

**CSXT LABOR AGREEMENT 1-014-96
AGREEMENT BETWEEN
CSX TRANSPORTATION, INC.
THE BALTIMORE AND OHIO CHICAGO TERMINAL
COMPANY
GAINESVILLE MIDLAND RAILROAD COMPANY
WESTERN RAILWAY OF ALABAMA
AND ITS EMPLOYEES REPRESENTED BY
THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS**

Table of Contents(1)

IT IS HEREBY AGREED this 28th day of May, 1996:

ARTICLE I - WAGES

Section 1 - First General Ware Increase

(a) Effective upon ratification of this Agreement by the organization signatory hereto or on December 1, 1995, whichever is earlier, all standard basic daily rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on the preceding day shall be increased by three-and-one-half (3-1/2) percent.

(b) In computing the increase under Paragraph (a) above, three-and-one-half (3-1/2) percent shall be applied to the standard basic daily rates of pay applicable in the following weight on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger

600,000 and less than 650,000 pounds

Freight

950,000 and less than 1,000,000 pounds

(through freight rates)

Yard Engineers

Less than 500,000 pounds

Yard Firemen

Less than 500,000 pounds

(separate computation covering five day rates and other than five day rates)

Section 2 - Signing Bonus

Upon ratification of this Agreement, each employee will be paid a signing bonus as specified in Side Letter No. 16.

Section 3 - First Lump Sum Payment

On July 1, 1996, each employee will be paid a lump sum equal to the excess of (i) three (3) percent of the employee's compensation for 1995, including pay for overmiles but excluding pay elements not subject to general wage increases under Section 8 of this Article and lump sums, over (ii) the lesser of (x) one half of the amount described in clause (i) above and (y) two times one quarter of the amount, if any, by which the Carriers' payment rate for 1996 for foreign-to-occupation health benefits under The Railroad Employees National Health and Welfare Plan (Plan) exceeds such payment rate for 1995.

Section 4 - Second General Wage Increase

Effective July 1, 1997, all standard basic daily rates of pay in effect on June 30, 1997 for employees represented by the Brotherhood of Locomotive Engineers shall be increased by three half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 5 - Second Lump Sum Payment

On July 1, 1998, each employee will be paid a lump sum equal to the excess of (i) three-and-one-half (3-1/2) percent of the employee's compensation for 1997, including pay for overmiles but excluding pay elements not subject to general wage increases under Section 8 of this Article and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause (i) above and (y) one-and-one-half times one-quarter of the amount, if any, by which the Carriers' payment rate for 1998 for foreign-to-occupation health benefits under the Plan exceeds such payment rate for 1995.

Section 6 - Third General Wage Increase

Effective July 1, 1999, all standard basic daily rates of pay in effect on June 30, 1999 for employees represented by the Brotherhood of Locomotive Engineers shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 7 - Standard Rates

The standard basic daily rates of pay produced by application of the increases provided for in this Article are set forth in Appendix 1, which is a part of this Agreement.

Section 8 - Application of Wage Increases

(a) The adjustments provided for in this Article (i) will apply to mileage rates of pay for overmiles, and (ii) will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in

time, miles or fixed amounts of money.

(b) Miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted under this Agreement in the same manner as heretofore increased under previous wage agreements.

(c) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.

(e) Existing money differentials above existing standard daily rates shall be maintained.

(f) In local freight service, the same differential in excess of through freight rates shall be maintained.

(g) Prior to application of the First General Wage Increase, the differential of \$6.00 per basic day in freight, passenger and yard service, and 6¢ per mile for miles in excess of the number encompassed in the basic day in freight and passenger service for engineers working without firemen on locomotives, on which under the former National Diesel Agreement of 1950 firemen would have been required, will be rolled into and become part of the base rates in all classes of service. Thereafter, the differential will no longer be applied on a daily or per trip basis.

In order to apply the differential provided for in Side Letter #20 of the May 19, 1986 Arbitrated Agreement for engineers operating without a fireman and with a reduced train crew, a differential of \$2.89 will be paid to engineers operating without a fireman and with a reduced train crew in any class of service paid on a non mileage or hourly basis, or on mileage based runs not exceeding a basic day. On mileage runs exceeding the basic day, the \$2.89 differential will be reduced by the amount produced by application of the 6¢ per mile to the overmile rates. For example, on a run of 140 miles the amount added to the overmile rate for operating ten overmiles is \$.62. Therefore, the \$2.89 will be reduced by that amount, thus producing a differential of \$2.27.

Appropriate adjustments will be made to the differential when applying the Second and Third General increases in this Article to reflect the intent of Side Letter #20.

(h) In computing the first increase in rates of pay effective under Section 1 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number comprising a basic day, which are therefore paid on a daily basis without a mileage component, whose rates had been increased by "an additional \$.40" effective July 1, 1968, the three-and-one-half (3-1/2) percent increase shall be applied to daily rates in effect on the day preceding the effective date of the general wage increase provided for in Section 1, exclusive of local freight differentials and any other money differential above existing standard daily rates. For firemen, the rates applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be utilized in computing the amount of increase. The same procedure shall be followed in computing the increases effective July 1, 1997 and July 1, 1999. The rates produced by application of the standard local freight differentials and the above-referred-to special increase of "an

additional \$.40" to standard basic through freight rates of pay are set forth in Appendix 1 which is a part of this Agreement.

(i) Other than standard rates:

(i) Existing basic daily rates of pay other than standard shall be changed, effective as of the dates specified in Sections 1, 4, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) Prior to application of the First General Wage Increase, the differential of \$6.00 per basic day in freight, passenger and yard service, and 6¢ per mile for miles in excess of the number encompassed in the basic day in freight and passenger service for engineers working without firemen on locomotives, on which under the former National Diesel Agreement of 1950 firemen would have been required, will be rolled into and become part of the base rates in all classes of service. Thereafter, the differential will no longer be applied on a daily or per trip basis.

In order to apply the differential provided for in Side Letter #20 of the May 19, 1986 Arbitrated Agreement for engineers operating without a fireman and with a reduced train crew, a differential of \$2.89 will be paid to engineers operating without a fireman and with a reduced train crew in any class of service paid on a non-mileage or hourly basis, or on mileage based runs not exceeding a basic day. On mileage runs exceeding the basic day, the \$2.89 differential will be reduced by the amount produced by application of the 6¢ per mile to the overmile rates. For example, on a run of 140 miles the amount added to the overmile rate for operating ten overmiles is \$.62. Therefore, the \$2.89 will be reduced by that amount, thus producing a differential of \$2.27.

Appropriate adjustments will be made to the differential when applying the Second and Third General increases in this Article to reflect the intent of Side Letter #20.

(iii) Daily rates of pay, other than standard, of firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number encompassed in the basic day, which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1, 4, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in Paragraph(i)(i) above.

Section 9 - Definition of Carriers' Payment Rate

The Carrier's payment rate for any year for foreign-to-occupation health benefits under the Plan shall mean twelve times the payment made by the Carriers to the Plan per month (in such year) per employee who is fully covered for employee health benefits under the Plan. Carrier payments to the Plan for these purposes shall not include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or

provide for current Plan benefits, or any amounts paid by remaining Carriers to make up the unpaid contributions of terminating Carriers pursuant to Article III, Part A, Section 1 of the Agreed Upon Implementation of Public Law 102-29 (1991 National Implementing Document).

Section 10 - Eligibility for Receipt of Signing Bonus, Lump Sum Payments

The signing bonus and lump sum payments provided for in this Article shall be paid to each employee subject to this Agreement who has an employment relationship as of the date such payments are payable, or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payment. There shall be no duplication of lump sum payments by virtue of employment under another agreement nor will such payments be used to offset, construct or increase guarantees in protective agreements or arrangements.

Section 11 - Calculation of Vacation Pay

The signing bonus and lump sum payments provided for in Sections 2, 3, and 5 of this Article will be included in the earnings of an employee in the determination of vacation allowances due in the year subsequent to their payment.

QUESTIONS AND ANSWERS - ARTICLE I - WAGES

- Q-1: How will an employee be able to verify that he/she has received the full lump sum to which they are entitled pursuant to Sections 2, 3 and 5?
- A-1: *The Carrier will provide the General Chairman with a detailed explanation of the manner in which the signing bonus and lump sums have been calculated. Any employee who believes that his payment is incorrect will, upon request to the Carrier, receive an explanation of how such payment was calculated.*
- Q-2: (1) Do the General Wage Increases provided for in Article I apply to Reserve Board (Fireman) payments?
(2) Also to guaranteed extra boards and other reserve board payments?
- A-2. (1) Yes.
(2) Yes.
- Q-3: In calculating an employee's compensation for the lump sum payments provided for in this Article, what is the basis upon which the percentage is determined?
- A-3: *The employee's "compensation" as used on such employee's Carrier to determine vacation pay entitlement in the calendar year so stated beginning January 1 and extending through December 31.*
- Q-4: Are the lump sum payments applicable to employees who are suspended, as well as employees who are reinstated with rights unimpaired?
- A-4: *Yes, because in both cases the employment relationship is*

maintained.

Q-5: Does the December 31, 1999, 4%/6% COLA apply to overmiles?

A-5: *Yes.*

Q-6: Will payments received by employees who are available on guaranteed extra lists and/or reserve pools, but not used, be considered when calculating the lump sum payments?

A-6: *Yes, so long as such payments are subject to general wage increases.*

Q-7: An employee had earnings in 1994 and 1995, however, the employee is not currently active due to disability. Is this employee eligible for the signing bonus and 1996 lump sum payment?

A-7: *Yes, so long as the employee maintains his/her employment relationship with the Carrier, or subsequently retires or dies.*

Q-8: Is it a correct understanding that those pay elements which were frozen by the provisions of Article IV, Section 5 of the 1986 BLE National Agreement will not be included in determining an employee's base year compensation?

A-8: *The employee's "compensation" as used on such employee's Carrier to determine vacation pay entitlement in the calendar year so stated beginning January 1 and extending through December 31 will be used in determining an employees base year compensation.*

Q-9: If an employee received a bonus payment from the Carrier when "borrowing out" on other seniority districts, will such payment be included when calculating the lump sum payments provided for in this Article?

A-9: *The employee's "compensation" as used on such employee's Carrier to determine vacation pay entitlement in the calendar year so stated beginning January 1 and extending through December 31 will be used in determining an employee's base year compensation.*

Q-10: How will the lump sums be calculated for an employee who performed service for a Carrier not party to this contract during the years of 1994 and 1995, but currently employed by a Carrier party hereto?

A-10: *Only compensation earned on the Carrier party to this agreement at which employed on the date payment is due will be credited.*

Q-11: What is the definition of "foreign-to-occupation" as used in Section 9?

A-11: *"Foreign-to-occupation" is defined in Article I, Section 9 to mean "other than on duty".*

ARTICLE II - LIVING PAYMENTS

Part A - Cost-of-Living Payments Under 1991

National Implementing Document

The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II, Part B of the 1991 National Implementing Document shall be rolled in to basic rates of pay on November 30, 1995 and such Article II, Part B shall be eliminated at that time. Any amounts paid from January 1, 1996 under the aforementioned COLA provision (effective January 1, 1996) shall be deducted from amounts payable under Article I of this Agreement.

Part B - Cost-of-Living Allowance Through January 1, 2000 and Effective Date of Adjustment

(a) A cost-of-living allowance, calculated and applied in accordance with the provisions of Part C of this Article except as otherwise provided in this Part, shall be payable and rolled into basic rates of pay on December 31, 1999.

(b) The measurement periods shall be as follows:

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
March 1995	March 1996	
plus		
March 1997	March 1998	Dec. 31, 1999

The number of points change in the CPI during each of these measurement periods shall be added together before making the calculation described in Part C, Section 1(e) of this Article.

(c) (i) Floor. The minimum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Minimum CPI Increase That Shall Be Taken Into Account</u>
Dec. 31, 1999	4% of March 1995 CPI
plus	
	4% of March 1997 CPI

(ii) Can. The maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That Shall Be Taken Into Account</u>
Dec. 31, 1999	6% of March 1995 CPI
plus	

6% of March 1997 CPI

(d) The cost-of-living allowance payable to each employee and rolled into basic rates of pay on December 31, 1999 shall be equal to the difference between (i) the cost-of-living allowance effective on that date pursuant to this Part, and (ii) the lesser of (x) the cents per hour produced by dividing one quarter of the increase, if any, in the Carriers' 1998 payment rate for foreign- occupation health benefits under the Plan over such payment rate for 1995, by the average composite straight time equivalent hours that are subject to wage increases for the latest year for which statistics are available, and (y) one half of the cost-of-living allowance effective on December 31, 1999 pursuant to this Part.

Part C - Living Allowance and Adjustments **Thereeto After January 1, 2000**

Section 1 - Cost-of-Living Allowance and Effective Dates of Adjustments

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of- living allowance shall be payable effective July 1, 2000 based, subject to Paragraph (d) below, on the CPI for March 2000 as compared with the CPI for September 1999. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in Paragraph (d)(iii) below, according to the formula set forth in Paragraph (e) below.

Measurement Periods

<u>Date</u> <u>of Adjustment</u>	<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective</u>
September 1999 2000	March 2000		July 1,
March 2000 1, 2001	September 2000		January

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, vacations, holidays and to special allowances in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to duplicate time payments, including arbitrables and special allowances that are expressed in time, miles or fixed amounts of money.

(c) The amount of the cost-of-living allowance, if any, that shall be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(d) (i) Cap. In calculations under Paragraph (e), the maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Account</u>	<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into</u>
	July 1, 2000	3% of September 1999 CPI
	January 1, 2001	6% of September 1999 CPI,
	less the increase from September 1999 to March 2000	

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(ii) Limitation. In calculations under Paragraph (e), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.

(iii) If the increase in the CPI from the base month of September 1999 to the measurement month of March 2000 exceeds 3% of the September 1999 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12 month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under Paragraph (e) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2000 during such measurement period.

(iv) Any increase in the CPI from the base month of September 1999 to the measurement month of September 2000 in excess of 6% of the September 1999 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

(v) The procedure specified in Paragraphs (d)(iii) and (iv) above shall be applicable to all subsequent periods during which this Article is in effect.

(e) Formula. The number of points change in the CPI during a measurement period, as limited by Paragraph (d) above, shall be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion shall not be counted.)

The cost-of-living allowance in effect on December 31, 2000 shall be

adjusted (increased or decreased) effective January 1, 2001 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by Paragraph (d) above, in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be added to the amount of the cost-of-living allowance in effect on December 31, 2000 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments.

