



united transportation union

To: Local Chairpersons and Membership of the following General Committees covering former roads now part of CSXT, namely: A&WP, C&O, L&N, NC&StL, SCL, Georgia Road and GM

From: Randy Pullen, GC – A&WP
Jim Townsend, GC – C&O
Johnny Willis, GC – L&N, NC&StL
John Hancock, GC – SCL, Georgia Road, GM

Subject: **Proposed System Agreement**

Dear Sisters and Brothers:

Over the last thirty years, we have participated in National Handling with respect to wage and rule movement and have been governed by such. The Agreements have all reflected the economic conditions during the period of the negotiations. Sometimes, we obtained wage increases, sometimes bonus. However, over the last several years, due to the very nature of national handling (many different railroads with different agendas), we have been unable to achieve some of our goals we had set and that our Membership deserves.

With the foregoing in mind, we decided to go down a different path and pursue an on-property Agreement. We discussed such with International President Futhey and asked for his assistance. He assigned UTU Vice President Robert Kerley to assist us in these negotiations.

This process started approximately three years ago, and there were many obstacles placed in our path; however, we have overcome them, and we are extremely pleased to present to the Membership an on-property Agreement that will cover four General Committees or the southern half of CSXT.

This Agreement will offer labor stability through guaranteed wages and rules and preserve a conductor/yard foreman on every train and yard job through the life of the Agreement, beginning January 1, 2010 through December 31, 2014.

In these tough economic times, the negotiations were very difficult, CSXT continually demanded the right to remove a conductor from the train; we did not cave in to their demands. We stuck our feet in the rock, and we were not washed away by the storms of the Company's demands.

There are many companies demanding a decrease in wages. In the world of negotiations, what may be viable this month will change next month. The progress you made will be pushed back because of a continuing bad economic forecast.

Economists are predicting that this economy will not begin to get back to where we were in 2008 until 2015. There will be many lean years with jobs being scarce, and any new jobs that are created have salaries that are 25% below the ones that were lost. All of you are aware of these issues. You listen to the news reports every day. We have pulled the economic analyst reports and studied them. These are indeed tough economic times, which makes a very, very tough negotiating climate and it will not get better anytime soon. With all that being said, we are excited of what we have been able to maintain and obtain in this proposed Agreement.

We, as the workers have organized into a Union so that we can speak with a strong and single voice. By being part of the UTU, we have maintained the greatest blue collar retirement system in the world. We have a Rolls Royce health insurance plan. Our Membership enjoys over \$35,000.00 in a yearly benefit package that is in addition to the wages they earn. The UTU has been very successful. This proposed Agreement continues down that road of success.

Did we get everything, we want? The answer is, "Absolutely not." Did the railroads get everything they want? The answer is, "Absolutely not." Negotiations are just that. The parties meet, negotiate, exchange demands and try to work out a compromised agreement. In this round of bargaining, the CSXT obtained very little, and we obtained much.

This is a different type agreement. It is an agreement that provides general wage increases; this agreement also offers compensation based on the success of the company. If we are successful, then we all benefit, labor and the stockholders. This Agreement also increases the benefit package, and it sets a retirement plan in place in addition to railroad retirement. If this package is adopted, and future contracts follow and improve on this Agreement, an individual that has 30 years left in this industry can easily have a personal \$1,000,000.00 (million dollars) 401-k program in addition to his railroad retirement package. A railroader and his/her spouse who retire today easily draws in excess \$5000-6000 per month in retirement benefits from our pension plan (Railroad Retirement) which is a mutually agreed-upon benefit package.

On Thursday of last week, we met with President Futhey, Assistant President Martin and the UTU National Negotiating Committee as well as other UTU General Chairmen. We presented the Agreement to them, and they gave their approval for it to be submitted to the Local Chairpersons and the Membership. Yesterday, we presented it the Executive Committees of our respective General Committees, and they endorsed the Agreement.

On Monday evening, January 25 and Tuesday morning, January 26, 2010, there will be a conference call with all Local Chairpersons to discuss the Agreement. Thereafter, we will visits several locations across the properties for town hall meetings. Those locations will be posted on the website. Subsequently, a ballot will be sent to the UTU Membership of the four general Committees for the ratification process.

With respect to the Agreement, we did our very best to make it understandable by writing it in everyday language; it does not contain legalese which takes a Philadelphia lawyer to understand. A printed copy of the Agreement is being mailed to each UTU Local Chairperson with enough copies for the Membership. You may obtain a printed copy of the Agreement from your UTU Local Chairperson. They should have the printed copies by Wednesday of next week. Today, we will post the Agreement on

the following website: www.utu851.org As such, you will be able to down load the Agreement on a disk. Also, if you have questions concerning the Agreement, please e-mail your questions to gilliant@utu851.org. Once we have your questions, we will confer with CSXT to insure that we have an agreed upon answer, and we will post it on the website for all to see and to have a uniform application.

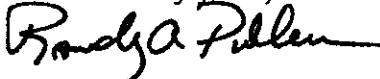
There are two attachments to this Letter concerning the Agreement; the first one is a brief synopsis. The second attachment is an in depth analysis of each article. Since this agreement will cover several former properties, there are some explanations unique to each property. There is also a third attachment that you should read. CSXT has advised of their ten year plan on their operation of the railroad. You also need to know their plans. This letter, along with the three attachments is posted on the website.

We ask that each and every one of you read and study the Agreement, and we ask that you discuss it with your spouse because this Agreement affects your family. When you get ready to cast your ballot, we ask that you look at the Agreement as a whole, not one particular item. You can always find something that you do not like. However, at the end of the day, as you and your family cast your vote, we ask you to consider the following question: "Does this Agreement offer a good wage and rules package that provides economic stability over the next five years to my family?" If it does, then you should cast a vote in favor of the agreement.

We heartily endorse the Agreement, and we recommend a vote of "Yes."

United in solidarity and with best wishes, we remain

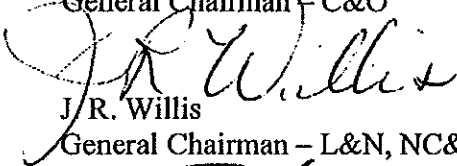
Fraternally yours,



Randy A. Pullen
General Chairman - A&WP



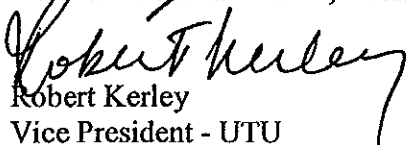
James R. Townsend
General Chairman - C&O



J.R. Willis
General Chairman - L&N, NC&StL



John C. Hancock
General Chairman - SCL, Georgia Road, GM



Robert Kerley
Vice President - UTU