall be increased to \$300 per person up to a family maximum of \$600 per calendar year; (ii) the annual out-of-pocket limit will be increased to \$1,000 for individual coverage and a family maximum of \$2,000; and (iii) the out-of-network co-insurance will be increased to 25% for all procedures/services/benefits that currently have a co-insurance percentage of less than 25%. The co-insurance percentage for all procedures/services/benefits that currently have a co-insurance percentage of 25% or more will remain unchanged.
- (6) Employee contributions will be determined using a single/family rate structure (instead of a single/employee+1/family structure). However, inasmuch as providers bill the Fund using a single/employee+1/family structure there will be a "true-up" of contributions at the end of each year to make sure that the amount of employee contributions are not understated or overstated by the single/family contribution structure (as compared to the rate structure actually used by the providers).
- (7) Prescription drug coverage will be carved out from the Blue Cross Blue Shield PPO policy. The consultant for the Fund will solicit request for proposals from prescription benefit managers. The change in the management of prescription drug coverage shall be designed to lower current costs by

4.5 Amend Appendix B, Section 3(j) to read as follows:

- (j) "Long Term Disability Insurance – Effective as of January 1, 2002, the LTD program (including the policy of insurance issued by MetLife) will be incorporated into and become a part of The Transit Employees' Retirement Plan."

4.6 Amend Appendix B by adding the following new Section 4(f):

- (f) "The Trustees shall retain an administrator to assist the Trustees in administering the Fund. The terms and conditions of employment (including compensation) of the administrator shall be determined by the Trustees. Such administrator shall be an employee of the Authority, but shall be selected by, and subject to the exclusive supervision and control of, the Trustees. The responsibilities and minimum qualifications of the administrator shall be as set forth in Appendix 1 (as such Appendix may be modified from time to time by the Trustees)."

4.7 Amend Appendix B to incorporate the standards of conduct for the Trustees that were previously presented to the Trustees and to require newly appointed trustees to attend a course of instruction in the responsibilities and duties of a fiduciary and administrator of an employee benefit plan that is sponsored by International Foundation of Employee Benefit Plans (or a similar organization) as soon as practical following appointment (unless the trustee has previously served as a fiduciary of a similar trust and, in connection therewith, has attended a similar course of instruction within a period of five (5) years preceding the trustee's date of appointment).

5. Section 119 – Holidays

Amend Section 119(c) to read as follows:

- (c) "In order to qualify for the holiday allowance, employees must complete their assignments on their last scheduled workday preceding and their first scheduled workday following a holiday in addition to performing all of their assigned work on said holiday; provided that, in determining for this purpose whether such assigned work has been performed, its nonperformance by an employee will be excused if its nonperformance was because of any of the following causes: jury duty, death in his/her immediate family, proven injury or illness, absence on Union business, military leave (for up to thirty (30) days) or any other absence with Authority approval; and provided further that an employee who performed service after a miss/late will be considered to have completed the assignment for purposes of this provision.

steerage to generic prescriptions, negotiation of vendor costs and fees, and drug utilization review.

- (8) The co-payment structure under the prescription drug coverage shall be modified so that the co-pay for generic drugs under the new prescription plan is \$5 and the co-pay for brand drugs is \$15.

The benefits contemplated by this subsection (c) shall be provided by such method as the Trustees shall, in their discretion, select, and the Trustees are empowered to contract for or to self-insure such benefits and pay them from the Fund."

4.2 Amend Appendix B, Section 3(e)(1) to read as follows:

- (1) "The Trustees shall offer a dental HMO under which full-time and eligible part-time employees may elect to participate in lieu of the Blue Cross dental indemnity plan. Such dental HMO shall include some form of orthodontic coverage."

4.3 Amend Appendix B, Section 3(e)(3) to read as follows:

- (3) "Effective as of May 1, 2002 the Blue Cross dental indemnity plan shall be amended to include a maximum coverage limit of \$3,500 per calendar year per person;"

4.4 Amend Appendix B, Section 3(g) to read as follows:

- (g) "All surviving spouses and dependent children of employees who have retired and who die on or after January 1, 2001 or of active employees who die on or after January 1, 2001 shall have their Health and Welfare benefits continued. This survivor coverage (i.e., the coverage of the spouse and dependents) will terminate after two years or when the spouse becomes eligible for Medicare (whichever is longer). The survivor coverage will also terminate upon remarriage of the spouse, or in the case of a dependent, when the dependent ceases to qualify as a dependent under the terms of the Plan. During the period this survivor coverage is in effect, the Authority shall contribute the amount provided in Section 2."

The provisions of Appendix B, Section 3(g), as in effect prior to this change, shall continue to apply to any employee who retired and who died on or after May 1, 1988 but before January 1, 2001 or of active employees died on or after May 1, 1988 but before January 1, 2001.

If any such holiday falls on a day during an employee's vacation, the employee shall receive in addition to vacation pay, the eight (8) hours' holiday allowance for that day (or average pay hours as determined above in the case of part-time operators)."

6. Section 120 – Bereavement Leave

Amend Section 120 to add the following at the end of the first sentence:

"; provided, however, that if the employee attends a funeral that is more than 150 miles from the employee's home of record, the employee shall receive pay for one (1) additional day of eight hours, at the straight time rate."