(f) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W during such measurement period.

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance payable to each employee effective July 1, 2000 shall be equal to the difference between (i) the cost-of-living allowance effective on that date pursuant to Section 1 of this Part, and (ii) the lesser of (x) the cents per hour produced by dividing one-quarter of the increase, if any, in the Carriers' 1999 payment rate for foreign-to-occupation health benefits under the Plan over such payment rate for 1998, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, and (y) one-half of the cost-of-living allowance effective July 1, 2000.

(b) The increase in the cost-of-living allowance effective January 1, 2000 pursuant to Section 1 of this Part C shall be payable to each employee commencing on that date.

(c) The increase in the cost-of-living allowance effective July 1, 2001 pursuant to Section 1 of this Part C shall be payable to each employee commencing on that date.

(d) The procedure specified in Paragraphs (b) and (c) above shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.

(e) The definition of the Carriers' payment rate for foreign-to-occupation health benefits under the Plan set forth in Section 9 of Article I shall apply with respect to any year covered by this Section.

(f) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent; fractions less than one half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part C will not become part of basic rates of pay. In application of such allowance, each one cent per hour of cost-of-living allowance that is payable shall be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Article I. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 8 of Article I.

Section 4 - Continuation of Part C

The arrangements set forth in Part C of this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.

ARTICLE III - DENTAL BENEFITS

Section 1 - Continuation of Plan

The benefits now provided under the Railroad Employees National Dental Plan (Dental Plan), modified as provided in Section 2 below, will be continued subject to the provisions of the Railway Labor Act, as amended.

Section 2 - Eligibility

Existing eligibility requirements under the Dental Plan are amended, effective January 1, 1996, to provide that in order for an employee and his eligible dependents to be covered for Covered Dental Expenses (as defined in the Dental Plan) during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Dental Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Section 3 - Benefit Chances

The following changes will be made effective as of January 1, 1999.

(a) The maximum benefit (exclusive of any benefits for orthodonture) which may be paid with respect to a covered employee or dependent in any calendar year beginning with calendar year 1999 will be increased from \$1,000 to \$1,500.

(b) The lifetime aggregate benefits payable for all orthodontic treatment rendered to a covered dependent, regardless of any interruption in service, will be increased from \$750 to \$1,000.

(c) This exclusion from coverage for implantology (including synthetic grafting) services will be deleted and dental implants and related services will be added to the list of Type C dental services for which the Plan pays benefits.

(d) Repair of existing dental implants will be added to the list of Type B dental services for which the Plan pays benefits.

(e) One application of sealants in any calendar year for dependent children under 14 years of age will be added to the list of Type A dental services for which the Plan pays benefits.

(f) The Plan will pay 80%, rather than 75%, of covered expenses for Type C dental services.

(g) The Plan will establish and maintain an 800 telephone number that employees and dependents may use to make inquiries regarding the Plan.

ARTICLE IV - VISION CARE

Section 1 - Establishment and Effective Date

The railroads will establish a Vision Care Plan to provide specified vision care benefits to employees and their dependents, to become effective January 1, 1999 and to continue thereafter subject to provisions of the Railway Labor Act, as amended, according to the following provisions:

(a) Eligibility and Coverage. Employees and their dependents will be eligible for coverage under the Plan beginning on the first day of the calendar month after the employee has completed a year of service for a participating railroad, but no earlier than the first day of January 1999. An eligible employee who renders compensated service on, or receives vacation pay for, an aggregate of at least seven (7) calendar days in a calendar month will be covered under the Plan, along with his eligible dependents, during the immediately succeeding calendar month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section.

(b) Managed Care. Managed vision care networks that meet standards developed by the National Carriers' Conference Committee concerning quality of care, access to providers and cost effectiveness shall be established wherever feasible. Employees who live in a geographical area where a managed vision care network has been established will be enrolled in the network along with their covered dependents. Employees enrolled in a managed vision care network will have a point-of-service option allowing them to choose an out-of-network provider to perform any vision care service covered by the Plan that they need. The benefits provided by the Plan when services are performed by in-network providers will be greater than the benefits provided by the Plan when the services are performed by providers who are not in-network providers, including providers in geographic areas where a managed vision care network has not been established. These two sets of benefits will be as described in the table below.

<u>Plan Benefit</u>	<u>In-Network</u>	<u>Other Than</u>
<u>In-Network</u>		
One vision examination and customary charges up to a \$35 maximum	100% of reasonable per 12-month period	100% of reasonable and customary charges
One set of frames of	100% of reasonable	100% of reasonable

and any kind per 12-month and customary
 customary charges up to a period
 charges (1) \$35 maximum

One set of two lenses 100% of reasonable 100% of reasonable
 and of any kind, including and customary
 customary charges up to contact lenses, per 24-
 charges the following maximums: month
 period.

up to \$25 for single
 vision lenses

bifocals up to \$40 for

trifocals up to \$55 for

lenticulars up to \$80 for

medically up to \$210 for
 necessary contact lenses

up to \$105 for
 contact
 lenses that are not
 medically necessary

Where the employee or 100% of reasonable 100% of reasonable
 and dependant requires only and customary charges
 customary charges up to a one lens (2)
 maximum of one-half of
 the maximum benefit
 payable for a set of two
 lenses of the same kind.

1) Patients who select frames that exceed a wholesale allowance established under the program may be required to pay part of the cost of the frames selected.

2) Patients may be required to pay part of the cost of spectacle lenses or lens characteristics that are not necessary for the patient's visual welfare. Moreover, patients who choose contact lenses in lieu of spectacles may be required to pay part of a contact lens evaluation fee and part of the cost of fitting and materials.

Section 2 - Administration

The Vision Care Plan will be administered by the National Carriers' Conference Committee, which will bear the same responsibilities and perform the same functions as it does with respect to The Railroad Employees National Dental Plan, including the development of detailed plan language describing

the Plan's eligibility, coverage, benefit and other provisions.

ARTICLE V - BENEFITS ENHANCEMENTS

Section 1 - Health and Welfare Plan

The Railroad Employees National Health and Welfare Plan ("the Plan") is amended, effective January 1, 1996, as provided in this Section. In order for an Eligible Employee (as defined by the Plan) to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Section 2 - Vacation Benefits

Existing rules governing vacation qualification are amended as follows effective January 1, 1997 except as otherwise provided below:

(a) The minimum number of basic days in miles or hours paid for, as provided in individual schedules, on which an employee must render service under schedule agreements held by the organization signatory hereto to qualify for an annual vacation for the succeeding calendar year shall be increased by fifty (50) percent from the minimum number applicable under vacation rules in effect on the date of this Agreement. The multiplying factors set forth in vacation rules in effect on the date of this Agreement shall be amended to provide that each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualification for vacation based on service rendered in the preceding calendar year.

NOTE: It is the parties' intention that, in accordance with application of the multiplying factors set forth in existing vacation rules as amended above, commencing with calendar year 1997 this subsection would require the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a calendar year in road service to qualify for an annual vacation for the succeeding year.

(b) Calendar days on which an employee assigned to an extra list is available for service and on which days he performs no service, not exceeding ninety (90) such days, will be included in the determination of qualification for vacation; also, calendar days, not in excess of forty five (45), on which an employee is absent from and unable to perform service because of injury received on duty will be included. Such calendar days shall not be subject to the multiplying factors set forth in existing vacation rules as amended.

(c) Calendar days on which an employee is compensated while attending training and rules classes at the direction of the Carrier will be included in the determination of qualification for vacation. Such calendar days shall not be subject to the multiplying factors set forth in existing vacation rules as

amended.

(d) In the granting of vacations to employees who have transferred (without a break in employment relationship) to engine service from a class of service not covered by an agreement held by an organization signatory to the 1949 OPS Vacation Agreement, all service will be counted in establishing the qualifying requirements of such Agreement as to the years of continuous service, the days of service rendered during the years of continuous service and the service rendered in the calendar year preceding the year in which the vacation is taken in the same manner as if the service not covered had been subject to the provisions of the OPS Vacation Agreement.

Transferring employees will carry forward their vacation entitlement and will be credited with the minimum number of basic days required to earn vacation under the provisions of the 1949 OPS Vacation Agreement, as amended, for each year in which the employee qualified for vacation in years preceding the transfer.

The provisions of this Paragraph (d) will apply to employees transferring from non-operating crafts directly to engine service and those that transfer to train service prior to entering engine service.

(e) Pursuant to the provisions of the 1949 OPS Vacation Agreement, as amended from time to time, beginning with the schedule for 1997, engineers' vacations will be scheduled throughout the calendar year beginning with the first full week in January based on the requirements of service for each supply point jurisdiction. The following principles will apply in determining the number of engineers that may be scheduled for vacation each week of the year:

(i) The Local Chairman and the designated Carrier officer will meet to review the service requirements on or before September 1 preceding the year to be scheduled. Service demands for each week based on historical and predicted demand must be taken into account as well as the number of engineer vacation weeks that must be scheduled by using the entire calendar year.

NOTE: Due consideration will also be given to provide sufficient opportunities for engineers to take personal leave days and to account for other day-to-day vacancies in context with the number of engineers that may be off for vacation.

(ii) If the Local Chairman and the designated officer cannot agree on the number of engineers that may be scheduled for vacation per week, by October 1 preceding the year to be scheduled, the dispute will be referred to the General Chairman and the Carrier's Highest Designated Officer for resolution.

(iii) The parties acknowledge that from time to time business levels change, and therefore, additional engineers may be permitted to take vacation above the number in the schedule. In the same respect, new business or unusual occurrences develop which cause a strain on manpower. The parties pledge to cooperate in such circumstances by adjusting the number of engineers on vacation.

(f) Upon finalization of the schedule, engineers will apply for vacations in the Crew Management System by or before December 15 preceding the year to be scheduled. Engineers failing to make sufficient choices to be

awarded vacation will be assigned using the full calendar year.

(g) When an engineer has sufficient qualifying days to acquire an additional week of vacation prior to beginning the anniversary year in which he will be entitled to an additional week, he may schedule and take the additional week regardless of the anniversary date used to calculate years of service under the OPS Vacation Agreement.

(h) (i) Beginning in 1997, an engineer may, at his option, convert up to two (2) weeks of earned vacation to "daily vacation" to be taken one (1) day at a time. It is understood that the number of engineers on weekly vacation and daily vacation cannot exceed the scheduling limits established under Paragraph (e) above.

(ii) On or before September 1 of each year on the form supplied by the Carrier, an engineer must declare in writing his intent to convert one (1) or two (2) weeks of earned vacation to daily vacation. This information will be taken into account for scheduling and planning purposes.

(iii) For each week converted to "daily vacation", the engineer will be permitted to take seven (7) days of vacation one (1) day at a time and paid for each day on the basis of 1/7th of his weekly vacation pay. For purposes of this rule, the term "weekly vacation pay" will be on the basis of 1/52nd of the previous year's earnings, but not less than the equivalent of five (5) days at the appropriate basic yard rate of pay in effect on January 1 of the vacation year.

(iv) A request to take a vacation day must be made at least twenty four (24) hours in advance and will be granted based on the Carrier's ability to do so within the vacation schedule.

NOTE: Local Chairmen and Carrier officers will establish procedures to plan and schedule daily vacation.

(v) An engineer may take a daily vacation day on a rest day or layover day. Daily vacation taken in this manner will not count against the daily limits established under the vacation schedule.

(vi) Vacation days that are not taken in a calendar year for any reason will not be carried over, but will be paid for in lieu thereof on or before the first pay period of February of the following year, and when so paid will not be used as an offset to any guarantees other than those provided by I.C.C. conditions or National Agreements.

(i) Engineers on Official Leave of Absence for Organization, Carrier, or Governmental Service upon return to active service from such leave will be given sufficient days of qualifying service for such time out of service toward qualifying for the number of weeks vacation that they would have been entitled to had they stayed in active service. For example, if an engineer is on Leave of Absence for two (2) years as an Organization officer, he will be credited with 360 days of service toward vacation qualification for those two (2) years out of compensated service.

Section 3 - 401K Plan

The Carrier will match \$.25 on each \$1.00 an engineer contributes to his

401(k) account up to 4% of his engineer's compensation. The match will be in CSX Corporation stock.

Section 4 - Direct Deposit

Engineers will have their net pay direct deposited to a financial institution of their choice. The Carrier will permit designation of more than one account and/or institution, if requested.

Section 5

This Article is not intended to restrict any of the existing rights of a Carrier except as specifically provided herein.

QUESTIONS AND ANSWERS - ARTICLE V BENEFITS ENHANCEMENTS

Section 1 - Health and Welfare Plan

- Q-1: In situations where employees are assigned to Reserve Boards or observe Personal Leave Days, will such time be counted toward fulfillment of the seven (7) calendar day requirement for benefit eligibility in the succeeding month?
- A-1: *This Article does not change existing definitions of the term "render compensated service" for purposes of Plan eligibility.*
- Q-2: Does the seven (7) day qualifying requirement in the previous month apply to those employees who take a period of family or medical leave authorized and provided for under the Family and Medical Leave Act (FMLA)?
- A-2: *No. Such period of authorized leave will be treated as if it were a period during which the employee rendered compensated service, subject to the limitations contained on Page 21 of the current Summary Plan Description of The Railroad Employees National Health and Welfare Plan.*
- Q-3: If an employee has two (2) starts in one calendar day, how many days will he/she be credited with for purposes of fulfilling the seven (7) calendar day qualifying requirement?
- A-3: *The employee receives credit for each calendar day worked.*
- Q-4: How are employees treated with reference to benefit eligibility in cases of off-the-job injury and/or illness?
- A-4: *In the same manner as currently being treated by the Plan without change.*
- Q-5: How is benefit eligibility handled for employees who are absent?
- A-5: *The employee must meet the eligibility requirements to be eligible for benefits in the following month.*
- Q-6: How are the provisions of the Health and Welfare Plan affected by the changes in benefit eligibility?
- A-6: *There is no change.*
- Q-7: What was the intent of the parties when increasing the number of

qualifying days for health benefit eligibility?

A-7: *The intent was for the employee to render a more proportionate amount of service in a given month so as to be eligible for health benefit coverage in the succeeding month.*

Q-8: Existing rules on some properties contain monthly milage limitations, monthly earnings limitations, and/or maximum monthly trip provisions so as to possibly preclude an individual from satisfying the seven (7) day qualifying requirement?

