Michael Collins 2/1/95

TSO Queens Division

It is mutually agreed that the collective bargaining agreement between the MTA New York City Transit and the Union shall be amended as follows:

Term of Agreement

1. The term of this agreement will begin on August 1, 1991 and conclude on March 31, 1998.

Wages

2. The wage rates for the employees represented by the Union shall be increased as follows:

   Effective August 1, 1991, the rates that were in effect on July 31, 1991 shall be increased by 2.0% percent.

   Effective December 1, 1992, the rates that were in effect on November 30, 1992 shall be increased by 2.5% percent.

   Effective August 1, 1993, the rates that were in effect on July 31, 1993 shall be increased by 2.0% percent.

   Effective January 2, 1995, the rates that were in effect on December 31, 1994 shall be increased by 4.0% percent.

   Effective February 1, 1996, the rates that were in effect on January 31, 1996 shall be increased by 3.2% percent.

   Effective March 1, 1997, the rates that were in effect on February 28, 1997 shall be increased by 3.2% percent.

   Upon ratification and approval of this agreement, the Authority will cease paying night and weekend differentials to employees for any day on which the employee does not actually work.

   Effective January 1, 1997, a $275 payment will be added to the annual base salary scales of all employees.

Wage Progression

3. Employees hired on or after the date of ratification and approval of this agreement shall receive during the first four (4) years of their employment a percentage of top rate of pay of the employee's title in accordance with the following schedule:

   80% during first year of service
   85% during second year of service
   95% during third year of service
   100% during fourth year of service

Gainsharing

4. The parties agree to establish and abide by the Gainsharing Program as outlined in Appendix A of this Memorandum of Understanding.

Michael Cohen 2/1/95

Health and Welfare

5. A. Basic Plan:

Transit will continue to make contributions on behalf of active employees and retirees to maintain existing basic benefit plan coverages subject to the following changes

1) $10.00 per visit co-payment for home or office visits with GHI participating medical providers.

2) $10.00 co-payment for each diagnostic test to a limit of $20.00 in any one visit under GHI except for retirees or dependents covered under Medicare.

3) Elimination of reimbursement under GHI for all non-participating medical providers.

The above listed co-payment requirements will be effective within one month of the ratification and approval of this Agreement.

4) NYC Transit agrees to upgrade retiree basic coverage to GHI/CBP from GHI/Type C.

5) NYC Transit agrees to provide active employees and retirees the option of selecting one of the medical plans that are presently offerred to other represented Career & Salary employees of NYC Transit. NYC Transit's premium payments for a medical plan will be limited to no more than the HIP/HMO rate. Active employees and retirees who select a medical plan whose premium exceeds the HIP/HMO rate will be responsible for the additional premium payment. Active employees will have such additional premiums deducted from their biweekly paycheck. Since there is no mechanism to collect excess premium payments for retirees, TSO agrees to be responsible for and remit such premium payments to NYC Transit on behalf of retirees. NYC Transit will notify TSO when a retiree chooses a health benefit plan requiring a contribution and the amount of the contribution due.

6) There will be a continuous open enrollment period for all employees and retirees. However, once an employee elects a plan he/she will be frozen into that plan for a minimum of 18 months.

It is also agreed that if annual basic premiums for basic benefits exceed 5% in any one of the calendar years beginning in January, 1995 and concluding in December, 1997, the parties will meet to discuss additional cost containment options to control or reduce costs.

B. Supplemental Plan Coverage

NYC Transit agrees to increase annual contributions to the supplemental fund for active employees by $40 effective August 1, 1991, $45 effective August 1, 1992 and an additional $40 effective August 1, 1993.

Thereafter, NYC Transit will increase the supplemental fund contributions annually by 5% effective January 1, 1995, an additional 5% increase effective February 1, 1996 and 5% effective March 1, 1997.

Michael Pol 2/1/95

c. Reports

NYC Transit will make the Supplemental Fund an interest bearing account. Interest will be credited and reported to the union on a quarterly basis.

Health Care Costs of Pension Plan

6. TSO agrees that the health care costs emanating from the 25/55 pension plan will be paid for by employees in accordance with the terms listed in Appendix B.

Medicare Reimbursement

7. Effective January 1, 1995, medicare reimbursement for retirees and spouses will be eliminated.

Flexible Spending Account

8. The Authority agrees to offer represented employees, as soon as practicable, Medical Spending and/or Dependent Care Account as defined under Section 125 of the IRS code.

Grievance Procedures

9. a) The existing grievance procedures will be amended as set forth in Appendix C.

b) The parties agree to meet to designate a new arbitrator and an alternate to serve for the duration of the agreement.

Vacation

10. a) Single Day Vacations - Employees who want to take one (or two) week(s) of their annual vacation in single days or cash in a single week (or two) of their vacation allowance will be given the opportunity to do so approximately six weeks before the general pick or the start of the vacation year, whichever comes first. Cash sums paid to employees for vacation days will not be considered pensionable income.

b) Employees who choose to cash in a single week (or two) shall have the choice of receiving payment concurrent with their first week of picked vacation or first pay period immediately preceding the vacation year.

c) Employee requests for single vacation days, AVAs or OTO time will be limited to one slot per depot per day within the Transportation section. Maintenance employee requests will be considered subject to operational circumstances, however, approval for such leave shall not be unreasonably withheld. Such requests must be submitted at least one week in advance of the requested day and are subject to supervisory approval. Single day vacation, AVA or OTO time requests submitted with less than one week notice will be granted at the sole and absolute discretion of supervision regardless of daily quota.

d) One month before the end of the vacation year, unscheduled single vacation days will be cashed in. Scheduled single vacation days which are not used by the end of the vacation year will be cashed in at the end of the vacation year.

e) Unused single vacation days will not be permitted to be

Michael Doll 2/1/95

carried over to the subsequent vacation year.

Uniforms

11. The Authority will supply uniforms to those employees required to wear them.

Drug and Alcohol

12. The provisions of the parties collective bargaining agreement covering drug and alcohol testing shall be amended by adding the provisions set forth in Appendix D of this Memorandum of Understanding.