7. Section 121 – Uniforms, Work Clothes and Tools

- 7.1 Amend Section 121(a) to increase the semi-annual cleaning allowance from \$100 to \$110 effective for allowances paid on or after July 1, 2002.
- 7.2 Amend the first paragraph of Section 121(c) to read as follows:

"The Authority shall pay, on April 1 of each year, a tool allowance of \$220.00 per year to an employee who is in a job classification that requires the employee to supply his own tools. The tool allowance shall not apply to an employee who is in a job classification that does not require the employee to have tools or an employee who draws all required tools from Authority stores. Incumbent employees in Mechanic AA, Mechanic A, and Mechanic B jobs as of November 29, 1976, who are not in a job classification that requires the employee to supply his own tools but who have heretofore received the tool allowance, shall continue to receive the tool allowance so long as they continue in their present jobs. Their successors in these jobs (in which the Authority does not require purchase of tools) shall not receive the tool allowance. Employees newly hired or promoted into a classification (including TSP) eligible for the tool allowance shall receive, with their initial pay check, a pro rated tool allowance based upon the number of months between the point of hire or promotion and the next succeeding April 1."

8. Section 125 – Basic Rates of Pay

Amend Section 125(a) through (f)1 to read as follows:

- (a) "All base rates in effect on April 30, 2001 shall remain in effect through October 31, 2001.
- (b) Effective as of the following dates, the Operator Rate in effect on April 30, 2001 shall be increased as follows:

4% effective November 1, 2001

4% effective November 1, 2002

4% effective November 1, 2003

In addition, all base rates, which are fixed to the Operator Rate shall be adjusted to reflect the increase in the Operator Rate.

- (c) **Effective as of the following dates, all base rates, other than those fixed to the Operator Rate shall be increased as follows:**

4% effective November 1, 2001

4% effective November 1, 2002

4% effective November 1, 2003

- (d) **The increases reflected in b and c above shall be compounded and wage rates shall be rounded to the fourth decimal place. The Authority may round the wage rate to the nearest full cent to accommodate the Authority's payroll system, as in effect from time to time.**

- (e) **In the event the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items (1982-84=100), as published and revised by the Bureau of Labor Statistics, U.S. Department of Labor, increases by more than 4.0% from March 2003 to March 2004, then such percentage increase over 4.0% times a factor of 0.8 will be applied to the base rates other than those fixed to the operator rate (rounded to the fourth decimal place) effective the pay period beginning nearest April 30, 2004 and all base rates fixed to the operator rate shall be adjusted accordingly thereafter. Such increase, if any, shall be incorporated into the base rate and be paid thereafter.**

(f) **Progressions**

1. **Hiring Progression**

- a) **All employees newly hired into "Operating" job classes prior to July 1, 1999 are subject to the following 60-month progression.**
- **First 12 months 60% of the sixth year classification rate**
 - **Next 12 months 68% of the sixth year classification rate**
 - **Next 12 months 76% of the sixth year classification rate**
 - **Next 12 months 84% of the sixth year classification rate**

- Next 12 months 92% of the sixth year classification rate
 - After 60 months 100% of the sixth year classification rate
- b) All employees newly hired into "Operating" job classes on or after July 1, 1999 and before May 1, 2002 shall be subject to the following 84-month progression (effective as of May 1, 2002):
- First 12 months 60% of the eighth year classification rate
 - Next 12 months 65% of the eighth year classification rate
 - Next 12 months 72% of the eighth year classification rate
 - Next 12 months 76% of the eighth year classification rate
 - Next 12 months 84% of the eighth year classification rate
 - Next 12 months 92% of the eighth year classification rate
 - Next 12 months 96% of the eighth year classification rate
 - After 84 months 100% of the eighth year classification rate
- c) All employees newly hired into "Operating" job classes on or after May 1, 2002 shall be subject to the following 84-month progression:
- First 12 months 60% of the eighth year classification rate
 - Next 12 months 65% of the eighth year classification rate
 - Next 12 months 70% of the eighth year classification rate
 - Next 12 months 75% of the eighth year classification rate
 - Next 12 months 80% of the eighth year classification rate
 - Next 12 months 85% of the eighth year classification rate
 - Next 12 months 90% of the eighth year classification rate
 - After 84 months 100% of the eighth year classification rate
- d) All employees newly hired into "Maintenance & Construction" job classes of Cleaner, Cleaning Machine Operator, Parts Runner, Cleaner-Shifter, Janitor and Laborer prior to July 1, 1999, are subject to the following 60-month progression.
- First 12 months 60% of the sixth year classification rate
 - Next 12 months 68% of the sixth year classification rate
 - Next 12 months 76% of the sixth year classification rate
 - Next 12 months 84% of the sixth year classification rate
 - Next 12 months 92% of the sixth year classification rate
 - After 60 months 100% of the sixth year classification rate