A-8: *Under these circumstances, it was not the intent of the parties to disqualify the individual for health care benefits, nor was it the parties' intent for the individual to expend vacation days so as to otherwise meet the service requirements.*

Q-9: Will the new qualifying provisions be applied retroactively to January 1, 1996 so as to disqualify individuals for employee and/or dependent health benefits who were eligible under the previous requirements?

A-9: *No. As provided in Side Letter #5, such provisions shall be applied effective on the first day of the calendar month immediately following the month in which the Agreement is ratified.*

Q-10: Will mileage equivalents and overtime hours be used in calculating the seven (7) day requirement?

A-10: No.

Q-11: In situations where employees return to work after periods of extended absence as a result of but not limited to, disability, furlough, suspension, dismissal, leave of absence or pregnancy at a point in a calendar month so as to make it impossible to satisfy the seven (7) day requirement, but make themselves otherwise available or work all of the remaining days in that month, will they qualify for medical benefit coverage in the month next following their return to work?

A-11: *This is addressed in and will be determined in accordance with the provisions of Side Letter #8.*

Q-12: Does the term "local officials" as used in Side Letter #6 include division presidents, secretary/treasurers and legislative representatives who may also be required to lose time from their assignments due to union obligation?

A-12: *No, local officials are limited to working General Chairmen, Local Chairmen, and State Legislative Board Chairmen.*

Q-13: Will regular assigned road freight service employees and/or pool service employees who may be prevented from performing service in a calendar month equal to or exceeding the seven (7) calendar days due to, but not limited to Acts of God, catastrophe, inclement weather, related industry shutdowns or other traffic pattern conditions be deemed ineligible for health benefits in the succeeding month?

- A-13: *This is addressed in and will be determined in accordance with the provisions of Side Letter #8.*
- Q-14: Is it correct that in the event of an employee and/or dependent(s) losing coverage under this rule, such individual will be eligible to continue coverage in accordance with the COBRA rules?
- A-14: *Eligibility for COBRA coverage remains unchanged.*
- Q-15: When does a newly hired employee first become covered for employee and/or dependent health benefits?
- A-15: *This is addressed in and will be determined in accordance with the provisions of Side Letter #8.*
- Q-16: Will paid holidays be counted in meeting the qualifying requirement?
- A-16: *This Article does not change existing definitions of the term "render compensated service" for purposes of Plan eligibility.*

Section 2 - Vacation Benefits

- Q-1: In situations where employees are assigned to Reserve Boards or observe Personal Leave Days, will such time be counted toward fulfilling the qualifying requirements for vacation to be taken in the succeeding year?
- A-1: *Yes, with respect to Reserve Boards and Personal Leave Days, if that is the current practice on the individual railroad.*
- Q-2: Is it correct that an employee who works six (6) months in yard service and six (6) months in road service will qualify for a vacation after rendering service amounting to the equivalent of 150 qualifying days commencing January 1, 1997?
- A-2: *There is no change from existing applications concerning employees with road and yard rights.*
- Q-3: How many days must an employee work in 1996 to qualify for a vacation to be taken in 1997?
- A-3: *There is no change in the National Vacation Agreement which will increase the qualifying days in 1996 for a 1997 vacation period. Beginning in 1997, however, employees must meet the new qualifying criteria for a 1998 vacation.*
- Q-4: There are many questions raised with regard to the change in the number of qualifying days. The questions include, but are not limited to, the application of the 1.6 and 1.3 multiplying factors and the determination of the number of accumulated days of service for qualification for extended vacation. How might these questions be resolved?
- A-4: *The parties commit to the formulation of a Vacation Synthesis so as to fully incorporate the changes made in this Agreement and to serve as a guide to resolve these questions and issues.*

ARTICLE VI - PERSONAL LEAVE

(a) In each year following the effective date of this agreement, Engineers qualifying for vacation for that year in accordance with the applicable Vacation Rule, as amended by Article V above, will be entitled to Personal Leave Days on the following graduated basis, subject to the limitation contained in Paragraph (b), below:

<u>Years of T&E Service</u>	<u>Personal Leave Days</u>
Less than 5 years	3 days
Five years and less than 10 years	5 days
Ten years and less than 15 years	7 days
Fifteen years and less than 20 years	9 days
Twenty years or more	11 days

(b) (i) Engineers in road and yard service who are eligible for paid holidays under the National Paid Holiday Rules may substitute Personal Leave Days for such paid holidays. The number of Personal Leave Days each engineer is entitled to shall be reduced by the number of paid holidays (or pay in lieu thereof) received. Once an engineer has reached the maximum of eleven (11) days, he will not be entitled to any additional paid holidays or Personal Leave Days in that calendar year.

(ii) Holiday pay will not be paid for a holiday which has been substituted for a Personal Leave Day. An engineer who works on a holiday which has been substituted for a Personal Leave Day will be paid at the same rate which would have been applicable without the substitution.

(iii) In the year in which an engineer's Personal Leave Day entitlement increases, he may take the increased number of Personal Leave Days at anytime in that year.

(iv) Engineers who work a portion of the year in train service may not exceed the number of Personal Leave Days under the schedule shown in Paragraph (a) above.

(c) Personal Leave Days may be taken upon twenty four (24) hours' advance request to an appropriate Carrier officer and shall be granted consistent with the requirements of the service. The Carrier has the option of granting Personal Leave Days with less than twenty four (24) hours' notice. The engineer will be paid one (1) basic day at the rate of the last service performed for each Personal Leave Day. The Carrier may decline a request for Personal Leave Day(s) based on service requirements.

(d) Unused (not requested and/or not granted) Personal Leave Days may be accumulated and carried over up to a maximum of thirty (30) days.

(e) An engineer may elect to receive payment for all or part of the carry over days in lieu of scheduling such days. Payment for such days will be paid for at the rate of the last service performed and shall not be used as an off-set to any guarantees other than those provided by I.C.C. conditions or National Agreements. Payment will be made in the pay period following the pay period in which the claim is submitted. Personal Leave Days do not become "carry-over" until January 1 of the following year. When an engineer observes a carry-over day he will notify the appropriate Carrier officer that the

Personal Leave Day(s) being observed is/are "carry over" days.

Note: Paragraphs (d) and (e) apply only to "carry over" days.

(f) If an engineer resigns, retires, dies, is disabled or is dismissed from service, the number of Personal Leave Days in his account will be payable to the engineer or his estate within thirty (30) days.

(g) Engineers working assignments that have assigned rest day(s) may take Personal Leave Days on the rest day(s) of the assignment.

QUESTIONS AND ANSWERS - ARTICLE VI - PERSONAL LEAVE

Q-1: When will a Personal Leave Day commence and end?

A-1: *A Personal Leave Day commences at the time the engineer marks off. It will end twenty four hours thereafter when he is automatically marked up.*

Q-2: When Personal Leave Days have begun, how will they be computed?

A-2: *Consecutively on calendar day basis.*

Q-3: Do the Personal Leave Day provisions preclude the payment of time and one-half service actually performed on a holiday by an engineer who has previously taken a combination of eleven holiday/Personal Leave Days?

A-3: *No, provided he is otherwise qualified for time and one-half payment for service performed on a holiday under the National Holiday Rule.*

Q-4: Must a regularly assigned, pool or extra engineer wait until his turn is due to work to start a Personal Leave Day?

A-4: *No.*

ARTICLE VII - ENHANCED EMPLOYMENT OPPORTUNITIES

Section 1

In the event that a Carrier sells or leases its interest in one or more rail lines to a non-Carrier pursuant to a transaction authorized under 49 U.S.C. §10901 (or any successor provision) as to which labor protective conditions have not been imposed by any governmental authority, any employee represented by the organization signatory hereto who (i) as a result of that transaction is deprived of employment with the Carrier because of the abolition of his position, and (ii) does not accept employment with the purchaser shall be entitled to the benefits set forth in Section 2 below.

Section 2

(a) An employee covered by Section 1 above shall have the right, in seniority order, to bid on vacant positions or claim open locomotive engineer positions at any location on the Carrier at any time within ninety (90) days after being deprived of employment. Seniority issues associated with the exercise of that right shall be resolved by the Carrier and the organization representative or, absent agreement and at the request of either party by written notice served on the appropriate representative of the other party, by

final and binding arbitration as provided in Paragraph (b) below. For the purpose of implementing this Section, a single locomotive engineers' seniority roster for the Carrier shall be developed, in accordance with Article XIII (f).

(b) The arbitrator shall be selected by the parties. If they fail to agree within five (5) days from the date notice of the submission to arbitration is received from the moving party, either party may request a list of five (5) potential arbitrators from the National Mediation Board, from which the parties shall choose the arbitrator through alternate striking. The order of such striking shall be determined by coin flip unless otherwise agreed by the parties. The fees and expenses of the arbitrator shall be paid under Section 153 of the Railway Labor Act.

(c) An employee exercising rights under this Section who relocates his residence shall receive a relocation allowance of \$5,000, provided, however, that an employee shall be required to elect between such allowance and any Carrier relocation benefits that may be provided to such employee under other existing agreements or arrangements. Such allowance shall be paid in two (2) equal installments: the first payable on the relocation date, and the second ninety (90) days thereafter. Such allowance (or any portion thereof) shall be payable as provided as long as the individual has an employment relationship with the Carrier and is still at the new location at the time the payment is due.

NOTE: Employees who presently have extended seniority and who are deprived of employment on their prior right territory(s) as a result of a transaction covered in Section 1 above, will be covered by the conditions of Section 2(c), provided that any exercise of seniority must be beyond their prior right territory(s), with a minimum of fifty (50) miles distance.

Section 3

In the case of any transaction authorized under 49 U.S.C. §10901 (or any successor provision), the arrangements provided for under this Article shall be deemed to fulfill all of the parties' bargaining obligations that may exist under any applicable statute, agreement or other authority with respect to such transaction, and shall also be deemed to satisfy the standards for the protection of the interests of employees who may be affected by such transaction described in 49 U.S.C. §10901(e).

Section 4

This Article shall become effective ten (10) days after the date of this Agreement and is not intended to restrict any of the existing rights of a Carrier except as specifically provided herein.

QUESTIONS AND ANSWERS - ARTICLE VII - ENHANCED EMPLOYMENT OPPORTUNITIES

Q-1: Should a subsequent separate transaction occur after an initial relocation would the effected employee be allowed to again apply under Section 2?

A-1: Yes.

Q-2: What does "deprived of employment" mean for the purposes of the

application of this Article?

A-2: *The inability to obtain any possible position to which entitled.*

Q-3: Will the resultant seniority roster established per Article VII, Section 2, cause any employee to suffer a loss of seniority on any roster to which they currently have seniority?

A-3: *No. All existing seniority remains intact.*

Q-4: In order for an employee to receive the relocation allowance under Section 2(c), is it required that the employee:

(a) Sell his/her existing residence?

(b) Stay/work a minimum amount of time at the new location?

(c) Move thirty (30) or more miles from his former residence?

A-4: (a) *No.*

(b) *To receive the full allowance, the rule requires that the employee be at the new location at the time the second payment is due.*

(c) *Yes. The note to Paragraph (c) requires an exercise of seniority a distance greater than 50 miles.*

Q-5: What is the definition of "prior right territory(s)" as set forth in the note to Section 2(c)?

A-5: *This is determined on the individual properties in accordance with the applicable rules and/or practices governing seniority.*

ARTICLE VIII - RATE PROGRESSION ADJUSTMENT FOR PROMOTION

(a) An employee who is subject to national rules concerning rate progression on the effective date of this Article shall have his position on the rate progression scale adjusted to the next higher level upon promotion to engineer. An employee covered by this Agreement who is subject to Article IV, Section 5 of the 1991 National Implementing Document (Rate Progression - New Hires) on the effective date of this Article shall have his position on the rate progression scale adjusted to the next higher level on such effective date.

(b) The next adjustment to an employee's position on the rate progression scale after the adjustment specified in Paragraph (a) above shall be made when such employee completes one year of "active service" (as defined by the aforementioned Article IV, Section 5) measured from the date on which that employee would have attained the position on the rate progression scale provided pursuant to Paragraph (a) above.

(c) An engineer subject to rate progression on the effective date of this Agreement shall have his position on the rate progression scale adjusted to 100% if he has a minimum of five (5) years continuous service with the Carrier, in all crafts, as of the effective date of this Agreement.

QUESTIONS AND ANSWERS - ARTICLE VIII - RATE PROGRESSION

- Q-1: What rate of pay is applicable to employees who are promoted to conductor (foreman) and/or engineer but are working as brakemen(helpers) and/or hostler?
- A-1: *Once an individual is promoted to conductor(foreman) and/or engineer, that employee receives the applicable rate percentage, regardless of the craft in which they are working, until such time as they reach the next rate step in accordance with Article IV, Section 5 of the 1991 Implementing Document.*
- Q-2: An 80% entry rate employee promoted to engineer March 1, 1996, immediately elevates to the 85% entry rate. On his/her July 1, 1996 hiring anniversary date does the entry rate of that employee increase to 90%?
- A-2: *No. The employee goes to 90% on July 1, 1997.*
- Q-3: An employee is elevated to the next step in the rate progression upon promotion from brakeman to conductor. Does that employee elevate to the next step upon subsequent promotion to engineer?
- A-3: Yes.
- Q-4: Where existing promotion rules or practices provide for the automatic promotion to conductor and engineer upon promotion to either conductor or engineer, or an employee is promoted to engineer before promoted to conductor, will an employee be elevated two (2) steps on the wage scale?
- A-4: Yes.

ARTICLE IX - ENHANCED CUSTOMER SERVICE

Article IX Special Relief, Customer Service - Yard Crews of the 1991 National Implementing Document is amended to read as follows and furthermore shall be applicable to all Carriers party to this Agreement:

Section 1

(a) When an individual Carrier has a customer request for particularized handling that would provide more efficient service, or can show a need for relaxation of certain specific work rules to attract or retain a customer, such service may be instituted on an experimental basis for a six month period.

(b) Prior to implementing such service, the Carrier will extend seven (7) days advance notice where practicable but in no event less than forty eight (48) hours' advance notice to the General Chairman of the employees involved. Such notice will include an explanation of the need to provide the service, a description of the service, and a description of the work rules that may require relaxation for implementation. Relaxation of work rules that may be required under this Article shall be limited to: starting times, yard limits, calling rules, on/off duty points, seniority boundaries, and class of service restrictions.

(c) A Joint Committee, comprised of an equal number of Carrier representatives and organization representatives, shall determine whether a

need exists, as provided in Paragraph (a) above, to provide the service. If the Joint Committee has not made its determination by the end of the advance notice period referenced in Paragraph (b) above, it shall be deemed to be deadlocked, and the service will be allowed on an experimental basis for a six month period. If, after the six months has expired, the organization members of the Joint Committee continue to object, the matter shall be referred to arbitration.