Injury on Duty and Physical Disability

13. The existing Injury on Duty and Physical Disability provisions of the collective bargaining agreement shall be amended in accordance with Appendix E and F, respectively, of this Memorandum of Understanding.

Americans with Disabilities Act

14. The Union agrees with any modification of this Agreement needed to comply with the regulatory requirements of the Americans with Disabilities Act.

Reporting Assaults

15. All supervisors shall immediately call the New York City Transit Police Department whenever an assault to an employee is reported if the employee claiming the assault has not done so. Failure to do so or to cooperate with a police investigation may result in disciplinary action.

Transportation Pass

16. All employees and retirees will receive a transportation pass which can be used on both OA and TA facilities. Spousal passes will be eliminated.

Michael Collins 2/1/95

Check Cashing

17. Effective January 1, 1995, check cashing time and services where and if they exist will be eliminated.

THIS AGREEMENT MAY NOT BE ENTERED INTO EVIDENCE DURING ANY INTEREST ARBITRATION PROCEDURES ON THE CONTRACT TO BE EFFECTIVE AUGUST 1, 1991.

IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISION OF THIS AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AGREEMENT OF LAW OR BY PROVIDING ADDITIONAL FUNDS, THEREFORE, SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL.

IT IS FURTHER AGREED THAT THE PARTIES WILL JOINTLY SEEK SUCH APPROVAL WHERE REQUIRED.

MTA NYC TRANSIT

Carmen S. Suardy
Vice President
Labor Relations

TRANSIT SUPERVISORS ORGANIZATION

Michael Collins 2/1/95
Michael Collins
President
TSO

Steven Mayo
Director
Labor Research

David Rosen
General Counsel
TSO

Date: _____

Appendix A

Queens Division - Transit Supervisors Organization - TSO

Gainsharing

It is the intent of the parties to establish a Gainsharing Program, whereby employees who participate in jointly adopted programs to increase productivity will receive a share of the savings generated.

1. **Gainsharing Program**

a. In Queens Division a Joint Labor-Management Committee composed of two (2) management representatives and two (2) union representatives will meet to consider work productivity issues which will enhance the cost effectiveness and/or efficiency of the Authority. The Committee will review current work practices and consider alternatives which will reduce the cost of operating the system without diminishing service. However, the Authority waives none of its right to exercise all management prerogatives as set forth in the Management Rights clause of the Agreement, including but not limited to the level and type of service enhancement: nor does the Union waive any contractual right or working condition secured to it by the collective bargaining agreement.

b. Upon the recommendation of a Joint Committee to implement a gainsharing project, a program shall be established. The savings associated with any gainsharing program, which may include a pilot phase if the committee so recommends, will be determined by periodic audits conducted by the Authority's Office of Internal Audit. If the Union disagrees with the findings of the Authority's Office of Internal Audit, the parties will select an independent outside auditor. If the parties cannot agree on an independent outside auditor, the contract arbitrator will select an independent outside auditor. The determination of the independent outside auditor will be binding on the parties. After completion of the Audit, the cost savings will be quantified.

c. Effective May 1, 1993, or on a subsequent date as described below savings thus quantified shall be distributed to employees involved in each program as follows: a sum up to but not to exceed 1% of the annual wages of the employees shall be distributed to employees as wage increases, provided however, that wage rates may not vary for any particular title. Anything beyond shall be divided as follows: 1/3 to employees, in cash; 1/3 to the Authority; and 1/3 to provide service enhancements to the public provided that the Authority is not otherwise required to reduce existing service. If the quantified savings do not generate 1% of the annual wages of the employees by May 1, 1993, the 1% wage increase will be made effective on the subsequent date when the 1% savings is annualized. In order to prevent creating different wage rates for the same title, the 1% wage increase may, by agreement of the parties, be converted into a cash payment.

d. By mutual agreement, the parties may discontinue gainsharing programs. In this case, the payments associated with such discontinued gainsharing programs shall also cease.

e. The recommendations of the Joint Committee and the amount of cost savings are not subject to the grievance procedure of the collective bargaining agreement. Recommendations of the Committee to proceed with a Gainsharing project must be unanimously approved by its members. In the event of disagreement either party may appeal a decision of the Committee to the Presidents of the Authority and the Union. Failure of the Committee and the Presidents to agree on a project recommendation will be deemed a rejection of the project.

Appendix A

Queens Division - Transit Supervisors Organization - TSO

Gainsharing

It is the intent of the parties to establish a Gainsharing Program, whereby employees who participate in jointly adopted programs to increase productivity will receive a share of the savings generated.

1. **Gainsharing Program**

a. In Queens Division a Joint Labor-Management Committee composed of two (2) management representatives and two (2) union representatives will meet to consider work productivity issues which will enhance the cost effectiveness and/or efficiency of the Authority. The Committee will review current work practices and consider alternatives which will reduce the cost of operating the system without diminishing service. However, the Authority waives none of its right to exercise all management prerogatives as set forth in the Management Rights clause of the Agreement, including but not limited to the level and type of service enhancement: nor does the Union waive any contractual right or working condition secured to it by the collective bargaining agreement.

b. Upon the recommendation of a Joint Committee to implement a gainsharing project, a program shall be established. The savings associated with any gainsharing program, which may include a pilot phase if the committee so recommends, will be determined by periodic audits conducted by the Authority's Office of Internal Audit. If the Union disagrees with the findings of the Authority's Office of Internal Audit, the parties will select an independent outside auditor. If the parties cannot agree on an independent outside auditor, the contract arbitrator will select an independent outside auditor. The determination of the independent outside auditor will be binding on the parties. After completion of the Audit, the cost savings will be quantified.

c. Effective May 1, 1993, or on a subsequent date as described below savings thus quantified shall be distributed to employees involved in each program as follows: a sum up to but not to exceed 1% of the annual wages of the employees shall be distributed to employees as wage increases, provided however, that wage rates may not vary for any particular title. Anything beyond shall be divided as follows: 1/3 to employees, in cash; 1/3 to the Authority; and 1/3 to provide service enhancements to the public provided that the Authority is not otherwise required to reduce existing service. If the quantified savings do not generate 1% of the annual wages of the employees by May 1, 1993, the 1% wage increase will be made effective on the subsequent date when the 1% savings is annualized. In order to prevent creating different wage rates for the same title, the 1% wage increase may, by agreement of the parties, be converted into a cash payment.

d. By mutual agreement, the parties may discontinue gainsharing programs. In this case, the payments associated with such discontinued gainsharing programs shall also cease.

e. The recommendations of the Joint Committee and the amount of cost savings are not subject to the grievance procedure of the collective bargaining agreement. Recommendations of the Committee to proceed with a Gainsharing project must be unanimously approved by its members. In the event of disagreement either party may appeal a decision of the Committee to the Presidents of the Authority and the Union. Failure of the Committee and the Presidents to agree on a project recommendation will be deemed a rejection of the project.