- e) All employees newly hired into "Maintenance & Construction" job classes of Cleaner, Cleaning Machine Operator, Parts Runner, Cleaner-Shifter, Janitor and Laborer on or after July 1, 1999 and before May 1, 2002 shall be subject to the following 84-month progression (effective as of May 1, 2002):
 - First 12 months 60% of the eighth year classification rate
 - Next 12 months 65% of the eighth year classification rate
 - Next 12 months 72% of the eighth year classification rate
 - Next 12 months 76% of the eighth year classification rate
 - Next 12 months 84% of the eighth year classification rate
 - Next 12 months 92% of the eighth year classification rate
 - Next 12 months 96% of the eighth year classification rate
 - After 84 months 100% of the eighth year classification rate
- f) All employees newly hired into "Maintenance & Construction" job classes of Cleaner, Cleaning Machine Operator, Parts Runner, Cleaner-Shifter, Janitor and Laborer on or after May 1, 2002 shall be subject to the following 84-month progression:
 - First 12 months 60% of the eighth year classification rate
 - Next 12 months 65% of the eighth year classification rate
 - Next 12 months 70% of the eighth year classification rate
 - Next 12 months 75% of the eighth year classification rate
 - Next 12 months 80% of the eighth year classification rate
 - Next 12 months 85% of the eighth year classification rate
 - Next 12 months 90% of the eighth year classification rate
 - After 84 months 100% of the eighth year classification rate
- g) All employees newly hired into "Administrative & Clerical" job classes are subject to the following 18-month progression:
 - First 6 months 80% of the classification rate
 - Next 6 months 85% of the classification rate
 - Next 6 months 90% of the classification rate
 - After 18 months 100% of the classification rate

9. Section 129 – Attendance Bonus

Add the following to the end of Section 129:

"The Attendance Bonus is deleted for calendar quarters beginning on or after January 1, 2002."

10. New Section 135 – Labor Management Committee

Add the following new Section 135:

Labor Management Committee – There shall be a Labor-Management Committee consisting of up to eight members, up to four selected by the Union and up to four selected by the Authority. The Committee will meet at least quarterly for the purpose of discussing, exploring and considering matters of mutual concern, provided that neither party shall attempt to change, add to, or vary the terms and conditions of the Collective Bargaining Agreement. The date and time of the meetings shall be determined mutually by the parties.

11. Section 220 – Part-Time Employees

The first paragraph of subsection (c) shall be amended to read as follows:

- (c) “**Compensation** -- Except as specified otherwise herein, pensioned part-timers shall be covered only by Sections 101 through 114 of the Agreement. Pensioned part-timers shall be paid the maximum hourly rate applicable to the classification (including longevity) for all hours worked (platform plus report and turn-in), with a guarantee of twelve (12) payhours per week, and shall receive the same health and welfare coverage as other retired employees, the full uniform allowance, a 4-week unpaid vacation, and required statutory benefits.”

12. Section 301 – Seniority, Transfer and Promotion

Subsection (c) shall be amended to read as follows:

- (c) “Vacancies in maintenance and construction classifications shall be advertised first in the Internal Division where the vacancy exists. Whenever vacancies occur, notice will be posted within ten (10) calendar days on the bulletin boards in the appropriate locations giving opportunity for those who desire to apply to file their applications and to take examinations. The posting notice shall show the duties of the job and assigned days off. Transfers and promotions will be made within forty-five (45) calendar days on the basis of fitness and ability and the applicants will be advised promptly of the results of such examinations; provided, however, that in all cases where two (2) or more employees have approximately equal qualifications for the vacancy, seniority in the maintenance and construction seniority district shall rule. In determining an employee's fitness and ability, consideration will be given to examination results, work record, job performance and demonstrated ability.”

13. Section 313 – Direct Reports

Amend the second sentence of Section 313 to read as follows:

"Notwithstanding the above, employees in Systems Maintenance, Plant Maintenance and Track & Structures Maintenance engaged in construction, reconstruction or rehabilitation projects lasting five (5) consecutive workdays or more may be required to report directly to the work site."

14. New Section 314 – Part-Time Employees

The following new Section 314 is hereby added:

"Section 314 – Part-Time Employees

Effective May 1, 2002, the Authority may hire part-time employees in the Maintenance and Construction district under the following terms.

- (a) **Hiring Maximum** – The number of part-time employees shall not exceed fifty (50).
- (b) **Eligibility** – The Authority may only fill part-time vacancies by hiring individuals who have retired from the Authority and who are receiving (or are eligible to receive) early or normal retirement benefits under the Transit Employees' Retirement Plan.
- (c) **Compensation** – Except as specified otherwise herein, pensioned part-timers shall be covered only by Sections 101 through 114 of the Agreement. Pensioned part-timers shall be paid the maximum hourly rate applicable to the classification (including longevity) for all hours worked, with a guarantee of twelve (12) payhours per week, and shall receive the same health and welfare coverage as other retired employees, the work clothes required under Section 121(b), a 4-week unpaid vacation, and required statutory benefits.
- (d) **Work Limits** – Part-time employees in the Maintenance and Construction district may work up to twenty (20) payhours per week. Assignments must consist of straight work (in terms of time scheduled).
- (e) **Seniority** – All part-time employees in the Maintenance and Construction district will accrue seniority within the Maintenance and Construction Seniority District in the same manner as full-time employees."

15. Section 402 – Hours of Work and Overtime

Add the following new subsection (j):

- (j) "Employees who are requested by the Authority, between annual picks, to change their shift or division for a temporary period, shall be paid a premium of fifty (50) cents per hour for all time on duty during the period of such voluntary temporary transfer."