(d) If the parties are unable to agree upon an arbitrator within seven (7) days of the date of the request for arbitration, either party may request the National Mediation Board to provide a list of five (5) potential arbitrators, from which the parties shall choose the arbitrator through alternate striking. The order of such striking shall be determined by coin flip unless otherwise agreed by the parties. The fees and expenses of the arbitrator shall be borne equally by the parties.

(e) The determination of the arbitrator shall be limited to whether the Carrier has shown a bona fide need to provide the service requested or can provide the service without a special exception to existing work rules being made at a comparable cost to the Carrier. If the arbitrator determines that this standard has not been met, the arbitrator shall have the discretion to award compensation for all wages and benefits lost by an employee as a result of the Carrier's implementation of its proposal.

Section 2

This Article shall become effective ten (10) days after the date of this Agreement and is not intended to restrict any of the existing rights of a Carrier.

QUESTIONS AND ANSWERS - ARTICLE IX - ENHANCED CUSTOMER SERVICE

- Q-1: What is the intent of the parties with respect to the provision in Paragraph (b) which states "..., the Carrier will extend seven (7) days advance notice where practicable but in no event less than forty eight (48) hours advance notice..."?
- A-1: *The intent was for the Carriers to routinely give as much advance notice as possible to the involved BLE General Chairmen prior to implementation of the proposed service under Paragraph (a).*
- Q-2: Should the Carrier notify the General Chairmen in writing when and where it intends to establish such service and identify the involved customer?
- A-2: *Yes, and such notification should include the specific rule(s) where relief or relaxation is requested.*
- Q-3: What will prevent the Carrier from routinely furnishing the minimum notice under the rule, i.e., 48 hours, prior to implementing the desired service?
- A-3: *The intent was for the Carriers to routinely give as much advance notice as possible to the involved BLE General Chairmen prior to implementation of the proposed service under Paragraph (a).*
- Q-4: Is it the intent of the parties that the Joint Committee, referred

to in Paragraph (c), be established and meet at the location where the proposed service is to be implemented?

- A-4: *The Committee will confer by whatever means are appropriate and practical to the circumstances, including telephonically.*
- Q-5: Can the Carrier require a yard crew from one seniority district to meet the service requirements of a customer if such customer is located in road territory in another seniority district on that Carrier within the combination road yard service zone?
- A-5: *The Carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the Carrier has complied with all applicable requirements set forth therein. Any Carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.*
- Q-6: Does this rule permit the use of road crews to perform customer service within switching limits?
- A-6: *The Carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the Carrier has complied with all applicable requirements set forth therein. Any Carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.*
- Q-7: Can the Carrier be considered a customer in the application of this rule?
- A-7: *The word "customer", as used in Paragraph (a), was not meant to apply to the Carrier.*
- Q-8: Is there any limitation as to the number of miles a yard crew may be required to travel in road territory in order to provide the customer service contemplated by this rule?
- A-8: *Yes. Yard crews are limited to the minimum number of miles necessary to accomplish the service consistent with the spirit and intent of the parties.*
- Q-9: Where customer service can be accomplished by a road crew, is the Carrier within the intent of the rule to establish the use of a yard crew to perform this work?
- A-9: *The Carrier's use of yard crews must meet the requirements of the rule.*
- Q-10: Does this Article IX supersede the Road/Yard Service zone established under Article VIII, Section 2(a)(iii) of the May 19, 1986 National Agreement or the agreed upon interpretations pertaining thereto?
- A-10: *No, this Article amends Article IX Special Relief, Customer Service Yard Crews of the BLE Implementing Document of November 7, 1991.*

- Q-11: Does Article IX contemplate the use of yard crews from one seniority district or Carrier to perform service for a customer which is located on the line of another Carrier?
- A-11: *It is not the intent of the rule to permit yard crews from one Carrier to substitute for yard crews of another unrelated Carrier.*
- Q-12: Are any employee protective provisions applicable to employees adversely affected by the institution of service under Article IX?
- A-12: *As set forth in Paragraph (e).*
- Q-13: Does Article IX contemplate the establishment of split-shifts in yard service?
- A-13: *No.*
- Q 14: Paragraph (e) requires that the Carrier show a "bona fide" need for the rule relief requested or that it cannot provide the service at a "Comparable Cost" under the existing rules. Will the Carriers burden of proof in this regard be met simply by showing that the customer service can be accomplished at a reduced cost?
- A-14: *No, the Carrier will also have to demonstrate compliance with Section 1(a).*
- Q-15: If a yard crew is providing particularized service to a customer under this rule, may the Carrier properly require the yard crew to provide service to other industries located in the area or along the line?
- A-15: *The Carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the Carrier has complied with all applicable requirements set forth therein. Any Carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.*
- Q-16: May the Carrier use a road crew to provide service to a customer within the switching limits of a terminal?
- A-16: *The Carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the Carrier has complied with all applicable requirements set forth therein. Any Carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.*
- Q-17: Will a yard crew used in accordance with this Article have its work confined solely to meet the specific service requirements?
- A-17: *The Carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the Carrier has complied with all applicable requirements set forth therein. Any Carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference*

between the BLE President and the NCCC Chairman.

Q-18: Can employees of a Carrier who may be restricted by physical disabilities or for disciplinary reasons from performing road service on that Carrier be used to perform such service under this Article?

A-18: *No.*

Q-19: If a Carrier fails to comply with the provisions of Article IX, what remedy is available to employees adversely affected by the Carrier's implementation of its proposal?

A 19: *The arbitrator is authorized to fashion a remedy appropriate to the circumstances under Section 1(e).*

ARTICLE X - NATIONAL WAGE AND RULES PANEL

Section 1

(a) The parties, realizing the complexities of the changing rail industry and environment, and to alleviate any adversarial relationships emanating from such, agree to participate in the non binding joint review Panel established on a national basis to study and examine those unresolved subjects.

The National Wage and Rules Panel shall consist of three (3) partisan members representing the Brotherhood of Locomotive Engineers, three (3) partisan members representing the Carriers, and a neutral member chosen by the partisan members, who shall be considered as Chairman. The President of BLE and the Chairman of the National Carriers' Conference Committee (NCCC) shall be ex officio partisan members of the Panel. On any matter, the BLE, NCCC, and the Chairman shall each be deemed to have a single vote.

(b) The parties will assume the compensation and expenses of their respective partisan members. The fees and expenses of the Chairman and any incidental expenses incurred in connection with Panel meetings shall be shared equally by the parties.

Section 2

The Panel is authorized to comprehensively examine the following subjects:

System for compensation and related alternatives

Quality of Work Life

Inter craft pay relationships

Claim and Grievance Handling

Flowback

Eating en route for road service employees

Use of Surplus Employees

Employee Utilization
Common Extra Boards
Standardized Calling Rules
Yard Starting Times
Runarounds
Road/Yard
Entry Rates

Section 3

The Panel shall promptly establish its operating procedures, which shall be designed to review and evaluate the facts regarding the aforementioned subjects and to expedite and enhance the opportunity to reach joint voluntary solutions to matters in dispute between the parties with respect to those subjects. The Panel may, by unanimous vote of the members and with the consent of the respective Carrier(s) and General Committee(s) involved, develop and implement pilot projects and similar initiatives that would permit the Panel to test and evaluate, on a limited basis, potential alternatives to existing arrangements that would resolve issues of concern to the parties.

Section 4

(a) If the parties have not reached agreement on issues pertaining to the matters covered by Section 2 by January 1, 1999, the Panel shall make recommendations for disposing of all unresolved issues not later than July 1, 1999. While the Panel's recommendations shall not be considered final and binding, the parties shall exert good faith efforts to utilize those recommendations as a basis for settlement of the issues involved. Notwithstanding any provision to the contrary, the Panel may be dissolved at any time by majority vote of the members.

(b) It is agreed that antecedent proposals exchanged between the parties relating to those items subject to the Panel shall not be considered precedential or cited in further handling of any issue before any tribunal established to resolve disputes under the Railway Labor Act.

QUESTIONS AND ANSWERS - ARTICLE X - NATIONAL WAGE AND RULES PANEL

- Q-1: Can the activities of the panel be stopped at any time during the process and, if so, by what means?
- A-1: *Yes, in accordance with Section 4(a).*
- Q-2: Are the parties limited to considering only those items listed in Section 2?
- A-2: *Yes.*

ARTICLE XI - ENGINEER CALLING RULES

Section 1 - Filling Temporary Vacancies

When the designated extra board is exhausted, engineer vacancies in freight and yard service will be protected in the following sequence:

- (1) The Additional Service List maintained in accordance with Section 6 below.
- (2) The senior demoted engineer working at the supply point.
- (3) Rested and qualified engineers working at the supply point. The roster will be contacted in inverse order of seniority and the first engineer contacted will be required to protect the vacancy.
- (4) Repeat steps (1) through (3) at the next nearest supply point, via highway miles, in the zone.

NOTE: Engineers called from another supply point will only be used for one tour of duty or round trip, as the case may be.

Section 2 - Calling

(a) An engineer who does not report unless called will be given a two (2) hour call in advance of the time required to report for duty. As an exception, engineers in Interdivisional Service will be given a three hour call in advance of the time required to report for duty at the home terminal.

(b) An engineer called for service and the call is canceled before departing his home or the lodging facility will be allowed ninety (90) minutes pay at the applicable rate of pay and returned to the board, retaining his place on the board.

(c) An engineer who is called and reports, but is not used will be allowed three (3) hours pay at the applicable rate of pay and returned to the board, retaining his place on the board.

NOTE: An engineer relieved after moving engine(s) or performing required inspection/test shall be paid a basic day and stand last out.

Section 3 - Claiming Rest

(a) An engineer may claim eight (8) or ten (10) undisturbed hours of rest upon completing service.

(b) An engineer may not claim other than the rest required under the Hours of Service Law when completing a separate deadhead following rest unless the time consumed in the deadhead exceeds eight (8) hours on duty.

(c) An engineer claiming rest under this rule will not be deprived of his turn, and if an engineer is needed before his rest period has expired, the next available engineer in the same class of service will be used, in which case the engineer having requested rest will be considered first out for service after his rest period has expired.

Section 4 - Marking Off

(a) An extra engineer who is granted permission to mark off or to be out of place will retain his position on the extra board if he reports back for duty before his turn is called. Failing to report for duty before his turn is called for a run out of the terminal, he will remain off for a minimum of

twelve (12) hours and be marked up last out upon reporting.

(b) An engineer in pool freight service marking off for any reason will maintain his place in the pool if he reports for service before his turn stands for call. If his turn stands for call, the turn will be removed from the pool and returned to the bottom of the pool when the engineer is marked up.

NOTE: This rule does not apply in cases where a pool engineer has been used on another assignment (other than a turn in the same pool). In such cases, the turn will stay marked up in the pool. The turn will therefore be filled as a vacancy if the regular engineer is not available when the turn is called.

Section 5 - Marking Up

(a) Engineers completing a tour of duty in any class of service will be marked up in turn based on the time reporting off duty. If two (2) or more engineers in the same service report off duty at the same time, they will be marked up in the same order as when last called.

(b) An engineer will automatically be marked up for service at the expiration of a mark off with a specific duration such as vacation, personal leave, personal business, appointment, etc. If for unforeseen reasons, an engineer requires additional time off, it will be his responsibility to contact the Crew Management Center to request additional time off.

Section 6 - Additional Service List

(a) An Additional Service List (ASL) will be established at all crew points for regularly assigned engineers with rest days who desire to make themselves available for service on their off days. Such engineers who desire to perform service from this list will be required to file written notice with the designated Carrier official and will be marked up in seniority order on the date the list is first established. Engineers may thereafter add to or remove their names from this list by filing written notice by 6:00 p.m. the day in advance of the first off day of their work week. Engineers who elect to add their names to their list will be placed at the bottom of such list at the time such requests are received.

(b) Engineers marked up on the ASL will be called therefrom in the sequence provided for in Section 1 above, if they have eight (8) hours or more to work under the Hours of Service Law, on a first in, first out basis. All calling rules that apply to the extra list will also apply to the ASL, provided however, that an engineer will not be called from such list if by doing so he would be unavailable for his regular assignment. An engineer will be considered unavailable if his regular assignment is due to commence work less than eight (8) hours after the normal quitting time of the vacancy to be filled.

NOTE 1: It will be the engineer's responsibility to remove himself from the ASL through the proper authority when he will not be available to be called from the ASL.

NOTE 2: The terms of the respective Five Day Work Week Agreements are not altered by this Section 6 with respect to when time and one half is payable for work on rest days.

ARTICLE XII - EXERCISE OF SENIORITY

(a) Preference in assignment to runs within a zone will be given to the senior engineer provided he is fully qualified for that service.

NOTE: Certain zones have been subdivided into two (2) or more sub zones. In those zones, the restrictions covering movement between sub zones will apply.

(b) All new runs or assignments will be listed in the Crew Management System for a period of seven (7) days.

Engineers within the zone of the new run or assignment may exercise seniority to said run or assignment upon request to the Crew Management Center during the 7 day period. At 12:01 a.m. Of the 8th day, the senior engineer, who is protecting the assignment or the senior engineer in another sub zone who has claimed the assignment will be assigned thereto. Should the assignment be awarded to an engineer in another sub zone the engineer will not be permitted to cross sub zone lines and protect the new assignment until after 12:01 a.m. of the eighth day.

New runs or assignments not filled in accordance with the above will be filled by assigning the senior demoted engineer within the jurisdiction of the supply point. If there are no demoted engineers in the jurisdiction of the supply point, the senior demoted engineer within the zone will be assigned. On zones that have been subdivided, the senior demoted engineer within the sub zone will be assigned ahead of demoted engineers from another sub zone.

NOTE 1: It is understood that the "7 day period" will begin at 12:01 a.m. of the first day a new assignment or job is established and end at 12:01 a.m. on the eighth (8th) day. A new assignment will be considered "established" as the first day it actually works.

NOTE 2: New runs or jobs will be listed in the system as promptly as possible. If the listing is executed subsequent to the date the job or assignment actually works, this will not deprive any engineer of the right to make claim within seven (7) days from the date of the listing. The job will then be considered "established" as of the date of the listing.

NOTE 3: All newly listed assignments will be referred to as "open jobs" and may be claimed and protected in accordance with the provisions of this Paragraph (b).