APPENDIX B

It is understood that the additional health benefit costs that arise out of the passage into law of the 25/55 pension plan (A.12080 and 58420A) for TSO Queens Division represented supervisory employees shall be borne by all employees represented by TSO. The parties will negotiate as to the amount of such cost immediately following ratification of this agreement. If no agreement is reached regarding such cost, either party may request the current Impartial Arbitrator to appoint a special arbitrator to decide what the cost is. Such request may be made at any time but no sooner than 30 days after ratification of this agreement. The Special Arbitrator's decision shall be issued no later than January 31, 1996. It is further understood that the cost shall be imposed in a manner that parties shall hereafter agree to. If the parties do not agree, the health benefit costs will be split in half with each half payable out of the agreed upon wage increases for the last two years of the 1991-1996 collective bargaining agreement. Such imposition of costs shall be implemented during the term of the 1991-1996 bargaining agreement.

The obligations imposed by this agreement shall be incorporated and implemented as part of the 1991-1996 collective bargaining agreement.

Carmen Brandy 2/10/95
Agreed To

Michael Collins 2/10/95
Agreed To

QUEENS SUPERVISORY UNIT (TSO)
Disciplinary and Contractual Grievance Procedure

Article VI. Grievance Procedure

A. Contractual Interpretation Grievance Procedure

A "Contractual Interpretation Grievance" is hereby defined to be a complaint on the part of any employee covered by this contract, or a group of such employees, that there has been, on the part of management, noncompliance with, or a misinterpretation or misapplication of any of the provisions of this Agreement or any written working condition, rule, or resolution of the Transit Authority governing or affecting its employees.

1. Contractual Interpretation Grievances of employees covered by this collective bargaining agreement shall be processed and settled in the following manner:

Step 1

Any employee [, either orally or in writing,] personally or through the Union, may present a grievance, in writing, to his/her Department Head or designee [immediate superior at any time] within five (5) days after the occurrence of the event complained of, and may discuss the grievance with such Department Head or designee [superior], but only one representative of the Union shall be permitted to be present at this discussion. The Department Head or designee [superior] to whom the employee makes his/her complaint shall communicate his/her decision to the employee and to the Union, if he/she has been represented by the Union, within seven (7) days after receiving the complaint.

[Step 2]

[At any time within three (3) days after the decision at Step 1 is made, the employee, personally or through his/her Union Representative, may appeal from that decision to the head of the department in which the grievance arose. Such appeal shall be in writing, and shall be heard by the head of the department within five (5) days after the receipt of the appeal. Notice of hearing shall be given to the employee and to the Union, if he/she is represented by the Union, and he/she and/or his/her Union Representative shall be allowed to attend and be heard. The Department Head shall, within seven (7) days after the hearing, deliver his/her written decision to the employee and his/her Union Representative and shall file a copy thereof with the Authority's Department of Labor Relations.]

[Where three (3) or more employees in one Department have a similar grievance, they, individually or through the Union, may in the first instance, without invoking Step 1, present such group grievance to the Department Head, who shall order an informal hearing and render his/her decision within seven (7) days.]

Step 2 [3]

The aggrieved employee or his/her Union Representative may, at any time within five (5) days after the filing and mailing of said decision, appeal from the decision of the Department Head to the Deputy Vice President, Labor Disputes Resolution. Such appeal shall be in writing and shall be delivered

to the Deputy Vice President, Labor Disputes Resolution accompanied by a copy of the decision of the Department Head and a brief written statement of the reason for the appeal from that decision. The Deputy Vice President, Labor Disputes Resolution shall conduct a hearing on such appeal on notice to the aggrieved employee and/or to his/her Union Representative, giving him/her an opportunity to attend and said employee shall have the right to be heard personally or through his/her Union Representative. The Deputy Vice President, Labor Disputes Resolution shall mail a copy thereof to the aggrieved employee and his/her Union Representative, if any, within ten (10) days after the close of the hearings.

The Deputy Vice President, Labor Disputes Resolution may, at any time, on his/her own motion, review any decision at Step[s] 1 [and 2,] and may overrule or modify said decision after first giving the employee or employees who are affected thereby and his/her or their Union Representative an opportunity to be heard. Within (10) days after the close of the hearing, the written decision of the Deputy Vice President, Labor Disputes Resolution whether it be to sustain or to overrule, or modify such decision made at any lower step in the procedure, shall be mailed to the employee and/or his/her Union Representative.

The Authority shall maintain a Department of Labor Relations to promote the efficient and expeditious processing of grievances and uniformity of interpretation and application of contract provisions and working rules, to keep grievances to a minimum and to promote harmonious labor and management relations.

In any case where the decision on a grievance, filed and presented by an employee individually, would affect other employees or would involve a basic interpretation or application of the provisions of this contract or of any working condition, rule or resolution, the Union shall be given notice and its representative shall be permitted to attend and be heard at each step in the grievance procedure.

2. (a) If the Union [An employee, represented by the Union, who] is not satisfied with the decision on a [his/her] grievance or complaint at Step 2 [3] of the grievance procedure it may, within ten (10) days after receipt of the Step 2 [3] decision [, either individually or through his/her Union Representative,] give written notice of intention to arbitrate to the Deputy Vice President, Labor Disputes Resolution. Within twenty (20) days thereafter, or within such time as otherwise agreed to by the parties [, the employee or his/her representative] shall file with the Arbitrator, and serve upon the Deputy Vice President, Labor Disputes Relations, a full and complete statement of the nature and grounds of the grievance or complaint and the remedy sought, together with a copy of the Step 3 decision.

