

January 19, 2009

SUBJECT: PROPOSED AGREEMENT

1. Vacation
Six (6) weeks vacation with 30 years service.
Weeks to be designated as daily will no longer have to be scheduled and then converted on LN.
Employees transferring from other crafts will receive credit for days worked in other crafts towards vacation qualification.
2. Yard rate on mine run/road switchers. This will amount to 7 to 10% increase when mine run assignments make overtime or additional mileage.
3. Meal allowance – Expenses away from home
4 to 24 hours - \$20
24 to 32 hours – additional \$10
Additional \$10 for each succeeding 8 hour period.
4. Held Away – Continuous held away after 15 hours at the away from home terminal.
5. Helper/Pusher Service increases to 125 miles per day at yard rate.
6. Compensation:

7/1/10 - \$1,000 lump sum - amounts to approximately 1&1/2%
7/1/11 - \$1,000 lump sum - amounts to approximately 1 & 1/2%
1/1/12 – 2% GWI and up to 5% Performance Bonus of 2012 earnings payable in 2013
1/1/13 – 2% GWI and up to 6% Performance Bonus of 2013 earnings payable in 2014
1/1/14 – 2% GWI and up to 10% Performance Bonus payable in 2015

Snap Back Provision – If the parties are unable to reach an agreement at the end of this contract, employees will receive the difference between this contract and that of the increase in rates in the National Agreement subsequent to 12/31/09.
7. Individual Performance Bonus – up to 50 shares of CSX stock placed in employees ESOP account per year 25 shares for each 6 months of employee not sustaining an FRA reportable injury, not being assessed formal discipline, and perfect attendance.
Approximately \$2,500 based on current stock prices.

8. ESOP – 30 shares per year will also continue to be placed in the employees ESOP account.
9. Demand Day Off – Employees will receive one Demand Day Off per quarter of perfect attendance (Friday through Monday).
10. Personal Leave – Effective 1/1/12, Personal Leave entitlements will increase as follows:
 - Less than 5 years – 5 days
 - 5 years or less than 10 years – 7 days
 - 10 years or less than 15 years – 9 days
 - 15 years or more – 11 days

Current PL days will be payable for those leaving the service of the company.

11. EBS – Employees will be required to submit a weekly bid under the Electronic Bid System (EBS). In conjunction with the EBS employees will also be guaranteed the days of their assignment. If annulled, the employee will be paid his yard day, trip rate, or miles of his assignment.

In addition, employees entitled to holiday pay will be entitled to an annulment day plus holiday on days his assignment is annulled due to holidays.

12. Drop Turns – Employees in pool or extra board may drop their turn and go to bottom of the board once per bi-weekly pay period and will not be subject attendance handling.
13. Late Mark Up & Early Mark Off - Unassigned or Extra Trainmen may delay their mark-up from excused absences until 0400 instead of 0001 hours without deduction in guarantee and may also mark off early and not stand for call for on duty after 2200.
14. Calling Windows:

Designated Train Window – Is similar to the waiting time agreement in that you are assigned to a specific train with a 6 hour calling window. Pay will begin at the end of the window and if not called within 4 hours following the close of the window, the employee will be paid for the round trip.

Preferred Pool Window – Multiple trains may be advertised within a window with the same application as a designated train window.

15. Crew Consist: LN – NC&StL
 - A. There will be a minimum of a Conductor/Foreman on each assignment.
 - B. Effective with the implementation, blankable positions not occupied by protected employees will no longer be claimable.

C. Effective with the date of this Agreement, 20% of protected Brakeman positions may be blanked at each location with a minimum of one position. Thereafter, the company may blank 20% per year thereafter.

D. The company will offer protected employees the opportunity for reserve status in accordance with attachment "C" in which the employee may take the \$57,500 crew consist entitlement in monthly installments while still being covered under the Health and Welfare Plan until eligible for retirement. For each employee accepting this provision, an additional blankable position may be blanked.

E. Yard rates on mine run/road switches will not go into effect until all blankable positions are blanked at a location.

16. Bus fare or weekend auto mileage will continue on LN – NC&StL.
17. Carrier may establish utility positions for road or yard at yard foreman rate of pay.
18. Yard Assignments – Agreement provides for the possibility of 4 and 3 day yard assignments and some flexibility on starting times.
19. Seniority – Employees will gain additional seniority on the A&WP, C&O, L&N, and SCL while maintaining prior rights on their current district.
20. Extra Board – All extra board employees will go to a 6 and 1 basis while maintaining current rates. Extra boards will also go to a weekly guarantee with loss of the weekly guarantee for uncompensated layoffs.

Required rest of 48 or 72 hours under RSIA will not result in loss of guarantee.