NOTE 4: Engineers, working as such, in a sub zone may not place a verbal bid or exercise rights to an engineer's assignment in another sub zone when there are senior engineers in demoted status in the sub zone where the engineer wishes to exercise such rights.

(c) When an engineer exercises his seniority to a run or assignment and for any reason reports off before going on such run or assignment the junior engineer so displaced may continue on the run or assignment if he so desires provided the junior engineer has not performed service on the assignment he has elected to take.

A junior engineer so displaced must advise the Crew Management Center at the time of his notification of displacement whether he wishes to remain on the job in the event the senior engineer should mark off. Otherwise, the

junior engineer will not be called for the job should the senior engineer mark off.

(d) Engineers regularly assigned to runs or yard positions who have held the run or position continuously for a period of not less than thirty (30) calendar days may, at the expiration thereof, exercise seniority to any other run or position in the zone to which their seniority entitles them. The thirty (30) calendar day period will apply in the case of each senior man displacing a junior man. This also applies to engineers moving to or from the extra board.

(e) An engineer exercising seniority into a pool will be required to displace to an unoccupied open job. If there is no unoccupied open job, he must displace the junior engineer.

(f) An engineer exercising seniority to the extra board must displace to an open job with the off day(s) he elects to hold. If there is no such open job, he must displace the junior engineer who is on a position with the off day(s) he elects to hold.

(g) All vacancies on regular assignments not known to be open for seven (7) calendar days will be filled from the engineers' extra board. Thereafter, such vacancy will become an open job for seven (7) days for the exercise of seniority. When it is known that the regular engineer will be absent for seven (7) days, or more, including a vacation vacancy, such run or assignment immediately becomes an open job for seven (7) days for the exercise of seniority. Such open job may then be claimed by engineers within the zone where the open job occurs. An engineer who has been off seven (7) days, or more, because of sickness, vacation, etc. will be permitted to exercise seniority to any assignment for which he stands after 12:01 a.m. of the eighth day.

NOTE 1: When an engineer vacates an assignment to claim an open job, or marks off for any reason for seven (7) days, or more, including vacation, his job will become an open job and may be claimed immediately.

NOTE 2: When an engineer takes an open job during the 7 day period, and actually works it, he will have a full exercise of seniority in the event he is displaced or the open job is abolished prior to the expiration of the seven (7) day period. If he does not actually work the assignment taken prior to the time he is displaced, or the job is abolished, he must return to the job which he vacated, or he may claim any other open job.

NOTE 3: It is understood that when an engineer claims an open job and at that time there are other open jobs available, he may not voluntarily give up the open job which he claimed and claim one of the other open jobs which he passed at that time. This will not, however, apply to subsequent: open jobs.

(h) An engineer displaced by application of this Article, or otherwise, shall exercise his seniority within twenty four (24) hours except in cases of sickness or off on leave of absence.

Except in case of sickness or off on proper leave of absence, an engineer who fails to place himself within the time limits prescribed by this Paragraph (h) will forfeit his exercise of seniority and upon reporting for

duty will be forced to:

(1) Displace the junior engineer assigned within that zone, seniority permitting, or

(2) Take an open job, seniority permitting, or

(3) Displace the junior engineer on the engineers' extra board, seniority permitting.

An engineer failing to report within seventy two (72) hours of notification of displacement will be automatically marked up on the engineers' extra board at the supply point protecting the assignment from which he was displaced.

QUESTIONS AND ANSWERS - ARTICLE XII - EXERCISE OF SENIORITY

Q-1: If an engineer is displaced, his run or assignment abolished, or he has been on an assignment for thirty (30) calendar days, may he exercise seniority to the run of his choice in a set of assigned runs?

A-1: *No. He must displace to an open job or if no open job is available, displace the junior engineer.*

Q-2: Does the run or assignment which an engineer vacates when he takes an open job immediately become an open job?

A-2: *Yes, and it will be filled in accordance with Paragraph (g). When an engineer claims an open job, his job or assignment immediately becomes an open job for seven days. The senior engineer protecting the open job at 12:01 a.m. of the 8th day will be considered assigned thereto.*

Q-3: Does the foregoing also apply when an engineer on an open job claims another open job before the claiming period closes?

A-3: *Yes.*

Q-4: May an engineer who is absent during the 7 day period of an open job account of sickness or other leave of absence exercise seniority to the new assignment upon his return?

A-4: *Yes, provided the period has not expired prior to his marking off. However, an engineer who has been off seven (7) days, or more, will be permitted to exercise seniority to any assignment for which he stands after 12:01 a.m. of the eighth day.*

Q-5: Under what circumstances does an engineer acquire rights to an exercise of seniority?

A-5: *(a) When displaced by a senior engineer,*

(b) When his run or assignment is abolished,

(c) When his run or assignment is annulled, except an engineer on a holiday qualifying job may not exercise seniority when his assignment is annulled on a holiday.

(d) When returning to service from sick leave, vacation, etc., after having been off seven (7) days, or more.

e) When occupying assignment for thirty (30) calendar days or more.

Q-6: Will the answer to Question 5 above apply to extra board engineers?

A-6: *Yes, insofar as the provisions are applicable.*

Q-7: When may an engineer, who has been off account sickness or on leave, mark up for his run or assignment?

A-7: *Prior to calling time on runs terminated at extra board points and prior to the off duty time of previous work day or trip on runs terminated at outlying points. "Off duty time," is intended to mean the scheduled off- duty time.*

Q-8: What is the latest time that an engineer who has been displaced or whose assignment has been annulled or abolished may exercise seniority to a particular assignment?

A-8: *He may exercise his rights anytime up to calling time of the assignment. This also applies to engineers working at outlying points.*

Q-9: May an engineer voluntarily relinquish a regular assignment at any time and displace a junior engineer on the Engineers' Extra Board?

A-9: *No. He must have an exercise of seniority to displace a man on the extra board. This will not preclude an engineer from taking an open job on the extra board.*

Q-10: When does the 24 hour period as provided in Paragraph (h) commence to run against an engineer who is on his off days and is out of town, etc., during his off days and cannot be notified?

A-10: *If the individual is on his off day(s) and cannot be reached, the 24 hour period will not commence until he is notified by the Crew Management Center upon his return. Leaving a message on an answering machine will not serve as notification. It is the intent of the rule that the 24 hour period will commence when the individual is notified of his displacement.*

ARTICLE XIII - CONSOLIDATING/RESTRUCTURING SENIORITY DISTRICTS

(a) The BLE and CSXT agree that the restructuring and consolidation of the existing seniority districts will be mutually beneficial. Such action will allow the Carrier to assure service reliability and better react to traffic changes and, in turn, provide for more consistency and predictability for the engineers' work force.

(b) To complement the existing Eastern Lines Consolidated Roster, the existing seniority districts within the jurisdiction of the Northern Lines Committee will be merged into a single master roster to be called the Northern Lines Consolidated Roster. Similarly, the seniority districts within the jurisdiction of the Western Lines Committee will be merged into a single master roster to be called the Western Lines Consolidated Roster. The

consolidations will be accomplished in accordance with the terms of CSXT Labor Agreements 1-015-96 and 1-016-96.

(c) The following adjustments will be made at common terminals/supply points where two (2) or more Consolidated Rosters currently protect work:

(1) Garrett

Prior right engineers with seniority as such as of the effective date of this agreement will continue to have rights to claim regular positions in the Garrett Pool based on the existing allocation of work. However, all vacancies in that pool will be protected by the Northern Lines zone extra board. When former C&O positions are not claimed by prior right engineers, they will be filled by Northern Lines engineers.

(2) Louisville

Prior right B&O engineers with seniority as such as of the effective date of this agreement will continue to have rights to claim regular positions in the Coordinated Terminal based on the existing equity arrangements. Unclaimed positions and vacancies will be protected by the Western Lines zone extra board.

(3) Spartanburg

Prior right CRR engineers with seniority as such as of the effective date of this agreement will continue to have rights to claim regular positions in the Terminal based on the existing equity arrangements. Unclaimed positions and vacancies will be protected by the Eastern Lines zone extra board.

(4) Huntington

Prior right B&O engineers with seniority as such as of the effective date of this agreement will continue to have rights to claim regular positions in the Consolidated Terminal based on the existing equity arrangements. Unclaimed positions and vacancies will be protected by the Western Lines zone extra board.

(5) Cincinnati (or protected out of Cincinnati)

Prior right engineers with seniority as such as of the effective date of this agreement will continue to have rights to claim regular positions in the "3-C" Consolidated territory based on the existing allocation of work. However, all former C&O vacancies will be protected by the Northern Lines zone extra board. When former C&O positions are not claimed by prior right engineers, they will be filled by Northern Lines engineers.

(d) The principles and conditions outlined in this Paragraph (d) will serve as a template for the design of a Seniority Zone structure within each of the three (3) Consolidated Master Roster jurisdictions. The parties will agree upon an implementation schedule to complete the process as expeditiously as possible.

(i) Prior rights will be preserved for purposes of exercise of seniority, with special handling given to extra board allocation where more than one prior right district's work is to be

protected.

(ii) Determine work to be exclusive to the zone, including re alignment of existing equity arrangements. Determine work to be excluded from the zone and therefore protected by another zone.

(iii) Qualification. It is expected that engineers will be qualified for all work within a zone. Engineers must be fully qualified on all work protected by an assignment, pool, or extra board to displace to or claim a position. However, the parties do recognize that sub zones are necessary for larger zones, taking into consideration geography and qualification issues. If sub zones are established, an engineer must remain qualified on all service in the sub zone, recognizing that demoted engineers may be required to protect service in another sub zone. If this occurs, the Carrier will arrange for adequate training at Carrier expense.

(iv) Determine extra board requirements including, but not limited to: service to be protected by supply point boards and conditions for sub boards where and as needed pursuant to the guidelines of Side Letter #20 (a) of the 1986 National Agreement; and, equity arrangements for extra boards protecting more than one prior right district's work.

(e) While we desire to have uniformity in the working structure of the zones, we recognize that some issues unique to a zone must be given due consideration. For example, preservation of certain work for prior right engineers working in another zone may have to be considered based on manpower requirements, qualification issues and the avoidance of relocation. These special provisions will only be in place for sufficient duration to allow attrition to render the issue moot.

The parties also recognize the complexity of this process and will establish a mutually satisfactory implementation schedule to take into account issues of concern for the engineers and fully protect service during transition. However, if the zone structure on a line has not been implemented or scheduled for implementation by or before July 1, 1997, a Peer Review Committee established by the appropriate BLE General Committee will review the facts and issue a recommended solution to allow for implementation on or before January 1, 1998.

(f) Subsequent to the effective date of this Agreement, the parties will meet to negotiate a Master Roster for CSXT Engineers which will provide rights and flexibility for the Carrier and its engineers. The terms of that Agreement should include, but not be limited to, the following:

- Guidelines for engineers to apply for transfer between Lines of road.
- Timing of transfers to permit continued protection of service.
- Qualifying procedures for transferring engineers.
- Retention of seniority on the original district.
- re-working zone lines to reflect current service requirements.

ARTICLE XIV - GUARANTEED EXTRA BOARDS

(a) All Engineers Extra Boards will be guaranteed and managed on a

bi-weekly basis as follows:

(i) The Carrier will regulate the number of positions on each extra board.

(ii) Positions on the extra board will be established with two (2) consecutive off-days per bi-weekly pay period. The rest days will commence at 12:01 p.m. the first day. An engineer protecting service and not in position to begin his assigned rest days, will observe his rest day for a period of forty eight (48) hours after completing his current tour of duty. Rest days will be assigned by the Carrier with due consideration for the number of positions on the board and the needs of service.

NOTE: Upon thirty (30) days advance written notice, the Local Chairman with jurisdiction may convert a particular extra board to having one (1) rest day each week versus the two (2) consecutive rest days. The rest day will be the same day each week for a position on the board. When this option is exercised, the rest day structure can not be changed for a minimum of six (6) months.

(iii) An Engineer assigned to an extra board who is available for service for an entire pay period (except on specified off days) will be guaranteed the monetary amount as shown below:

(1) on pre existing bi weekly boards the existing rate for those engineers with seniority on or before the effective date of this Agreement; or,

(2) on pre existing daily boards the rates shown in Paragraph (c) (i) below for those engineers with seniority on or before the effective date of this Agreement; or,

(3) a rate of \$1952.06 (subject to the second and third general increases in Article I of this Agreement) for all employees establishing engineer's seniority after the effective date of this Agreement. This rate shall be subject to rate progression.

NOTE: The rates in (1) and (2) will also apply to any engineer who has commenced the Engineers' Training Program on or before the effective date of this Agreement

(iv) In the event all earnings do not equal or exceed this amount, necessary adjustments will be made in the payroll for that period. An engineer who is not assigned to the extra board for the full pay period will receive a guarantee equal to 1/12th of the appropriate bi weekly rate for each full calendar day assigned to the extra board and is available for service the full calendar day, except for assigned rest days. An engineer forced to an extra board position or reduced from an extra board will be treated as available for that full calendar day.

(v) An engineer marking off for a reason such as personal business will hold his turn on the board and will not have his guarantee reduced if marked up before his turn is called.

(vi) An engineer not marked up to protect his turn (other than a rest day) and, therefore, unavailable to protect his turn when it

is called will have the guarantee reduced by 1/6th of the full bi-weekly rate for each twenty four (24) hour period or portion thereof not available for service. Similarly, an engineer missing a call will also have the guarantee reduced by 1/6th of the full bi-weekly rate for each twenty four(24) hour period or portion thereof not available for service.

NOTE: Local Chairman will only be charged 1/12th of the full bi-weekly rate for each twenty four (24) hour period or portion thereof when marked off for Union Business.

(vii) An engineer will not be considered as unavailable to protect his turn for guarantee purposes when marked off for any reason for which he receives compensation.

(viii) Engineers missing a call, missing a turn while marked off for any reason, or upon commencement of a rest day will be removed from the board and then placed on the bottom of the board upon reporting for duty or completion of the rest days.

(ix) Engineers will be automatically marked off so as not to stand for a call at or after the rest days commence and automatically marked up at the completion of rest days.

(x) An extra board engineer working from the Additional Service List on his rest day(s) who is available for service the entire bi-weekly pay period will not have the earnings made on the rest days included in the calculation of the guarantee under this Article.

(xi) An extra board engineer claiming rest after having been on duty eight (8) hours or less, will have his guarantee reduced by 1/12th of the bi-weekly guarantee if as a result of claiming rest he is unable to protect a turn. This rule will not apply when an extra engineer claims rest after working a second tour of duty in twenty four (24) hours. Claiming rest will not be treated as being "unavailable" under Paragraph (vi) above.