(b) The Arbitrator shall fix a date for a hearing on at least three (3) days notice to the Authority and to the employee and his/her Union Representative, and the employee and his/her representative and a representative of the Authority shall attend the hearing. At the request of the Arbitrator, witnesses, records and other documentary evidence as required shall be produced.

The Impartial Arbitrator to serve as such until [July 31, 1991] shall be Daniel G. Collins who has been selected by the parties to this Agreement.

If the parties cannot agree on the designation of an arbitrator, or if the office should become vacant, they should utilize the procedures of the American Arbitration Association for the selection of an arbitrator.

(c) The Arbitrator shall mail a copy of his/her opinion and award to the Deputy Vice President, Labor Disputes Resolution and to the employee or his/her representative within ten (10) days after the close of the hearing. His/her determination upon matters within his/her jurisdiction and submitted to him/her under and pursuant to the terms and conditions of this Agreement, shall be final and binding upon the parties.

(d) In rendering his/her opinion and award, the Arbitrator shall be strictly limited to the interpretation and application of any agreement between the parties, any written working condition, rule or resolution of the Authority governing or affecting employees represented by the Union, but shall be without power or authority to add to, delete from, or modify any such agreement, working condition, rule or resolution. The Arbitrator shall not have authority to render any opinion or make any recommendations hereunder:

(1) inconsistent with or contrary to the provisions of applicable Civil Service Laws, Rules and Regulations;

(2) limiting or interfering in any way with the statutory powers, duties and responsibilities of the Authority in operating, controlling and directing the maintenance and operation of the transit facilities, or with the Authority's managerial responsibility to run the transit lines safely, efficiently and economically;

(3) with respect to modification of any wage rates applicable to employees represented by the Union;

(4) with respect to any disciplinary action or determination of unfitness of any employee to perform his/her duties taken or proposed to be taken by the Authority.

(e.) The Authority shall also have the right to submit to the Arbitrator for his/her opinion and determination, upon twenty (20) days notice to the Union, any complaint or dispute between the parties arising solely out of the interpretation, application, breach or claim of breach of the provisions of this Agreement.

In computing the time within which any action must be taken under the foregoing grievance procedure, Saturdays, Sundays, and Holidays shall not be counted.

The time limitations provided in this Article shall be strictly adhered to by the employees, by the Union, and by the Authority. A grievance, may be denied at any level because of failure to adhere to the time limitations. In exceptional cases, however, and for good cause shown, the time limitations may be waived and a decision made on the merits. It is agreed, however, that neither the filing of any complaint nor the pendency of any grievance as provided in this Article, shall prevent, delay, obstruct, or interfere with the right of the Authority to take the action complained of, subject of course, to the final disposition of the complaint or grievance as provided for herein.

Nothing contained in this Article or elsewhere in this Agreement shall be construed to deprive any individual employee or employees from presenting or processing his/her or their own grievance through the procedures provided in this Article.

B. Disciplinary Grievance Procedure

A "disciplinary grievance" is hereby defined to be a complaint on the part of any covered employee that there has been a violation of the employee's contractual rights with respect to a disciplinary action of a warning, reprimand, fine, suspension, demotion, and/or dismissal except that a "disciplinary grievance" shall not include the removal or other discipline of a probationary or provisional employee. This provision shall not be construed to deprive a provisional employee of his/her right to use this procedure prior to suspension or termination from his/her permanent title.

1. It is understood that the right to discharge or discipline employees for cause and to maintain discipline and efficiency of employees is the responsibility of the Authority.

2. The disciplinary procedure set forth in this Section shall be in lieu of any other disciplinary procedure that may have previously applied to an employee covered by this Agreement including but not limited to the procedure specified in Sections 75 and 76 of the Civil Service Law and shall apply to all persons who but for this procedure would be subject to Sections 75 and 76 of the Civil Service Law. This procedure shall not apply to probationary or provisional employees.

3. No warning or reprimand or other disciplinary action, shall be entered on an employee's record or otherwise imposed until the completion of the disciplinary procedure set forth . This provision shall not, however, foreclose pre-disciplinary suspension of an employee for reason of serious misconduct detrimental to the operation of the Authority including but not limited to use of controlled substances, being under the influence of an intoxicating liquor on the the job, theft of Authority property, assault upon a supervisor or gross insubordination.

4. In a disciplinary grievance where an employee subject to the disciplinary grievance provisions herein has been suspended pending appeal under this procedure, such employee shall be restored to the payroll pending the finalization of the disciplinary case after the employee has been suspended from service for thirty five (35) Suspension Days.

"Suspension Days" shall be counted from the day on which the Authority receives the employee's notice of appeal to Step I and counting shall continue until the day that the case is first scheduled before the Impartial Arbitrator. However, Suspension Days shall not include any time after an employee is notified of the decision at any of the steps until the Authority receives written notice of the appeal to the next step in the procedure nor any delay of a hearing or postponement brought about by the employee or his/her Union representative. Additionally, regular days off and Authority observed holidays shall be excluded from the calculation of Suspension Days.

In no event shall section 4 entitle an employee to pay beyond the first scheduled hearing date before the Arbitrator except that where such hearing date is postponed at the request of the Authority, Suspension Days shall include any delay directly caused by such postponement.

5. An employee may work off suspension time, at management's discretion, on his/her regular day off or during his/her vacation period at a rate of one day for each day of suspension.

6. No meeting, hearing or arbitration for a disciplinary grievance shall interfere with the employee's work schedule.

7. A copy of the employee's transcript of disciplinary record will be supplied to the Union as early in the procedure as is feasible.

8. a) Upon the mutual agreement of the parties, an employee may choose to work for any period of suspension and pay a fine equal to 30% of his/her regular salary during the period in question. For the purposes of progressive discipline, the only penalty reflected on the employee's record will be the suspension time that was originally accepted or imposed through arbitration. The Authority shall not deduct more than thirty percent (30%) of an employee's weekly salary in any week.

b) The provisions set forth in paragraph 8. a) shall not be available to employees who are pre-disciplinary suspended.