16. Section 407 – Maintenance Utility Clerks

Subsections (a) (c) and (d) shall be amended to read as follows:

- (a) "There may be established, at each location, a Utility Clerk pool for each clerk job classification identified in Appendix C, subsection (c).
- (c) "Vacancies (including new positions) in the Maintenance Clerk classification shall be advertised to all Maintenance Clerks on a system-wide basis. Vacancies shall be filled in the following order of priority: first from among Maintenance Clerks in the same job classification at the location where the vacancy exists; second, from among all Maintenance Clerks in the same job classification on a system-wide basis; and finally from among all other Maintenance Clerks on a system-wide basis on the basis of fitness and ability for the clerk job classification. Whenever vacancies occur, notice will be posted within ten (10) calendar days on the bulletin boards in the appropriate locations giving opportunity for those who desire to apply to file their application and to take any required examination for a different clerk job classification. The posting notice shall show the duties of the job and assigned days off. Transfers and promotions will be made within forty-five (45) calendar days on the basis of fitness and ability for the particular clerk job classification and the applicants will be advised promptly of the results of any required examinations; provided, however, that in all cases where two (2) or more employees have approximately equal qualifications for the vacancy, seniority shall rule. In determining an employee's fitness and ability, consideration will be given to work record, job performance and demonstrated ability. If the transfer is not made within such forty-five (45) day period, any wage adjustment attributable to such transfer shall nevertheless become effective on the forty-sixth (46th) day."
- (d) "Vacancies (including new positions) in the Utility Clerk classification shall be advertised on a system-wide basis. Vacancies shall be filled from among maintenance employees in Section 300 on the basis of fitness and ability for any established Utility Clerk pool. Whenever vacancies occur, notice will be posted within ten (10) calendar days on the bulletin boards in the appropriate locations giving opportunity for those who desire to apply to file their application and to take any required examination for a different clerk job

classification. The posting notice shall show the duties of the job and assigned days off. Transfers and promotions will be made within forty-five (45) calendar days on the basis of fitness and ability for the particular clerk job classification and the applicants will be advised promptly of the results of any required examinations; provided, however, that in all cases where two (2) or more employees have approximately equal qualifications for the vacancy, seniority shall rule. In determining an employee's fitness and ability, consideration will be given to work record, job performance and demonstrated ability. If the transfer is not made within such forty-five (45) day period, any wage adjustment attributable to such transfer shall nevertheless become effective on the forty-sixth (46th) day."

17. New Section 515 – Temporary Shift Change

Add the following new Section 515:

"Employees who are requested by the Authority, between annual picks, to change their shift or division for a temporary period, shall be paid a premium of fifty (50) cents per hour for all time on duty during the period of such voluntary temporary transfer."

18. Appendix C – Base Wage Rates

Amend Appendix C as follows:

- (a) Move the position of "Track Walker" from Group III to Group II.
- (b) Move the position of "Track Repairer" from Group IV to Group III.
- (c) Move all "Sign Fabricator" classifications (Plant) from Group III to Group II.
- (d) The positions of Lost & Found Clerk and Central Lost and Found Technician will be consolidated into a single position entitled Central Lost and Found Technician (at the rate applicable to Central Lost and Found Technician) (\$16.3271 under the CBA that expired April 30, 2001).
- (e) Add the position of "Technical Skills Clerk" to subsection (c).
- (f) Move the position of "Repairable Asset Coordinator" from Group I to Group II.
- (g) Increase the hourly wage rate for Customer Information Agent I, Customer Information Agent II and Customer Information Agent—Lead by 50 cents.
- (h) Move the position of "Surface Refinisher" from Group III to Group II.

19. Part Six – Term of Agreement

19.1 Amend Section 601 to provide for a three year term from May 1, 2001 through April 30, 2004.

19.2 Amend Section 602 to reflect date of execution.

Part II – Bus Maintenance Restructuring Agreement

1. Modify the Bus Maintenance Restructuring Agreement by separating the machine shop in the heavy maintenance overhaul shop into two separate classifications for vacation selection. The two classifications will be designated component overhauls and machinist.

Part III – Supplemental Agreement

The Supplemental Agreement shall be amended as follows:

1. Section 101 – Purpose and Scope of New Service Agreement

Amend Section 101(b) to change the "April 30, 2001" reference to "April 30, 2004."

2. Section 121 – Uniforms, Work Clothes and Tools

Amend Section 121(a) to increase the semi-annual cleaning allowance from \$100 to \$110 effective for allowances paid on or after July 1, 2002.

3. Section 124 – Wages

Amend Section 124 to read as follows:

(a) The Wage Rate for Bus Operators engaged in new service operations shall be as follows:

(1) All Wage Rates in effect on April 30, 2001 shall remain in effect through April 30, 2002.

(2) Effective as of May 1, 2002, all Bus Operators engaged in new service operations shall be subject to the following 36-month progression:

- First 12 months 60% of the eighth year classification rate
Operators hired after May 1, 2002 under the CBA

- Next 12 months 65% of the eighth year classification rate for Operators hired after May 1, 2002 under the CBA
- After 24 months 70% of the eighth year classification rate for Operators hired after May 1, 2002 under the CBA

4. Section 203 – Work Selection

The following new paragraph is added to the end of Section 203(a) effective for picks occurring after the date of ratification:

"The Authority may provide that NSA Operators who pick or who are assigned work in the PRTC internal division must remain in that division for a period of at least one (1) year from the date the work commences (unless they are promoted to a full-time position subject to the CBA)."

5. Section 301 – Term

Amend Section 301 to change all "April 30, 2001" references to "April 30, 2004."