(b) Bi-weekly guarantee rates will be subject to all future general wage and COLA increases. For application of hourly COLA increases, bi weekly guarantees under this agreement will be considered as having a value equal to ninety-six (96) hours.

(c) (i) At locations where "daily" boards are maintained, the operational conditions governing such boards will remain unchanged for engineers with seniority on the prior right district (including engineers who have already commenced the engineers training program for that district) as of the effective date of this Agreement. However, the Local Chairman with jurisdiction at each location may elect to convert to bi-weekly guaranteed boards for the prior right engineers. At those locations where "daily" boards are converted to bi-weekly boards, the terms of this Article will apply and the following rates will apply:

<u>LOCATION</u>	<u>RATE</u>
Augusta-GRR	\$2049.90
Augusta-SCL	\$2091.92

Atkinson	\$2091.92
Bloomington	\$1966.44
Bruceton	\$2091.92
Etowah (K&A)	\$2091.92
Hazard	\$2091.92
Memphis	\$2091.92
Mobile	\$2091.92
New Orleans	\$2091.92
Erwin	\$2091.92
Evansville-CD	\$2319.85
Terre Haute	\$2319.85
Corbin	\$2349.12
Loyall	\$2349.12

NOTE: Rates above include the First General Increase in Article I.

(ii) At locations where "daily" boards are not converted to bi weekly boards, the Carrier may co locate a bi weekly board to be administered under the terms of this Article for employees establishing engineer's seniority after the effective date of this Agreement, subject to the following:

(1) Bi-weekly boards will not be established for the sole purpose of reducing guarantee payments at the location.

(2) Engineers assigned to the bi weekly board will be used only when there is no rested engineer available on the daily board.

(3) Daily boards will continue to be regulated to the needs of service.

(d) Engineers will not be called for train service from the Engineers Extra Board, except in an emergency. When called in such circumstances, the earnings in train service will not be used in calculating the extra board guarantee and the time off the board will be considered available time for purpose of this Article.

ARTICLE XV - THROUGH FREIGHT SERVICE

Section 1 - Mileage Regulation

The BLE and the Carrier recognize that mileage regulation rules in the various collective bargaining agreements and their applications will be adjusted to reflect previous and subsequent changes in the basic day in through freight service. In applying the regulation rules, miles physically operated (or paid for in the case of standard mileage agreements), including deadhead mileage, whether separate or combined with service, will be counted

in determining the number of engineers to be assigned in a set of runs or the appropriate regulation factors for pools under Section 2 below. To adjust for the current basic day, the regulation limits will be adjusted to reflect the change by increasing such limits by the percentage change from the 100 mile basic day in through freight service.

Section 2 - Pool Regulation

(a) Regulation factors will be determined for each pool on the system by assessing the normal operation of the pool with respect to mileage earned for an average trip over a twelve (12) pay period study period. Using the average trip data, bi weekly high and low regulation factors will be established to permit weekly regulation of the pool based on dispatchments in the preceding fourteen (14) day period.

(b) To establish the bi weekly high and low regulation factors, the monthly regulation minimum and maximum (as adjusted pursuant to Section 1 above) covering the pool will be divided by the average trip mileage to determine the number of trips needed to work the minimum and maximum mileage per month. The number of trips will then be divided by 2.16 to determine the bi-weekly high and low regulation factors.

(c) The Local Chairman and Carrier officer with jurisdiction will decide which day of the week should be utilized to adjust the pool.

(d) The following will apply in the regulation of engineer pool crews:

(i) On the agreed to day each week, the Carrier shall furnish the Local Chairman having jurisdiction a statement for the pool showing the total number of pool crew dispatchments, including terminal terminal deadheads and extra crews called to supplement the pool during the preceding seven (7) calendar days.

NOTE: A terminal terminal deadhead paid for separate and apart from a service trip will be counted as a percent of a dispatchment based on the percentage relationship between the actual distance and the basic day. For example, a separate deadhead over a 230 mile territory will be treated as .5 (50%) of a dispatchment.

(ii) The pool will be regulated so that there will be an average between the low and high dispatchment factors per turn bi weekly.

NOTE: For the purpose of an example in this rule, we are using a low factor of 10.30 and a high factor of 12.12.

(iii) Based on the reports furnished the Local Chairman, the Carrier will make a reduction in the pool if the average number of dispatchments per turn is less than the low factor during the two (2) preceding seven (7) day checking periods. The number of crews to be reduced will be determined by dividing the total dispatchments in the fourteen (14) day period by the low factor. For example, there are eight (8) crews in the pool and during the fourteen (14) day period, the eight (8) turns made eighty (80) dispatchments. Eighty (80) divided by 10.30 equals 7.25 -- so the decrease would be one (1) crew.

NOTE: No reduction will be made if the average number of dispatchments per turn exceeds the low factor during the preceding

fourteen (14) day period.

(iv) In situations where the average number of dispatchments per pool turn during the preceding fourteen (14) day period is equal to or greater than the low factor, the Local Chairman having jurisdiction may request by noon Wednesday (confirmed in writing) a reduction due to abnormal circumstances. The Carrier will make such reduction but assumes no liability as a result thereof.

(v) No increase in the number of turns in the pool will be made if the average number of dispatchments per turn was less than high factor during the two (2) preceding seven (7) day checking periods. When the average number of dispatchments per turn is greater than the high factor during the preceding fourteen (14) day period, an increase may be requested in writing by the Local Chairman having jurisdiction or the particular pool may be increased by the Carrier. The number of crews to be increased will be determined by dividing the total dispatchments in the fourteen (14) day period by the high factor. For example, there are ten (10) crews in the pool and during the fourteen (14) day period, the ten (10) turns made one hundred and thirty (130) dispatchments. One Hundred and thirty (130) divided by 12.12 equals 10.72 - so the increase would be one (1) crew.

(vi) In the application of Paragraphs (iii) and (v) above, any fraction of .50 or greater will be carried to the next higher number. Any fraction of less than .50 will be dropped.

NOTE: The parties recognize that due to line blockage, holiday shutdowns, or other unusual circumstances regulation should be suspended or adjusted. The Local Chairman with jurisdiction and the appropriate Carrier officer will cooperate to make appropriate arrangements.

ARTICLE XVI - ESTABLISHING ENGINEER'S SENIORITY

(a) (i) A candidate for promotion to engineer will acquire a position on the appropriate Engineers' Seniority District roster upon successful completion of the Engineers' Training Program using the date he entered the formal Engineers' Training Program.

(ii) Tie breaking - When two or more candidates for the same Engineers' Seniority District enters the formal Engineers' Training Program on the same date, the following will apply:

(1) If the candidates have acquired train service seniority on CSXT prior to the date entering the Engineers' Training Program, they will rank as engineers in the same relative order of seniority standing as shown on the Trainmen's roster(s). If two (2) or more candidates have the same seniority date but are from different trainmen's districts, they will draw lots to establish order on the Engineers' roster.

(2) If the candidates involved do not have train service seniority prior to the date entering the formal Engineers' Training Program, such candidates will draw lots to

establish order on the Engineers' roster.

(3) If two (2) candidates commence training on the same date, one with trainman's seniority and one without, the candidate with trainman's seniority will be placed on the roster ahead of the candidate without trainman's seniority.

(b) (i) When the Carrier hires an engineer (a new employee who is FRA certified as an engineer and has worked as such for another Carrier) or transfers an engineer from one CSXT district to another, the date such engineer commences qualification on the district will be used as his seniority date.

(ii) Tie breaking - When two (2) or more engineers with seniority on CSXT transfer to and commence qualifying for the same seniority district, they will be placed in relative standing on the new district as shown on their former Engineers' Seniority rosters.

ARTICLE XVII - ENGINEER INSTRUCTOR ALLOWANCE

When employees who are participating in a scheduled training program for qualifying and promotion to locomotive engineer are required to receive on job training, the engineer-instructor on the job selected will instruct such employees with the responsibilities and functions of locomotive engineers under actual working conditions, subject to the following:

(a) The engineer-instructor will permit the apprentice engineer (trainee) to operate the engine and perform other functions under his direction.

(b) While the engineer-instructor cannot be relieved of his responsibility for the safe operation of his train or engine, he will not be held responsible for broken knuckles, damaged drawbars or rough handling when the engine is operated by the trainee or when the apprentice engineer (trainee) is operating under direct instructions of the Road Foreman of Engines or other Carrier operating officer having jurisdiction and authority to issue instructions to the engineer-instructor.

(c) The engineer-instructor will be paid an allowance of \$26.00 in Road Service and \$15.00 in Yard Service (not subject to future or COLA wage increases) in addition to all other earnings, for each tour of duty that an apprentice engineer (trainee) is assigned to him provided all appropriate evaluation forms under Paragraph (d) below are completed. It is understood that assignment of an apprentice engineer (trainee) to a particular job for training is on a day-to-day basis.

NOTE: The instructor allowance will not be considered a duplicate time payment as that term is defined in the Award of Arbitration Board No. 458 dated May 19, 1986.

(d) The engineer-instructor will be required to complete evaluation reports on each apprentice engineer (trainee) assigned to him as may be directed. Incompetence, lack of judgment or other detrimental traits or attitudes will be reported. Engineer instructors will not be accompanied by, except for transportation purposes, or required to instruct or file reports for more than one (1) apprentice engineer (trainee) during any one (1) tour of duty.

(e) The Road Foreman of Engines and the Brotherhood of Locomotive

Engineers Local Chairman having jurisdiction, will meet and mutually agree in the selection of the locomotive engineers to act as engineer-instructors. In the event that mutual agreement is not reached, the decision of the Road Foreman of Engines will be referred to the Brotherhood of Locomotive Engineers General Chairman for his handling with the Highest Designated Officer.

NOTE: Apprentice Engineer (Trainee) as used in this agreement refers to an employee who is actually engaged in a scheduled training program for promotion to engineer.

(f) It is further understood that a list of employees undergoing scheduled training to become locomotive engineers will be posted on appropriate bulletin boards and a copy of this list will be furnished the General Chairman of the Brotherhood of Locomotive Engineers.

(g) In the application of this rule, the terms "apprentice engineer" or "engineer-instructor" will not be considered as creating any new craft or class of employees which did not exist prior to this agreement.

(h) Evaluation report forms as to the type used will be periodically reviewed with the General Chairmen of the Brotherhood of Locomotive Engineers and any changes which would result in improvement of these forms as to type will be given consideration by the Carrier.

(i) Engineers will not be required to act as engineer-instructor unless they are agreeable to do so provided that other qualified engineer-instructors are available on the type or kind of assignment on which training is required.

(j) When an apprentice-engineer (trainee) rides the engine for transportation only, the engineer will be so advised.

(k) Only qualified FRA certified engineers will be used as engineer-instructors.

ARTICLE XVIII - INVESTIGATION AND DISCIPLINE RULE - PROCEDURES

Section 1 - General Requirements

(a) An employee shall not be discharged, suspended or otherwise disciplined without just cause and without a fair and impartial hearing, except that an employee may waive a hearing in accordance with Section 2(b) below.

(b) An employee shall not be held from service pending hearing except in serious cases, such as theft, altercation, Rule "G" violation, insubordination, major accidents, serious misconduct and major offenses whereby the employee's retention in service could be hazardous.

Section 2 - Formal Hearing

(a) Notice of Hearing

(i) An employee directed to attend a formal hearing to determine the employee's responsibility, if any, in connection with an occurrence or incident shall be notified in writing by certified mail, return receipt requested to the last known address within a reasonable period of time but not to exceed ten (10) days from the

date of occurrence, or where the occurrence is of a nature not immediately known to the employee's supervisor(s), from the time they first have knowledge thereof. The notice shall contain a clear and specific statement of the date, time, place and nature of the occurrence or incident that is to be the subject of the hearing. The notice shall be sent in duplicate in order that the employee may transmit a copy to the employee's representative, if the employee so desires.

NOTE: A post mark receipt within ten (10) days of occurrence or first knowledge shall serve as having given proper notice under this rule.

(ii) The notice shall state the date, time and place the hearing is to be held which shall be not less than five (5) days after the date of notification or more than (10) days after the date of notification unless otherwise agreed to.

(iii) The Carrier will have the responsibility of producing sufficient witnesses to develop the facts concerning the incident or occurrence being investigated and the notice of hearing shall include the name of each person receiving the notice and the names of witnesses known at the time of the notice that the Carrier intends to have in attendance at the hearing. The employee or the employee's representative may bring to the attention of the responsible Carrier official the name or names of other witnesses who may provide material facts.

(iv) The notice shall inform each employee so notified of the right to representation and to bring in witnesses.

(v) If an employee who is to receive a notice of hearing will not be permitted to exercise the option under Paragraph (b) below, the notice of hearing shall so specify.

(b) Waiver of Hearing

(i) An employee who has been notified to appear for a hearing shall have the option, prior to the hearing, to discuss with the appropriate Carrier official, either personally, through or with the employee's representative, the act or occurrence and the employee's responsibility, if any.

If disposition of the charges is made on the basis of the employee's acknowledgment of responsibility; the disposition shall be reduced to writing and signed by the employee and the official involved and shall incorporate a waiver of hearing and shall specify the maximum discipline which may be imposed for the employee's acceptance of responsibility.

Disposition of cases under this Paragraph (i) shall not establish precedents in the handling of any other cases.

(ii) No minutes or other record will be made of the discussions and, if the parties are unable to reach an agreed upon disposition on this basis, no reference shall be made to these discussions by either of the parties in any subsequent handling of the charges under the discipline procedure.

(c) Postponement of Hearing

Consistent with the provisions of Section 1(a) above for a fair and impartial hearing, postponements of the formal hearing may be requested by either party on reasonable grounds and consent shall not be unreasonably withheld.

(d) Conduct of Hearing

(i) The hearing shall be conducted by an officer of the employing Carrier who may be assisted by other officers. If practicable to do so, the hearing shall be held at the home terminal of the employee involved, or in cases where more than one employee is involved, at the home terminal of the majority of the employees. In cases of the latter, the employee will be reimbursed for actual, reasonable and necessary expenses incurred for each day of the hearing.

NOTE: When another Carrier is involved, this will not preclude an officer of that Carrier from conducting the hearing or assisting in the hearing, recognizing, in any case, that there shall be only one (1) presiding (hearing) officer.