9.[8.] Disciplinary grievances as defined in Article VI Paragraph B above, shall be processed and settled in the following manner:

Step I

An employee or his/her Union representative shall be permitted within five (5) days from the time of notification of the disciplinary action to request in writing, by completing a form provided by the Authority, and presenting it to the employee's Department Head or designee [Location Chief]. General Superintendents or Superintendents may hold disciplinary, grievance, or administrative hearings; however, Superintendents holding disciplinary hearings may not award any punishment in excess of a final warning. The grievance shall be scheduled to be heard within fifteen (15) days after receipt of the written request by the employee's Department [Responsibility Center] Head or designee. The employee may be accompanied at this meeting by his/her Union representative. The decision on the appeal will be rendered to the employee and his/her Union representative within ten (10) days after the meeting.

Where a pre-disciplinary suspension has been imposed, the employee will be given an opportunity to meet with the Department [Responsibility Center] Head or his/her designee, within twenty-four (24) hours after his/her suspension (or the next weekday work day if suspension is on Saturday, Sunday or holiday) at which meeting a representative of the Union may be present, and notice, which may be by telephone, of such meeting shall be given to such employee and his/her Union representative or the union office in the event the employee's Union representative is not available at least twelve (12) hours before such meeting. The location of the meeting will normally be at the field office of the designated member of supervision. The decision of the Department [Responsibility Center] Head will be rendered in writing to the employee and his/her Union representative within seven (7) days following said meeting.

[Step II]

[In the event that the matter is not satisfactorily adjusted with the Responsibility Center Head, the employee or his/her Union representative may, within five (5) days of notification of the decision, appeal in writing, by completing a form provided by the Authority, to the employee's Department Head or his/her designee. The appeal shall be scheduled to be heard within twenty (20) days after receipt of the written request by the Department Head or his/her designee. The employee may be accompanied by his/her Union representative. The decision upon the appeal shall be rendered in writing within ten (10) days after the meeting.]

[Where a pre-disciplinary suspension has been imposed, the employee or his/her Union representative will be given an opportunity to meet with the employee's Department Head or his/her designee, within nine (9) days of receipt of written appeal to Step II. The decision of the Department Head will be rendered in writing to the employee and his/her Union representative within seven (7) days after the meeting.]

Step II [III]

In the event that the matter is not satisfactorily adjusted with the Department Head or designee, the employee or his/her Union representative may, within five (5) days after the receipt of written notification from the Department Head of his/her decision, submit the dispute in writing, by completing a form provided by the Authority, to the Authority's Deputy Vice President of Labor Disputes Resolution or his/her designee. The appeal shall be heard within thirty (30) days after the receipt of the written request by the Deputy Vice President of Labor Disputes Resolution or his/her designee. The Deputy Vice President of Labor Disputes Resolution or designee shall within twenty (20) days after such hearing is closed, render his/her decision in writing.

Where a pre-disciplinary suspension has been imposed, the hearing shall be held within eight days of receipt of appeal in the Labor Relations Department. The Deputy Vice President of Labor Disputes Resolution or designee shall within two (2) days after such hearing is closed, render his/her decision in writing.

Where proof of the violation involves evidence from a Special Inspector, the Union representative may request that the Deputy Vice President of Labor Disputes Resolution or his/her designee direct that such Special Inspector be present at a fact finding conference between the union representative and management. In his/her discretion the Deputy Vice President of Labor Disputes Resolution or his/her designee may direct that such a conference be held.

10. [9.] Impartial Arbitrator

In the event that the disciplinary grievance is not satisfactorily adjusted with the Authority's Deputy Vice President of Labor Disputes Resolution or his/her designee at Step II [III], the employee or his/her Union representative may within five (5) days of notification of the decision, appeal in writing to the Impartial Arbitrator.

The Impartial Arbitrator to serve as such until _____[July 31, 1991] shall be Daniel G. Collins who has been selected by the parties to this Agreement.

If the parties cannot agree on the designation of an Impartial Arbitrator, or if the office of the Impartial Arbitrator should become vacant, they shall utilize the procedure of the American Arbitration Association for the selection of an arbitrator.

The impartial arbitration hearing shall take place as soon as practicable at a time and place to be agreed upon by the parties, or, if they cannot agree, at a time and place fixed by the designated Impartial Arbitrator upon at least fourteen (14) days notice to the parties.

The Union and the Authority shall be given an opportunity to be heard and to submit proof as may be desired to the Impartial Arbitrator. No transcript of the arbitration hearing shall be required.

Within fifteen (15) days after the closing of the hearing, the decision of the Impartial Arbitrator, whether it be to sustain or to overrule or modify the decision made at a Step II [III] hearing in the procedure, shall be issued. Such decision shall be final and binding. Such decision shall be mailed to the employee and his/her said representative and to the Deputy Vice President of Labor Relations.

Where an employee is suspended, the Impartial Arbitrator shall make every effort to make its decision within five days. Where such a decision is reached within five days but the Impartial Arbitrator has not yet reduced it to a written opinion, said decision shall be rendered in writing to all parties as a one line award, and the Impartial Arbitrator may set forth the written opinion afterwards. This, however, does not relieve the Impartial Arbitrator from his/her obligation to render a formal written opinion and award within fifteen days.

The Impartial Arbitrator, in rendering any opinion or determination, shall be strictly limited to the interpretation and application of the provisions of this Agreement, or of any written working condition, rule or resolution of the Authority governing or affecting hourly paid employees, and it shall be without any power or authority to add to, delete from, or modify any of the provisions of this Agreement, or of such working conditions, rules or resolutions. The Impartial Arbitrator shall not have the authority to render any opinion or make any recommendations:

(a) inconsistent with or contrary to the provisions of the applicable Civil Service Laws and Regulations;

(b) limiting or interfering in any way with the statutory powers, duties, and responsibilities of the Authority in operating, controlling, and directing the maintenance and operation of the transit facilities, or with the Authority's managerial responsibility to run the transit lines safely, efficiently and economically;

(c) with respect to modification of any wage rates provided in Article V hereof.