Part IV – Non-Contract Agreements

In addition to the amendments set forth above, the Authority and the Union have reached the following agreements, which are not included as part of the formal CBA:

1. Ratification Bonus – Employees who are in employment status with the Authority on the date this Memorandum of Understanding is ratified by the Union (including for this purpose, employees who are covered by the Supplemental Agreement) shall receive a single lump sum from the Authority as follows: (a) employees who are covered by the CBA and who are in full-time employment status on the date of ratification will receive a lump sum bonus of seven hundred and fifty dollars (\$750); (b) employees who are covered by the CBA and who are in part-time employment status on the date of ratification will receive a lump sum bonus of five hundred dollars (\$500); (c) employees who are covered by the Supplemental Agreement, who are in employment status, and whose assigned run is more than thirty (30) hours on the date of ratification will receive a lump sum bonus of seven hundred and fifty dollars (\$750); and (d) employees who are covered by the Supplemental Agreement, who are in employment status, and whose assigned run is thirty (30) hours or less on the date of ratification will receive a lump sum bonus of five hundred dollars (\$500).
2. Sick Leave Proposals – Within ninety (90) days after the execution of this Memorandum of Understanding, the Authority and the Union shall meet for the purposes of revising Section 116 of the Collective Bargaining Agreement (relating to sick leave) and implementing the agreed upon changes. The parties will use the

sick leave proposal presented by the Authority during negotiations as the starting point for the revision of Section 116.

3. **Discipline** – Within one hundred and eighty (180) days after the execution of this Memorandum of Understanding, the Authority and the Union shall meet for the purposes of discussing the feasibility of developing and implementing a pilot program for alternative forms of discipline.
4. **Bus Maintenance Restructuring** – The CBA shall be amended to incorporate the party's agreement on Bus Maintenance Restructuring that was attached to the prior CBA as Appendix A.
5. **Technical Skills Agreement** – The Agreement between the Authority and the Union dated May 8, 2000 establishing the Technical Skills Program (and all related letters of understanding) will remain in full force and effect.

Executed this 2 day of April, 2002.

For the Authority:

William F. Scott
William F. Scott, II
Assistant General Manager
Workforce Development & Diversity Programs

4/2/02
Date

For the Union:

Charles E. Hicks
Charles E. Hicks
President/Business Agent
Amalgamated Transit Union, Local 689

4/2/02
Date

840072

REVISED 3/27/02

**SUMMARY OF TENTATIVE AGREEMENT
BETWEEN
LOCAL 689, ATU and WMATA**

1. **Contract Duration:**

3-year term from May 1, 2001 through April 30, 2004.

2. **Wage and COLA:**

(a) **Rates of Pay** — All classifications are increased as follows:

Retroactive to November 1, 2001 — 4.0%

Effective November 1, 2002 — 4.0%

Effective November 1, 2003 — 4.0%

5/21/02

Top Rate Excluding Longevity — Selected Classifications			
Effective Date	Operators	Grade AA, Groups I & II	Cleaner, Janitor, Laborer
Present Rate	\$21.0789	\$23.6084	\$16.4415
Nov. 1, 2001	\$21.9221	\$24.5528	\$17.0992
Nov. 1, 2002	\$22.7990	\$25.5349	\$17.7832
Nov. 1, 2003	\$23.7110	\$26.5563	\$18.4946
Increase over term	12.5%	12.5%	12.5%

(b) **Lump-Sum** — All persons who are in employment status with the Authority on the date of ratification will receive a on-time bonus as follows:

Full Time Employees Under CBA — \$750.00

Part Time Employees Under CBA — \$500.00

Scheduled over 30 hours/week under NSA — \$750.00

Scheduled 30 hours/week or less under NSA — \$500.00

(c) Equity Adjustments — (effective on date of ratification)

- Track Walker moved from Group III to Group II.
- Track Repairer moved from Group IV to Group III.
- Sign Fabricator moved from Group III to Group II.
- Surface Refinisher moved from Group III to Group II.
- Repairable Asset Coordinator moved from Group I to Group II.
- Increase all Customer Information Agents by additional \$.50.
- Merge Lost&Found Clerk and Central Lost&Found Tech. into single class at Tech rate.

Examples of Wage Increases Including Equity Adjustments				
Job Class	Present Base Rate	Eff. Date of Rat.	Percentage Increase	
			First-year	over term
Track Walker AA	\$21.92	\$24.55	12.0%	21.1%
Track Repairer AA	\$21.08	\$22.80	8.2%	17.0%
Sign Fabricator AA	\$21.92	\$24.55	12.0%	21.1%
Surface Refinisher AA	\$21.92	\$24.55	12.0%	21.1%
Rep. Asset Coord.	\$23.19	\$24.55	5.9%	14.5%
Customer Info. Agent I	\$14.20	\$15.27	7.5%	21.1%
Lost&Found Clerk	\$15.60	\$17.75	13.8%	23.1%

(e) New-Hire Progressions — Effective May 1, 2002, classifications presently subject to the 84-month hiring progression shall be adjusted as follows:

Year of Service	Employees Hired on or after 7/1/99 and before 5/1/02 Percent of "Top" rate		Employees hired on or after 5/1/02 Percent of "Top" rate	
	Old	New	Old	New
1	55%	60%	55%	60%
2	60%	65%	60%	65%
3	68%	72%	68%	70%
4	76%	76%	76%	75%
5	84%	84%	84%	80%
6	92%	92%	92%	85%
7	96%	96%	96%	90%
8	100%	100%	100%	100%

3. **Pensions:**

- (a) **Benefit Formula** — The benefit formula for all forms of retirement (normal, early, disability, vested and survivor) is improved from 1.7% of high-four years of earnings to 1.85% of high-four, effective for all retirements on or after May 1, 2001.