(ii) The employee shall have the right to be represented at the hearing by an employee or an organization representative of the employee's own choosing. The employee and/or the employee's representative shall have the right to introduce witnesses in the employee's behalf, to hear all testimony introduced, and to question all charged employees and witnesses.

(iii) An employee's personal service record will not be included in or referred to in the hearing or in transcript of the proceedings of the hearing. The employee's personal record may be taken into consideration in assessing the amount of discipline imposed, if any.

(iv) If the formal hearing is not held within the time limits specified in Paragraph (a)(ii) above, the employee will not be disciplined, will be paid for all time lost, and no disciplinary entry will be made in the employee's personal service record.

(v) The employee and witnesses will be permitted reasonable time off, if requested, in order to have sufficient rest prior to and following the hearing.

Section 3 - Transcript of Hearing

(a) It is recognized that the Carrier is responsible for ensuring that an accurate transcript of the hearing proceedings is made. However, this will not preclude the employee or employee's representative from making a record of the proceedings for their own use.

(b) If, during the hearing, a partial transcript is made prior to conclusion of the hearing, such partial transcript will be made available to the employee and the employee's representative upon request. If electronic recording devices are used and recordings are available for review by Carrier officials, they also shall be made available upon request for review by the employee and employee's representative at the appropriate Carrier facility.

(c) In any cases where discipline is assessed, or in cases where discipline is not assessed but nevertheless there is a transcript, copy of the transcript will be furnished to the employee and the employee's representative promptly upon request.

Section 4 - Hearing Decision

(a) If the formal hearing results in assessment of discipline, such decision shall be rendered within thirty (30) calendar days from the date the hearing is concluded, and the employee will be notified in writing of the reason therefor by certified mail. An additional copy of this notice will be mailed promptly to the employee's representative.

NOTE: A postmark within thirty (30) days of the hearing's conclusion shall serve as having given proper notice under this rule.

(b) If the hearing does not result in discipline being assessed, any charges related thereto entered in the employee's personal service record shall be voided.

Section 5 - Compensation for Attending Hearings

(a) Witnesses, as referred to in Section 2(a)(iii) above, who are directed by the Carrier to attend a hearing, shall be compensated for all time lost. In addition, they will be reimbursed for actual, reasonable and necessary expenses incurred for each day of the hearing while away from the employee's home terminal. Where no time is lost, they will be paid actual time attending the hearing, with a minimum of four (4) hours, to be paid for at the rate of pay applicable to the last service performed.

(b) When an employee involved in a formal hearing is not assessed discipline, the employee shall be compensated for all time lost. In addition, the employee will be reimbursed for actual, reasonable and necessary expenses incurred for each day of the hearing while away from the employee's home terminal. Where no time is lost the employee shall be paid for actual time attending the hearing, with a minimum of four (4) hours for each day of the hearing, to be paid for at the rate of pay applicable to the last service performed.

Section 6 - Time Limit on Appeals

(a) When discipline has been assessed as a result of a formal hearing and the decision as rendered by the Carrier is not acceptable to the employee, any appeal must be presented in writing by or on behalf of the employee involved, to the Highest Designated Officer of the Company authorized to receive same, within sixty (60) days from the date of notification of the assessment of discipline. Failing to comply with this provision the decision shall be considered final, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other discipline cases. The Highest Designated Officer shall, within sixty (60) days from the date the appeal is filed render a decision in writing on the appeal and, if the appeal is denied, the reasons for such denial shall be given. If no decision is rendered within sixty (60) days, the appeal shall be considered valid and settled accordingly, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other discipline cases. In cases where the Employee or the Local Chairman with jurisdiction appeals the decision, a copy of the Carrier's decision will be provided to the appropriate BLE General

Chairman.

(b) The decision of the Highest Designated Officer shall be final and binding, unless within one hundred eighty (180) days from the date of said officer's decision proceedings are instituted by the employee or the employee's duly authorized representative before a tribunal having jurisdiction pursuant to law or agreement of the matter involved.

(c) With respect to appeals involving an employee dismissed, suspended or held out of service, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(d) If, at any point in this appeals procedure or in proceedings before a tribunal having jurisdiction, it is determined that the employee should not have been disciplined, any charges related thereto entered in the employee's personal service record shall be voided and, if required to lose time or if held out of service (suspended or dismissed), the employee shall be reinstated with pay for all time lost and with seniority and other rights unimpaired.

(e) If discipline assessed is actual suspension, time lost by an employee when held out of service shall be deducted from the assessed period of suspension.

(f) Should an engineer under actual suspension, in emergency, be called to service before the expiration of the suspension period, the unexpired term will be canceled.

Section 7 - Effect of Time Limits

The time limits set forth in this article will govern the discipline procedure to the exclusion of any other rule, practice or agreement to the contrary and such time limits may be extended by mutual agreement in writing.

ARTICLE XIX - GRIEVANCE PROCEDURE

The BLE and CSXT recognize the need to improve and streamline the process for handling and resolving claims and grievances under the Collective Bargaining Agreement. We will have ongoing dialogue to improve the process to give the parties more time and energy for the prevention of grievances and working within the framework of the agreement to our mutual satisfaction. As a beginning, the following procedures for handling claims shall be instituted upon implementation of this Agreement.

(a) All claims or grievances must be presented in the proper format supplied by the Carrier on behalf of the engineer involved by the BLE Local Chairman with jurisdiction, to the designated Carrier officer, within sixty (60) days from the date of the occurrence on which the claim or grievance is based. The claim or grievance must state the following information:

- (1) NAME AND I.D. NUMBER
- (2) DATE AND TIME OF OCCURRENCE
- (3) TRAIN NUMBER (IF CALLING ISSUE -TRAIN THE CLAIMANT SAYS IS INVOLVED)
- (4) SUPPLY POINT
- (5) EXACT LOCATION OF OCCURRENCE (MILE POST)

(6) IF CLAIM INVOLVES INSTRUCTIONS, NAME AND TITLE OF PERSON GIVING INSTRUCTIONS.

(7) RULE OR RULES INVOLVED

(8) REMEDY CLAIMED

(9) STATEMENT OF FACTS AND POSITION OF THE LOCAL CHAIRMAN

NOTE: This Article does not apply to the appeal of discipline, which is handled under Article XVIII above.

(b) All claims or grievances filed in excess of sixty (60) days of occurrence (based on post mark, fax transmission receipt, or computer "time stamp"), or failing to provide the information listed above, will be considered closed, but will not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances.

(c) All properly filed claims or grievances will be considered by the Carrier. If to be allowed or disallowed, the Carrier shall within sixty (60) days from the date filed, notify the employee (or his representative if so filed) of the reasons for the decision. If declined, the decision must include appropriate reference to rule, ruling, or arbitration case. If not so notified, the claim will be considered valid and settled accordingly, but this shall not be considered a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

(d) (i) Decisions under Paragraph (c) above must be appealed by the appropriate General Chairman to the Carrier's Highest Designated Officer within sixty (60) days of said decision. Unless a dispute in facts is noted at this time (between the Local Chairman's statement and the Carrier's response thereto), the factual record will be considered closed. The General Chairman will confirm and/or add to the Local Chairman's position.

(ii) In the appeal, the General Chairman may: 1) request a conference to review the case; or, 2) waive conference and request a written decision.

(e) The General Chairman must pursue a conference of his appeal within sixty (60) days of his letter or the case will be considered closed.

(f) The General Chairman must be notified of the decision by the Carrier's Highest Designated Officer on appeals under Paragraph (d) above: 1) within sixty (60) days of conference in those cases where a conference was requested; or, 2) within sixty (60) days of the appeal letter in those cases where conference was waived. If not so notified, the appeal will be considered valid and settled accordingly, but this shall not be considered a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

(g) Decisions by the Carrier's Highest Designated Officer must be progressed and docketed before a tribunal having jurisdiction pursuant to law or agreement within 180 days of said decision. Failing to meet this time limit, the matter will be considered closed, but will not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances.

(h) All rights of a claimant or claimants in an alleged continuing violation of the agreement shall be fully protected under the following

procedure:

(i) For each claim date, the information in Paragraph (a) above must be provided to the Carrier within sixty (60) days of the occurrence on proper form provided for continuing claims. However, the General Chairman and the Carrier's Highest Designated Officer may agree to alternate means of identifying claimants and capturing the necessary information.

(ii) The Local Chairman must notify the Carrier's Highest Designated Officer in writing within thirty (30) days of the filing of the first claim when a continuing claim is being progressed. The notification must include a full statement of facts and the rule, ruling or arbitration case(s) relied upon.

(iii) The Highest Designated Officer shall notify the General Chairman of the decision within thirty (30) days.

(iv) If the Carrier declines the claim, the General Chairman must progress and docket the matter before a tribunal having jurisdiction pursuant to law or agreement within thirty (30) days of said decision.

(i) When the Carrier believes a continuing claim has been instituted, but the BLE has not made notification under Paragraph (h) above, the Carrier may institute the procedures and time limits in Paragraph (h) by notifying the General Chairman in writing including evidence that claims of a similar nature have been filed on twenty (20) dates by engineers within his jurisdiction.

(j) The time limits in this rule may be extended by the General Chairman and the Highest Designated Officer by mutual consent.

ARTICLE XX - SINGLE AGREEMENT NEGOTIATIONS

(a) CSXT and BLE recognize that through years of negotiating experience on a national and property basis, most of the rules applicable to engineers represented by BLE throughout CSXT are similar, if not identical. A significant number of the remaining differences have been eliminated by the terms of this Agreement. Therefore, the parties wish to engage in expedited bargaining to reach terms for a single system working agreement for the engineers on CSXT.

(b) Immediately after the implementation date of this Agreement, the parties will schedule a minimum of five (5) days per month to engage in interest-based bargaining to reach a Single Agreement.

(c) The parties will work diligently to voluntarily reach a single agreement; however, if certain issues cannot be resolved, the parties will ask the National Mediation Board to assign a Mediator(s) to assist the parties in this interest-based bargaining.

(d) If the parties are unable to conclude the single agreement by July 1, 1997 they will ask the National Mediation Board to assist them in determining an appropriate means to voluntarily resolve the open issues.

(e) After the implementation of the Single Agreement, or common work rules that the parties agree to place in effect prior to completion of the Single Agreement, any questions or issues will be handled by the Disputes

Resolution Committee established under this Agreement.

(f) Notwithstanding the fact that a Single Agreement will apply to all engineers on CSXT, the Carrier recognizes the autonomy of the three (3) General Committees and their rights and privileges to handle matters pursuant to the terms and conditions of the Railway Labor Act, as amended.

ARTICLE XXI - DISPUTES RESOLUTION COMMITTEE

(a) Recognizing the complexity of the changes set forth in this Agreement covering the Local Work Rule changes identified as Section 8 (g) of Article 1, Section 2 of Article V, Article VI, and Articles XI through XX, it is the parties' objective to establish a method to agree upon Questions and Answers and make interpretations from time to time to clarify the intent of this Agreement and, as necessary, resolve disputes expeditiously. Therefore, a BLE/CSXT Disputes Resolution Committee made up of the three (3) BLE General Chairmen (Eastern, Northern and Western Lines) and an equal number of CSXT appointed representatives will confer or meet as necessary to accomplish the objective.

(b) When an individual or Local Chairman has a question, issue, or a dispute over the interpretation of any provision of this Agreement, the BLE Local Chairman having jurisdiction will complete a "Fact Sheet" as supplied by the Committee and forward it to the appropriate General Chairman as identified above. The General Chairman will review the facts, add his comments, and forward same to the Carrier's Highest Designated Officer. The Carrier will respond to the "Fact Sheet" with its interpretation or answer.

(c) If the BLE General Chairman and the Carrier agree upon the answer or interpretation, the Carrier will note this fact and provide a copy to all members of the BLE/CSXT Disputes Resolution Committee. If, within thirty (30) days of the Committee's members receipt, no one objects to the answer or interpretation, the Carrier will publish same to the appropriate Carrier officers. The General Chairmen will, in turn, publish the response to its membership as it deems appropriate.

(d) If the BLE General Chairman and the Carrier do not agree upon the answer or interpretation, the relative facts and positions will be supplied to the BLE/CSXT Disputes Resolution Committee for review. A conference call or meeting will be held promptly to discuss the issues, but in no case will the time between notice to the committee and discussion exceed thirty (30) days.

(e) If the Committee does not agree upon an answer or interpretation within thirty (30) days of its receipt of the issue or the Committee fails to discuss the case within thirty (30) days of its receipt of issue, either party to the issue may submit it to arbitration pursuant to the terms of the Railway Labor Act, as amended. It is recognized that CSXT and the three (3) BLE General Committees are interested parties to the resolution of the issue upon its submission to arbitration.

ARTICLE XXII - GENERAL PROVISIONS

Section 1 - Effect of this Agreement

(a) The purpose of this Agreement is to fix the general level of compensation and other terms and conditions of employment during the period of the Agreement and is in settlement of the dispute growing out of the notices dated November 1, 1994 served by and on behalf of the Carriers upon the

organization signatory hereto, and the notices dated on or about November 1, 1994 served by the organization upon such Carriers.

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said Carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 1999 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) The parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 3000) any notice or proposal for changing any matter contained in:

(1) this Agreement,

(2) the proposals of the parties identified in Section 1(a) of this Article, and

(3) Section 2(c)(3) of Article VIII of the National Agreement of March 6, 1975, and any pending notices which propose such matters are hereby withdrawn.

(d) The parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal which might properly have been served on November 1, 1994, and any pending notices which propose such matters are hereby withdrawn.

(e) This Article will not bar management and committees on individual railroads from agreeing upon any subject of mutual interest.

Section 2 - Conditions

(a) Implementation of this Agreement is contingent upon successful ratification of the Northern and Western Lines Roster Consolidation Agreements (CSXT Labor Agreements 1-015-96 and 1-016-96 which shall be voted upon at the same time as this Agreement.

(b) The signatory parties are in accord that any inadvertent errors, omissions or inclusions in this Agreement, recognized by both parties as being inconsistent with the purpose and intent of our Agreement will be corrected, included or deleted as the case may be, to properly reflect the understandings reached through negotiations.

Section 3 Non-discrimination

For convenience, all references to gender, if any, in this Agreement are made in the masculine gender. It is understood and agreed by the parties to this Agreement that references to the masculine gender include both the masculine gender and the feminine gender.

Signed this 25th day of July, 1996 at Jacksonville, Florida.