If there is presented to the Impartial Arbitrator for decision any charge which, if proved in Court, would constitute a felony, or any charge involving assault, theft of Authority property, intoxication, use of controlled substances or chronic absenteeism, the question to be determined by the Impartial Arbitrator shall be with respect to the fact of such conduct. Where

such charge is sustained by the Impartial Arbitrator, the action by the Authority, based thereon, shall be affirmed and sustained by the Arbitrator except if there is presented to the arbitrator credible evidence that the action by the Authority is clearly excessive in the light of the employee's record and past precedent in similar cases. It is understood by the parties that this exception will be used rarely and only to prevent a clear injustice.

C. Involuntary Medical Leave Grievance Procedure

[This grievance and arbitration procedure shall take effect two weeks after the approval of this Agreement by the Financial Control Board and no part of this procedure shall apply to any grievance, as defined herein, commenced prior to that date.]

1. The involuntary medical leave grievance procedures contained herein, shall be in lieu of any administrative procedure specified in Sections 72 and/or Section 73 of the Civil Service Law.

2. Nothing in these procedures shall prevent the Authority from placing an employee on an involuntary leave of absence where such leave has been determined to be appropriate by the Authority's Medical Department.

3. An " Involuntary Medical Leave Grievance" is hereby defined to be a complaint on the part of any covered employee that would otherwise be subject to Sections 72 and/or 73 of the Civil Service Law that he or she has been improperly placed on such involuntary leave. Involuntary Medical Leave Grievances shall be processed and settled in the following manner:

Step I

An employee or his/her Union representative shall be permitted within ten (10) [five (5)] days from the time of notification of his/her work status based upon the Authority's medical diagnosis [being placed on an involuntary leave of absence due to a medical condition,] to request in writing a Step I hearing, by completing a form provided by the Authority, to be heard directly by the Deputy Vice President, Labor Disputes Resolution or his/her designee. The employee may be accompanied at this meeting by his/her Union representative[.] and must provide written medical documentation in support of his/her claim. The Deputy Vice President, Labor Disputes Resolution or designee shall within twenty (20) days after such hearing is closed, render his/her decision in writing. Such decision may be to return the grievant to full duty, to allow the grievant to remain on leave or to require the grievant to undergo a medical examination by an impartial physician. The findings of the Impartial Physician shall be binding upon the parties. If the decision of the impartial physician is not clear, the parties may seek a written clarification. The designation of the impartial physician shall be made promptly after the Step I decision is rendered. A joint letter requesting the medical examination will be sent by the Authority and the Union. The fees of the impartial physician shall be divided equally between the Authority and the Union.

D. Impartial Arbitrator

Within ten (10) days of notification of the decision of Impartial Physician, the employee or his/her Union representative may appeal in writing to the Impartial Arbitrator.

In no case shall the hearing before the Impartial Arbitrator be scheduled before the impartial physician's report is received by the parties.

The jurisdiction of the Arbitrator shall be limited exclusively to the issue of whether the employee's work status established by the Authority complies with the findings of the impartial physician. The parties agree that the Impartial's written findings shall automatically become part of the record in each medical appeal. The party requesting the hearing shall bear the burden of proof. The Impartial Physician cannot be called as a witness at the hearing.

The Impartial Arbitrator shall be selected by mutual agreement of the parties to serve as such for the period agreed to by the Union and the Authority.

Should, at any time during the term of this Agreement, if the Impartial Arbitrator is unable to serve, a replacement will be selected by mutual agreement of the parties to this Agreement.

[In the event that an involuntary medical leave grievance is not satisfactorily adjusted with the Authority's Deputy Vice President of Labor Disputes Resolution or his/her designee, the employee or his/her union representative may within five (5) days of notification of the decision, appeal in writing to the Impartial Arbitrator.]

[The Impartial Arbitrator to serve as such until July 31, 1991 shall be Daniel G. Collins who has been selected by the parties to this Agreement.]

[If the parties cannot agree on the designation of an Impartial Arbitrator, or if the office of the Impartial Arbitrator should become vacant, they shall utilize the procedure of the American Arbitration Association for the selection of an arbitrator.]

The Impartial Arbitrator shall meet as soon as practicable at a time and place to be agreed upon by the parties, or, if they cannot agree, at a time and place fixed by the designated Impartial Arbitrator upon at least fourteen (14) days notice to the parties.

The Union and the Authority shall be given an opportunity to be heard and to submit proof as may be desired to the Impartial Arbitrator. No transcript of the arbitration hearing shall be required.

Within fifteen (15) days after the closing of the hearing, the decision of the Impartial Arbitrator, whether it be to sustain or to overrule or modify the decision of the Deputy Vice President, Labor Disputes Resolution or his/her designee, shall be issued. Said decision shall be by majority vote and be written by the impartial chairperson Such decision shall be final and binding. Such decision shall be mailed to the Union [employee and his/her representative] and to the Deputy Vice President, Labor Disputes Resolution. The Union will promptly apprise the member of the decision.

The Impartial Arbitrator, in rendering any opinion or determination, shall be strictly limited to the interpretation and application of the provisions of this Agreement, or of any written rule, or Policy/ Instruction of the Authority [or of any written working condition, rule or resolution] governing or affecting hourly paid employees, and it shall be without any power or authority to add to, delete from, or modify any of the provisions of this Agreement, or of such rules, [working conditions, or resolutions] or Policy/Instructions. Impartial Arbitrator shall not have the authority to render any opinion or make any recommendations:

(i) inconsistent with or contrary to the provisions of the applicable Civil Service Laws and Regulations;

(ii) limiting or interfering in any way with the statutory powers, duties, and responsibilities of the Authority in operating, controlling, and directing the maintenance and operation of the transit facilities, or with the Authority's managerial responsibility to run the transit lines safely, efficiently and economically;

(iii) with respect to modification of any wage rates provided in Section hereof.

All fees and expenses of the Impartial Arbitrator shall be divided equally between the Authority and the Union.

E. General Provisions

1. The Authority recognizes the Union as the exclusive representative for the presenting and processing of employee grievances.