High-4 Annual Earnings	Normal Retirement Illustration Dollars Per Month Effective May 2001					
	25 years of service		30 years of service		35 years of service	
	Old	New	Old	New	Old	New
\$30,000	\$1,063	\$1,156	\$1,275	\$1,388	\$1,488	\$1,619
\$35,000	\$1,240	\$1,349	\$1,488	\$1,619	\$1,735	\$1,889
\$40,000	\$1,417	\$1,542	\$1,700	\$1,850	\$1,983	\$2,158
\$45,000	\$1,594	\$1,734	\$1,913	\$2,081	\$2,231	\$2,428
\$50,000	\$1,771	\$1,927	\$2,125	\$2,313	\$2,479	\$2,698
\$55,000	\$1,948	\$2,120	\$2,338	\$2,544	\$2,727	\$2,968
\$60,000	\$2,125	\$2,313	\$2,550	\$2,775	\$2,975	\$3,238
\$65,000	\$2,302	\$2,505	\$2,763	\$3,006	\$3,223	\$3,507

Including the effect of wage change, pensions are increased 22.4% over the term of the Agreement.

- (b) **Survivor Benefit** — Effective January 1, 2001, the eligibility requirement for a pre-retirement death survivor benefit is reduced to 15 years of service regardless of age; (presently the employee must be at least age 55 with 15 years of service or age 50 with 20 years before spouse is eligible for a survivor benefit). Additionally, effective January 1, 2002, the pre-retirement survivor benefit provisions are extended to an employee out on disability who dies at any time prior to reaching the normal retirement date. (Presently the spouse forfeits all retirement benefits unless the employee retired on an early or normal benefit).

4. **Health and Welfare:**

- (a) **Life Insurance** — Effective May 1, 2002, life and Accidental Death & Dismemberment are increased to \$50,000 for full-time employees (presently \$40,000), and to \$25,000 for part-time employees (presently \$20,000).

- (b) Dental Maximum — Effective May 1, 2002, the annual dental maximum benefit is increased to \$3,500 per person (presently \$2,750).
- (c) Long Term Disability — Effective January 1, 2002, the Authority will pay 100% of the contributions to LTD plan required over the course of the agreement and until a new agreement is reached in negotiations or arbitration if after April 30, 2004. (Presently, the actual total cost is .88% of payroll; the Authority's contribution is capped at .75% of payroll and the employees pay the difference). The Authority will be permitted to pay required contributions out of the Retirement Fund.
- (d) Survivor Coverage — The survivors of active or retired employees who die after January 1, 2001, will receive health and welfare coverage for 2 years or until the surviving spouse is eligible for Medicare (age 65), whichever is longer. (Presently there is a 2 year maximum period of coverage regardless of the survivor's age)
- (e) HMO Contributions — The Authority will pay 100% of the required contributions to HMO medical and Dental for the life of the Agreement. (Presently employees pay 25% of increases in contributions occurring after December 31, 2001).
- (f) Blue Cross/Blue Shield PPO — Effective May 1, 2002, the deductibles and co-pays for services received out-of-network are increased as follows: Deductibles increased to \$300 per person and \$600 per family (was \$200 and \$400); co-insurance rates remain 25%; annual out-of-pocket maximum is increased to \$1,000 for individual coverage and \$2,000 for family (was \$625 and \$1,250).
- (g) Prescription Drugs — May 1, 2002, the co-pay for brand name drugs is increased to \$15, (presently \$8); the co-pay for generic drugs remains \$5.

5. New-Service Agreement:

- (a) Duration — The Agreement is renewed for the life of the main CBA; but will "sunset" on April 30, 2004 unless specifically continued by the parties.
- (b) Uniform Allowance — Increased semi-annual cleaning allowance to \$110 effective July 1, 2002.
- (c) PRTC Bid Freeze — Employees assigned or picking the PRTC division will be required to remain at the division for at least one year, unless seniority entitles them to pick a full-time position under the main CBA. Effective with the first pick following ratification (i.e. persons are credited with service prior to date of pick)

- (d) Wages — Effective May 1, 2002, wage rates are increased as follows:

First 12 months — 60% of the "Top" Operator's rate under the CBA
Next 12 months — 65% of the "Top" Operator's rate under the CBA
After 24 months — 70% of the "Top" Operator's rate under the CBA

Operator Wage Rates Under New Service Agreement			
Effective Date	1 st year	2 nd year	after 2 years
Present Rate	\$11.31	\$11.31	\$11.31
May 1, 2002	\$13.15	\$14.24	\$15.35
Nov. 1, 2002	\$13.68	\$14.82	\$15.96
Nov. 1, 2003	\$14.23	\$15.41	\$16.60
Increase over term	25.8%	36.3%	46.8%