FOR THE BROTHERHOOD OF

FOR THE CARRIERS:

LOCOMOTIVE ENGINEERS:

General Chairman
Relations

Director Employee

Eastern Lines

General Chairman
Relations

Director Employee

Northern Lines

General Chairman

Western Lines

APPROVED:

APPROVED

Vice President
Relations

Vice President Labor

Brotherhood of Locomotive
Engineers

Employee Relations

500 Water Street J455

June 26, 1996 Jacksonville, FL 32202

File: CSXT Labor Agreement 1-014-96

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our discussion and understanding with respect to Article XI, Section 4 (b) of CSXT Labor Agreement 1-014-96.

It is agreed by the parties signatory to the Agreement that Section 4 (b) of Article XI is changed to read as follows:

(b) An engineer in pool freight service marking off for any reason will

maintain his place in the pool if he reports for service before his turn stands for call. Failing to report for duty before his turn is called, he will remain off for a minimum of sixteen (16) hours, depending on the exigencies of service. When reporting he will be marked up last out or to his turn if it has previously been marked up, and will be considered available for call.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director cc: C. V. Moron, First Vice President

P. T. Sorrow, Vice President

Side Letter No.1

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding with respect to the general wage increase provided for in Article I, Section 1, and the signing bonus provided for in Article I, Section 2, of the Agreement of this date.

The Carrier will make all reasonable efforts to pay the retroactive portion of such general wage increase and the signing bonus as soon as possible, but no later than sixty (60) days after the date of this Agreement.

If the Carrier finds it impossible to make such payments within that specified time period, the Carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Very truly yours,

H. S. Emerick, Director

J. T. Williams, Director

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No.2

May 28,1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This refers to the increase in wages provided for in Section 1 of Article I of the Agreement of this date.

It is understood that the retroactive portion of that wage increase shall be applied only to employees who have an employment relationship with the Carrier on the date of this Agreement or who retired or died subsequent to December 1, 1995.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 3

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2

Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding regarding Article I - Wages of the Agreement of this date.

Solely for the purpose of concluding this Agreement, the Carrier has agreed to apply the general wage increases provided for therein to mileage rates of pay for miles run in excess of the number of miles comprising a basic day (overmiles) and to compute the lump sums provided for therein without excluding overmiles.

Our agreement to include language providing for such applications shall not be considered as precedent for how such issues should be addressed in the future and is without prejudice to our position that this component of the pay system is inappropriate.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D.M. Menefee, General Chairman
C. L. Roy, General Chairman
Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 4

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman

Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This refers to the Lump Sum Payments provided for in Article I of the Agreement of this date.

Sections 3 and 5 of Article I are structured so as to provide payments that are essentially based on the compensation earned by an employee during a specified calendar year. Section 10 provides that all of these payments are payable to an employee who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payments. Thus, for example, under Section 3 of Article I, except for an employee who has retired or died, the Agreement requires that an employee have an employment relationship on July 1, 1996 in order to receive that lump sum payment.

The intervals between the close of the measurement periods and the actual payments established in the 1991 National Implementing Document were in large measure a convenience to the Carriers in order that there be adequate time to make the necessary calculations.

In recognition of this, we again confirm the understanding that an individual having an employment relationship with the Carrier on the last day of a particular calendar year used to determine the amount of a payment under Section 3 and 5 of Article I will not be disqualified from receiving the payment provided for in the event his employment relationship is terminated following the last day of such calendar year but prior to the payment due date.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 5

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman

Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding with respect to Article III, Section 2 and Article V, Section 1 of the Agreement of this date.

Those provisions shall be applied effective on the first day of the calendar month immediately following the month in which this Agreement is ratified.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 6

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding regarding Article V - Benefits Enhancements of the Agreement of this date.

This will confirm our understanding that eligibility criteria in effect on December 31, 1995 governing coverage by The Railroad Employees National Health and Welfare Plan shall continue to apply to employees represented by the organization who hold positions as working General Chairmen, Local Chairmen, and State Legislative Board Chairmen ("local officials"). In other words, the changes in eligibility as set forth in Article V, Section 1 are not intended to revise eligibility conditions for local officials. It is further understood that by providing this exclusion it is not intended that the total number of such officials covered be expanded.

Please acknowledge your agreement by signing your names in the spaces provided below.

Your very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, Chairman Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 7

May 28. 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding regarding Article V - Benefits Enhancements of the Agreement of this date.

This will confirm our understanding that vacation qualification criteria in effect on the date of this Agreement shall continue to apply to employees represented by the organization who hold positions as working General Chairmen, Local Chairmen, and State Legislative Board Chairmen ("local officials"). In other words, the changes in qualification as set forth in Article V, Section 2 are not intended to revise vacation qualification conditions for such local officials. It is further understood that by providing this exclusion it is not intended that the total number of such officials covered be expanded.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Toni Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 8

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

During the negotiations which led to the Agreement of this date, the parties had numerous discussions about the relationship between time worked and benefits received. The Carrier was concerned that certain employees were not making themselves sufficiently available for work, but due to the then

current eligibility requirements such employees remained eligible for health and welfare and dental benefits.

As a result of these discussions, the parties agreed to tighten one eligibility requirement from any compensated service in a month to seven calendar days compensated service in a month (the "seven day rule"). However, it was not the intent of the parties to affect employees by this change where such employees have made themselves available for work and would have satisfied the seven day rule but for an Act of God, an assignment of work which did not permit satisfaction of the seven day rule, or because monthly mileage limitations, monthly earnings limitations and/or maximum monthly trip provisions prevented an employee from satisfying that rule.

Also, where employees return to work from furlough, suspension, dismissal, or disability (including pregnancy), or commence work as new hires, at a time during a month when there is not opportunity to render compensated service on at least seven calendar days during that month, such employees will be deemed to have satisfied the seven day rule, provided that they are available or actually work every available work opportunity.

However, in no case will an employee be deemed eligible for benefits under the new eligibility requirement if such employee would not have been eligible under the old requirements.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

Messrs. Menefee, Roy and Smith Page 2 of Side Letter 8

May 28, 1996

We agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 9

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understandings regarding Article VIII - Rate Progression Adjustment For Promotion of the Agreement of this date.

Any promotion adjustment made pursuant to Article VIII shall be applied solely on a prospective basis.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 10

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding regarding Article IX Enhanced Customer Service of the Agreement of this date.

In recent years the rail freight sector of the transportation market place has taken steps toward a more competitive discipline which, if successful, could point the rail industry toward more growth. The parties to this Agreement are intent on nurturing these improvements. In this respect we mutually recognize that an important reason underlying the recent improvement has been enhanced focus on customer needs and improved service as the framework for working conditions. Increased employee productivity and more immediate responses to customer needs by railroad employees at all levels have been and will continue to be at the very heart of this effort.

In order to continue these recent improvements, the parties intend to respond to customers' needs with even greater efforts. In Article IX, we have developed a framework for achieving our mutual goal of retaining existing customers and attracting new business by providing more efficient and expedient service, including relaxation of work rules specified therein where and to the extent necessary for those purposes. We are also in accord that these undertakings should appropriately recognize the interests of affected employees in fair and equitable working conditions.

This will confirm our understanding that the NCCC Chairman and the BLE President shall promptly confer on any Carrier proposal under Article IX that the BLE President deems to be egregiously inconsistent with our mutual intent. Such proposal shall be held in abeyance pending conference and shall not be implemented until adjusted by agreement of the parties or, absent such agreement, resolved by expedited, party paid arbitration as set forth in the attachment hereto.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

Messrs. Menefee, Roy & Smith

May 28, 1996

Page 2 of Side Letter 10

We agree:

D. M. Menefee, Chairman

C. L. Roy, General Chairman

Tony Smith , General Chairman

cc: C. V. Monin, First Vice President

P. T. Sorrow, Vice President

Side Letter No. 11

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This refers to our discussions concerning flowback arrangements between engine and train service positions in those situations where the BLE represents Engineers. The Carrier shall meet with and obtain the concurrence of the BLE representative(s) having jurisdiction over the Engineers' seniority roster or rosters involved in any flowback arrangements on such Carrier before the flowback arrangements can be implemented.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We Agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 12

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue

Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207Gentlemen:

This confirms our understanding with respect to the Agreement of this date.

The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation.

Please acknowledge your agreement by signing your names in the spaces provided below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 13

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This will confirm our commitment to continue to train and promote sufficient numbers of employees to engine service to protect our normal business requirements including having manpower to allow for Personal Leave Days to be taken in accordance with the intent of Article VI - Personal Leave. This shall not be construed as establishing formulas or quotas.

Yours very truly

H. S. Emerick, Director

J. T. Williams, Director

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 14

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This refers to our discussions during negotiations regarding penalty claims in research status being used to reduce extra board guarantee payments.

The parties recognize that certain problems exist within the Carrier's computer system that preclude automatic adjustments to guarantees when penalty payments are paid or declined. It is further recognized that such problems can only be resolved by reprogramming the computer system.

The necessary reprogramming is in progress and it is estimated the system will be ready for implementation on or about September 30, 1996. The Carrier will make all reasonable efforts to meet the projected implementation date. However, if the Carrier finds it impossible to meet the scheduled date, the Carrier shall notify you in writing explaining the reasons for delay and when the reprogramming will be complete.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General

C. L. Roy, General

Tony Smith, General

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 15

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding that CSXT and the General Committees representing engineers on the CSXT properties will participate in the arbitration of the "Question at Issue": "In light of the agreement attached and all other relevant circumstances, should locomotive engineers receive any certification pay? If so, how much?"; which will be arbitrated between the BLE and the NCCC at the national level.

The Arbitration Award may be rejected by individual General Committees if the appropriate Carrier official is notified within thirty (30) days of issuance of Award. However, this Agreement and the disposition of the foregoing question represent full and final settlement of the notices served by the BLE on or after November 1, 1994 on Carriers represented by the NCCC in the current round of bargaining and notices served by or on behalf of such Carriers on the BLE on or after November 1, 1994.

Please acknowledge this agreement by signing your names in the spaces below.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General Chairman
C. L. Roy, General Chairman
Tony Smith, General Chairman
cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 16

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This confirms our understanding that upon ratification of this Agreement and the Master Roster Agreements, each employee will be paid a signing bonus of \$604.08.

Please acknowledge this agreement by signing your names in the spaces below.

Yours very truly,
H. S. Emerick, Director
J. T. Williams, Director

We agree
D. M. Menefee, General Chairman
C. L. Roy, General Chairman
Tony Smith, General Chairman
cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Side Letter No. 17

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This has reference to our discussions during negotiations regarding implementation of the various wage, benefit and work rule changes covered by the Agreement of this date.

The parties recognize that implementation of the various Agreement provisions will require a considerable amount of reprogramming work to modify the Carrier's Payroll and Crew Management Systems. The Carrier is committed to accomplishing the necessary work as quickly as possible and will make every effort to make the necessary modifications expeditiously.

In this regard, the Carrier will meet with the General Chairmen immediately after ratification of the Agreement to develop an implementation schedule that is mutually acceptable to all parties. It is not intended for this process to delay implementation of those Agreement provisions that can be accomplished without reprogramming work or in those instances where the Carrier has committed to a specific implementation date.

Yours very truly,

H. S. Emerick, Director

J. T. Williams, Director

Side Letter No. 18

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Dear Sir:

This will confirm our understanding in connection with your request for an exchange rate differential for Engineers working in Canada.

Effective July 1, 1996 a daily adjustment to the compensation for Engineers working in Canada will be made to reflect the difference in the

exchange rate between the Canadian Dollar and the U. S. dollar. The adjustment will be based on the difference in the exchange rates as published in the Wall Street Journal on the first Monday in June of each year. A new adjustment ratio will be calculated and placed into effect on July 1 of each year.

The grant of an exchange rate differential will be for the term of the Agreement through January 1, 2000 and is specifically being made in recognition of the value exchanged between the parties and the work rule relief associated with the redistricting of Engineers' seniority acquired by CSXT as provided for in the May 28, 1996 Agreement.

Please acknowledge this agreement by signing in the space provided below:

Very truly yours,

H. S. Emerick, Director

AGREED:

D. M. Menefee

Side Letter No. 19

May 28, 1996

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
645 Mayport Road, Suite 2
Atlantic Beach, FL 32233

Mr. C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, Florida 32250

Mr. Tony Smith, General Chairman
Brotherhood of Locomotive Engineers
P. O. Box 1207, 1122 South Brundridge St.
Troy, Alabama 36081-1207

Gentlemen:

This will confirm our understanding that the Iron Highway Agreement (CSXT Labor Agreement 1-051-94) attached hereto will be incorporated into the Single Agreement negotiations under Article XX.

Please acknowledge this agreement by signing your names in the spaces provided below.

H. S. Emerick, Director

J. T. Williams, Director

We agree:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

Tony Smith, General Chairman

cc: C. V. Monin, First Vice President
P. T. Sorrow, Vice President

Endnotes

1 (Popup)

401(k) V
Additional Service List XI
Calling XI
Canadian Exchange S/L 18
Certification Pay S/L 15
Claiming Positions XII
Consolidating Districts XIII
Cost of Living Payments II
Customer Service IX, S/L 10
Dental Benefits III, S/L 5, S/L 8
Direct Deposit V
Displacements XII
Disputes Resolution Committee XXI
Employment Opportunities VII
Extra Boards XII, XIV, S/L 14
Extra Boards Daily XIV
Flowback Seniority Rights S/L 11
General Provisions XXII
Grievance Procedure XIX
Guaranteed Extra Boards XIV
Health & Welfare V
, S/L 5, S/L 6, S/L 8
Implementation S/L 17
InstructorEngineer XVII
Investigations and Discipline XVIII
Iron Highway S/L 19
Line Sales & Leases VII
Lump Sum Payments I, S/L 4
Marking Off/Up XI
Mileage Regulation XV
Missing Calls XIV
Moritorium XXII, S/L 12
National Wage & Rules Panel X
Penalty Claims S/L 14
Personal Leave Days VI, S/L 13
Pool Regulation XV
Protection 196
Rate Progression VIII, S/L 9
Ratification XXII
Relinquishing Assignments XII
Rest Claiming XI
Seniority Consolidated Western 196Seniority Establishing XVI
Seniority Exercising XII
Seniority Districts Restructuring XIII
Seniority Consolidated Northern 196Signing Bonus I, S/L 1, S/L 16

Single Agreement XX
Through Freight Service XV
Time Limits Discipline XVIII
Time Limits Continuing Claims XIX
Time Limits Grievances XIX
Train Service XIV
Trainees XVII
Vacancies Temporary XI
Vacancies XII
Vacations Daily V
Vacations I, V, S/L 7
Vision Care IV
Wages I, X, S/L 1