2. It is agreed that neither the filing of any complaint, nor the pendency of any grievance, as provided in Articles VI, VII, and VIII shall prevent, delay, obstruct, or interfere with the right of the Authority to take the action complained of, subject, of course, to the final disposition of the complaint or the grievance as provided for herein.

3. By mutual agreement, on a case by case basis, the parties may agree to bypass any step of this procedure.

4. In computing the time within which any action must be taken under the above procedures, Saturdays, Sundays and holidays shall not be counted.

5. The time limitations provided in this Article shall be strictly adhered to by employees, by the Union and by the Transit Authority. A grievance may be denied at any level because of failure to adhere to the time limitations. In exceptional cases, however, and for good cause shown, the time limitations may be waived and a decision made on the merits. In any case where the Authority does not schedule a matter for hearing or render a decision within the prescribed time limits the grievance may be appealed to the next Step of the procedure.

6. In any case where the decision on a grievance filed and presented by an employee individually, would affect other employees and would involve a basic

interpretation or application of the provisions of this contract, or of any written working rules or resolution, the Union shall be given notice, and its representative shall be permitted to attend and be heard at each step in the grievance procedure.

7. Nothing contained in this Article, or elsewhere in this Agreement, shall be construed to deprive any individual employee, or employees, from presenting and processing his/her or their own grievances through the procedures provided in this section.

Appendix D

MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding entered into this _____ day of _____ 1994, by the NEW YORK CITY TRANSIT AUTHORITY (hereinafter referred to as "the Authority") and Queens Division of the Transit Supervisors Organization (TSO); (hereinafter referred to as "the Union").

WHEREAS, the Union and the Authority, have discussed the Authority's insistence that public safety requires the introduction of random testing for drugs and alcohol at the Authority; and

WHEREAS, the parties have agreed to a random testing program for safety sensitive titles, and

WHEREAS, the Authority and the Union have mutually agreed as to how to resolve these issues without the necessity of any further proceedings hereupon; and

WHEREAS, the parties have entered into this agreement in good faith and with the intent of expeditiously implementing a random drug/alcohol testing program which is expected to deter employees in safety sensitive titles from reporting to work in an unsafe condition and reassure the public that the Authority is providing safe transportation and a safe environment for its passengers and its employees; and

WHEREAS, the resolution of these issues is in furtherance of sound Labor Relations, the Union and the Authority agree that the existing collective bargaining agreement between the parties shall continue in effect, supplemented by this agreement only to the following extent:

FIRST: The Authority will add to its mutually agreed upon policies (hereinafter the "Policies") on Alcohol, and Drugs and Controlled Substances an additional component of random testing for employees in safety sensitive titles.

SECOND: No disciplinary action will be taken against an employee who tests positive for drugs and /or alcohol in a random test if (i) the employee has no record of prior positive drug and or alcohol tests at the Authority and (ii) the employee completes rehabilitation as herein described. The employee shall be referred to the Employee Assistance Program, relieved of his or her responsibilities, and given the opportunity for rehabilitation through that program. The employee will be in no pay status, however, he/she will be permitted to use accrued leave balances during his/her participation in the Employee Assistance Program. Once the employee is certified as drug/alcohol free and otherwise eligible for restoration under Section 9 of the policies, the employee will be restored to duty. The employee will be required to submit to an Authority administered drug/alcohol test before he or she will be returned to duty.

Employees whose first positive drug test at the Authority is a positive test for marijuana only shall be treated in accord with the above paragraph except that they shall be referred to UAP.

In the event the employee tests positive for drugs and/or alcohol a second time as a result of any alcohol and/or drug testing, including a random test, the employee shall be dismissed, except that when the second positive test occurs more than one year after the employee's restoration to duty following the first positive test, the employee will be eligible for restoration to an available, budgeted non-safety sensitive position if he/she again completes rehabilitation as described in the second paragraph above. The employee will be paid the applicable rate of the non-safety sensitive position as per the collective bargaining agreement. The "Physical Disability" section does not apply herein.

The employee will be reclassified and assigned to the non-safety sensitive position in accordance with the procedures defined in the restricted duty policy.

An employee who tests positive a third time shall be dismissed without opportunity for restoration.

THIRD: Once an employee has tested positive for alcohol, whether in a random or other test, and has been restored to duty, he/she will be required to submit to a breath analysis test on an unannounced basis for a period of one year after successful completion of the Employee Assistance Program. If the breath analysis test indicates a reading of .02 mgm/cc or greater, the employee will be required to submit to a blood alcohol test.

FOURTH: Refusal to take a random drug/alcohol test as directed will be deemed an admission of improper use of controlled substances, drugs and alcohol and treated as if the employee had been found positive. In addition, the employee will be subject to appropriate discipline for failure to comply with a direct order for which the penalty may be dismissal.

FIFTH: Representatives of the Authority and the Union have met to discuss the method in which random testing will be conducted. The random testing will be conducted in a manner which accords with the appropriate standards of medical safety and which respects employee privacy and the standards of work place fairness and decency, as well as the Authority's needs for efficiency in its operation. The method of random testing will require that the Authority develop a list of unique selected numbers (e.g. social security numbers) which pool of numbers will be used for random selection; avoidance of the use of actual employees names in the selection has the purpose of avoiding any suspicion of subjectivity in selection.

The Authority will inform the Union of selection methods to be used. It is understood that mobile vans may be used to facilitate the collection of test samples with minimal work disruption and to accommodate the work locations of employees.

SIXTH: Under the random testing program for alcohol, the Authority shall utilize a breath analysis test to determine whether a blood alcohol test should be given. After breath analysis test indicating a reading of less than .02 mgm/cc, there shall be no further testing. If the breath analysis test indicates a reading of .02 mgm/cc or greater the employee will be required to submit to a blood alcohol test. However, the employee may waive the blood alcohol test in which case the results of the breath analysis test will be construed as positive as defined by the policy.

SEVENTH: An employee who is required to submit to a blood alcohol test following a breath analysis test will be relieved of his/her responsibilities pending the results of the blood alcohol test. Should the blood alcohol test result in a negative finding, the employee will be paid for the time held out of service as if he/she had worked.