6. Other Changes:

- (a) Bereavement Leave — Add one day of paid leave for attendance at funeral that is more than 150 miles from employees home.
- (b) Operator Uniforms — Effective July 1, 2002, increase semi-annual cleaning allowance to \$110, (presently \$100).
- (c) Military Leave — Effective on date of ratification, time absent on military leave will be counted as work time for paid holiday work requirement purposes.
- (d) Temporary Shift Change — Effective on date of ratification, the 50 cent premium for temporary shift change is extended to all Division Clerks and Administrative & Clerical classifications.
- (e) Pensioned Part-Time Employees — Increase un-paid vacation to 4 weeks (presently 2); Extend pensioned part-time provisions to Maintenance and Construction classifications provided than no more than 50 such positions be created. Effective May 1, 2002.
- (f) M&C Direct Reports — The provisions of Section 301 on direct reporting, presently applicable to Plant Maintenance and Track & Structure Maintenance, are extended to Systems Maintenance.

- (g) Maintenance Clerk Vacancies — The rules for posting and filling vacancies under 301(c) are extended to Maintenance Clerks and Maintenance Utility Clerks.
- (h) Attendance Bonus — Deleted effective January 1, 2002.
- (i) CDL — Employee's required to hold a CDL must provide authorization allowing Authority to obtain a copy of the Motor Vehicle Record.
- (j) M&C Transfers and Promotions — Transfers and promotions under Section 301 must be made within 45 days (presently 30).
- (k) Bus Maintenance Restructuring Agreement — The classifications of Bus Machinist and Heavy Bus Component Overhauler will pick vacations separately.
- (l) Discipline — For new-hires after May 1, 2002, the probationary period for violations of the Substance Abuse Policy is extended from 90 days to 180 days; thus, the employee may be discharged without access to the EAP; provided however, that any dispute as to whether the Substance Abuse Policy has in fact been violated is subject to the grievance procedure.
- (m) Tool Allowance — Language is clarified and up-dated to assure that all employees in a classification which requires the employees to purchase tools receives the allowance.

Wage Rates Applicable to New VMATA Operating Job Classes

Years of Employment Less than 1	Proposed Progression	Proposed Wage Rate	% Increase Between Steps
1	60.0%	\$ 13.15	
2	65.0%	\$ 14.25	6.3%
3	70.0%	\$ 15.35	7.7%
4	75.0%	\$ 16.44	7.1%
5	80.0%	\$ 17.54	6.7%
6	85.0%	\$ 18.63	6.3%
7	90.0%	\$ 19.73	5.9%
8	100.0%	\$ 21.92	11.1%
9	100.5%	\$ 22.03	0.5%
10	101.0%	\$ 22.14	0.5%
11	101.5%	\$ 22.25	0.5%
12	102.0%	\$ 22.36	0.5%
13	102.5%	\$ 22.47	0.5%
14	103.0%	\$ 22.58	0.5%
15	103.5%	\$ 22.69	0.5%
16	104.0%	\$ 22.80	0.5%
17	104.5%	\$ 22.91	0.5%
18	105.0%	\$ 23.02	0.5%
19	105.5%	\$ 23.13	0.5%
20	106.0%	\$ 23.24	0.5%
21	106.5%	\$ 23.35	0.5%
22	107.0%	\$ 23.46	0.5%
	107.5%	\$ 23.57	0.5%

Wage Rates Applicable to Current WMATA Operating Job Classes

Years of Employment Less than 1	Current Progression	Wage rate	Proposed Progression	Wage Rate	Proposed Increase	Amount of Increase	% Increase
1	55.0%	\$ 11.59	60.0%	\$ 13.15	\$ 1.56	\$ 13.56	13.5%
2	60.0%	\$ 12.65	65.0%	\$ 14.25	\$ 1.60	\$ 16.00	12.7%
3	66.0%	\$ 14.33	72.0%	\$ 15.78	\$ 1.45	\$ 17.23	10.1%
4	84.0%	\$ 17.71	84.0%	\$ 18.42	\$ 0.71	\$ 19.13	4.0%
5	92.0%	\$ 19.39	92.0%	\$ 20.17	\$ 0.78	\$ 20.95	4.0%
6	96.0%	\$ 20.24	96.0%	\$ 21.05	\$ 0.81	\$ 21.86	4.0%
7	100.0%	\$ 21.08	100.0%	\$ 21.92	\$ 0.84	\$ 22.76	4.0%
8	100.5%	\$ 21.19	100.5%	\$ 22.03	\$ 0.85	\$ 22.88	4.0%
9	101.0%	\$ 21.29	101.0%	\$ 22.14	\$ 0.05	\$ 23.09	4.0%
10	101.5%	\$ 21.40	101.5%	\$ 22.25	\$ 0.06	\$ 23.35	4.0%
11	102.0%	\$ 21.50	102.0%	\$ 22.36	\$ 0.86	\$ 23.26	4.0%
12	102.5%	\$ 21.61	102.5%	\$ 22.47	\$ 0.86	\$ 24.33	4.0%
13	103.0%	\$ 21.71	103.0%	\$ 22.58	\$ 0.87	\$ 25.40	4.0%
14	103.5%	\$ 21.82	103.5%	\$ 22.69	\$ 0.87	\$ 26.57	4.0%
15	104.0%	\$ 21.92	104.0%	\$ 22.80	\$ 0.88	\$ 27.75	4.0%
16	104.5%	\$ 22.03	104.5%	\$ 22.91	\$ 0.88	\$ 28.92	4.0%
17	105.0%	\$ 22.13	105.0%	\$ 23.02	\$ 0.89	\$ 29.09	4.0%
18	105.5%	\$ 22.24	105.5%	\$ 23.13	\$ 0.89	\$ 30.26	4.0%
19	106.0%	\$ 22.34	106.0%	\$ 23.24	\$ 0.89	\$ 31.43	4.0%
20	106.5%	\$ 22.45	106.5%	\$ 23.35	\$ 0.90	\$ 32.60	4.0%
21	107.0%	\$ 22.56	107.0%	\$ 23.46	\$ 0.90	\$ 33.77	4.0%
22	107.5%	\$ 22.66	107.5%	\$ 23.57	\$ 0.81	\$ 34.94	4.0%

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**Wage Rates Applicable to New Station Managers
(95% Of Operator Rate)**

Years of Employment	Proposed Progression	Proposed Wage Rate	% Increase Between Steps
Less than 1	60.0%	\$ 12.50	
1	65.0%	\$ 13.54	8.3%
2	70.0%	\$ 14.50	7.7%
3	75.0%	\$ 15.62	7.1%
4	80.0%	\$ 16.66	6.7%
5	85.0%	\$ 17.70	6.3%
6	90.0%	\$ 18.74	5.9%
7	100.0%	\$ 20.83	11.1%
8	100.5%	\$ 20.93	0.5%
9	101.0%	\$ 21.04	0.5%
10	101.5%	\$ 21.14	0.5%
11	102.0%	\$ 21.24	0.5%
12	102.5%	\$ 21.35	0.5%
13	103.0%	\$ 21.45	0.5%
14	103.5%	\$ 21.56	0.5%
15	104.0%	\$ 21.66	0.5%
16	104.5%	\$ 21.76	0.5%
17	105.0%	\$ 21.87	0.5%
18	105.5%	\$ 21.97	0.5%
19	106.0%	\$ 22.08	0.5%
20	106.5%	\$ 22.18	0.5%
21	107.0%	\$ 22.28	0.5%
22	107.5%	\$ 22.39	0.5%

**Wage Rates Applicable to Current Station Managers
(95% Of Operator Rate)**

Years of Employment	Current Progression Wage rate	Current Progression Wage rate	Proposed Progression Wage Rate	Amount of Increase	% Increase
Less than 1	55.0% \$ 11.01	60.0% \$ 12.50	60.0% \$ 12.50	\$ 1.48	13.5%
1	60.0% \$ 12.02	65.0% \$ 13.54	65.0% \$ 13.54	\$ 1.52	12.7%
2	68.0% \$ 13.62	72.0% \$ 15.00	72.0% \$ 15.00	\$ 1.38	10.1%
3	76.0% \$ 15.22	76.0% \$ 15.83	76.0% \$ 15.83	\$ 0.61	4.0%
4	84.0% \$ 16.82	84.0% \$ 17.49	84.0% \$ 17.49	\$ 0.67	4.0%
5	92.0% \$ 18.42	92.0% \$ 19.16	92.0% \$ 19.16	\$ 0.74	4.0%
6	96.0% \$ 19.22	96.0% \$ 19.99	96.0% \$ 19.99	\$ 0.77	4.0%
7	100.0% \$ 20.03	100.0% \$ 20.83	100.0% \$ 20.83	\$ 0.80	4.0%
8	100.5% \$ 20.13	100.5% \$ 20.83	100.5% \$ 20.83	\$ 0.81	4.0%
9	101.0% \$ 20.23	101.0% \$ 21.04	101.0% \$ 21.04	\$ 0.81	4.0%
10	101.5% \$ 20.33	101.5% \$ 21.14	101.5% \$ 21.14	\$ 0.81	4.0%
11	102.0% \$ 20.43	102.0% \$ 21.24	102.0% \$ 21.24	\$ 0.82	4.0%
12	102.5% \$ 20.53	102.5% \$ 21.36	102.5% \$ 21.36	\$ 0.82	4.0%
13	103.0% \$ 20.63	103.0% \$ 21.45	103.0% \$ 21.45	\$ 0.83	4.0%
14	103.5% \$ 20.73	103.5% \$ 21.56	103.5% \$ 21.56	\$ 0.83	4.0%
15	104.0% \$ 20.83	104.0% \$ 21.66	104.0% \$ 21.66	\$ 0.83	4.0%
16	104.5% \$ 20.93	104.5% \$ 21.76	104.5% \$ 21.76	\$ 0.84	4.0%
17	105.0% \$ 21.03	105.0% \$ 21.87	105.0% \$ 21.87	\$ 0.84	4.0%
18	105.5% \$ 21.13	105.5% \$ 21.97	105.5% \$ 21.97	\$ 0.85	4.0%
19	106.0% \$ 21.23	106.0% \$ 22.08	106.0% \$ 22.08	\$ 0.85	4.0%
20	106.5% \$ 21.33	106.5% \$ 22.18	106.5% \$ 22.18	\$ 0.85	4.0%
21	107.0% \$ 21.43	107.0% \$ 22.28	107.0% \$ 22.28	\$ 0.86	4.0%
22	107.5% \$ 21.53	107.5% \$ 22.39	107.5% \$ 22.39	\$ 0.86	4.0%