EIGHTH: The Authority provides and will continue to provide, on an on-going basis, training programs for managers and supervisors on the subject of drugs and alcohol abuse. In addition, the Authority will provide to all employees information and educational materials on the subject of drug and alcohol abuse.

NINTH: Whenever it is feasible to do so during day time hours, the Authority will transport and escort employees to the testing site. The Authority will transport and escort employees who are required to report at night to the testing site. Employees who are not transported and escorted are required to report for testing to the appropriate medical assessment center or other appropriate testing site, as directed by supervision, as soon as possible via public transportation. Use of an employee's personal vehicle is prohibited unless the employee is escorted by supervision. Employees who report unreasonably late after they are directed for testing or who do not appear at all shall be considered as having refused the test.

For purposes of meeting service to the public, absences created by random drug/alcohol testing will be filled as per current practice for filling any other open work.

TENTH: The Authority will provide to the Union Assistance program (UAP) a reasonable sum, to be agreed upon, to be used for payment of reasonable administrative and operating expenses of the program. The UAP will prepare a detailed budget for the period October 1, 1993 to October 1, 1994, describing the projected expenses of the program and proposed allocation of the monies to be provided.

All expenses which are presently being reimbursed by the Authority, including salaries of the UAP Counselor(s), will be paid by the UAP from the funds to be provided as described herein. In no event shall payments to the UAP exceed the agreed upon sum for the period October 1, 1993 to October 1, 1994.

ELEVENTH: The UAP shall make its accounting, administrative and other records documenting expenditures pursuant to this agreement available for inspection and audit by the Authority or Authority designees upon reasonable notice to the UAP. Such records shall remain available for inspection for the period of two years after October 1, 1994.

TWELFTH: A probationary employee who tests positive will be dismissed and not have the right to restoration. This will apply to random test as well.

THIRTEENTH: In the event that State or Federal statues, rules or regulations hereafter adopted impose on the Authority the obligation to conduct drug or alcohol testing in a manner inconsistent with the provisions of this agreement and/or the policies, this agreement and/or the policies shall be amended after discussions by the parties to conform to such legal requirements.

FOURTEENTH: The following is applicable to all drug and alcohol cases:

Where an employee who is required to participate in the Employee Assistance Program fails to comply with the requirements of the Employee Assistance Program, and the employee is working in a safety sensitive position, the Employee Assistance Program shall immediately notify the employee's Department Head to relieve the employee of his/her responsibilities and place him/her in a no pay status. The Employee Assistance Program shall then notify the director of the Union Assistance Program of the employee's non-compliance. The Union Assistance Program will have ten (10) working days in which to contact the employees and encourage him/her to comply with the requirements of the Employee Assistance Program. If after ten (10) working days the employee has not complied, the Employee Assistance Program shall notify the employee's Department Head and the employee shall be dismissed.

If the employee is not complying with the requirements of the Employee Assistance Program and is not working or is not working in a safety sensitive position, the employee's Department Head will not be notified of the non-compliance until after the ten (10) days and only if the employee is still non-compliant. It is understood that the employee must authorize the Employee Assistance Program, in writing, to notify the Union Assistance Program of his/her non-compliance in order for the Employee Assistance Program to be bound by the notice provisions of this agreement. Failure to provide sick authorization will result in immediate notification of non-compliance to the Department Head.

It is further understood that he EAP will not unreasonably apply its non-compliance standards.

FIFTEENTH: This agreement supersedes any prior stipulation of agreement concerning drug testing as per the Urban Mass Transportation Administration Drug Rule.

SIXTEEN: The Authority will make reasonable efforts to place the Union on equal footing with the Authority with regard to site visits to laboratories which it selects for use.

FOR: NEW YORK CITY TRANSIT AUTHORITY

BY: _____
Carmen S. Suardy, Vice President, Labor Relations

DATED: _____

FOR: Queens Division - TSO

BY: _____
Michael Collins, President

DATE: _____

BY: _____
David Rosen, Esq.

DATED: _____

Appendix E

Queens Division - Transit Supervisors Organization

TRANSIT AUTHORITY

Injury on Duty

Article 21. Injury on Duty

The first paragraph shall be amended as follows:

A. An employee incapacitated from performing any type of available work as a result of an accidental injury sustained in the course of his/her employment will be allowed, for such period or periods during such incapacity as the Transit Authority may determine, a differential payment which shall be sufficient to comprise, together with any Workers' Compensation payable to him/her under the provisions of the Workers' Compensation law an amount after taxes equal to his/her after tax wages for a forty (40) hour work week.

New second paragraph

If the Workers' Compensation payment granted pursuant to law is equal to or greater than the amount the employee was receiving prior to the period of incapacity, after taxes, for a forty (40) hour work week, the employee shall not receive any differential payments. If the absence for which he/she is to be allowed pay as herein provided occurs two years or more after the date of the original accident, the allowance shall be based upon an amount equal to seventy (70) percent of his/her earnings on the date of the original accident as set forth herein.

The instances for denial of differential are reduced as follows:

No differential shall be granted:

(1) Unless the employee sustained an accidental injury while engaged in the performance of his/her assigned duty for the Authority and such accidental injury was the direct cause of the employee's incapacity for work.

(2) If the employee tests positive for alcohol, drugs or controlled substances which testing was initiated by the incident which caused the harm or the injury to the employee.

(3) If the employee failed to report for any work within title when directed that they are medically qualified to perform.

(4) If the employee does not give due notice of the accident or does not report to the Authority's designated physician(s) for examination or re-examination when told to do so. This provision shall not be used to require an employee to report for examination at unreasonable times and frequency.

Queens Division - Transit Supervisors Organization

TRANSIT AUTHORITY

Physical Disability

The certification of conditions to be met will be reduced to the same conditions as listed in the instances for denial of differential as listed above.

Article 17 Physical Disability

Section D is amended as follows:

D. Any employee who has been disqualified by a medical consultant utilized by the Authority and who disputes the medical findings of the examining consultant, shall have the right to utilize the provisions of Article VI.