



IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.

and

its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

CSXT EASTERN DISTRICT

ARTICLE I - SENIORITY

A. Train operations and the associated work forces of the former B&O, and portions of the former C&O, CR, and SCL will be merged into the newly formed operating district and seniority district hereinafter described:

Northern Limits:	North of Oak Island
Southern Limits:	Richmond, VA (exclusive)
Western Limits:	Cleveland, OH (exclusive of Collinwood Yard, but inclusive of Clark Avenue Yard)
	Crestline/Willard, OH (exclusive)

The above includes all mainlines, branch lines, yard tracks, industrial leads, stations between points identified, and all terminals that lie at the end of a line segment except: Rocky Mount, NC, North and South Jersey (SAA), Cleveland, OH, Willard/Crestline, OH and Huntington, WV. All branches and industrial tracks intersecting the above lines and all pre-existing territorial rights of the involved districts not in conflict with the intent of this agreement are included in the coordinated territory. A sketch of the above referred-to district is attached.

B. All road territory and terminals within the districts will have one common work force operating under one labor agreement. The former B&O labor agreement, as modified herein, will apply in the Eastern District. The former C&O (Proper) agreement will apply in Richmond terminal and in the territory Richmond to Newport News. The former SCL agreement will continue to apply south of Richmond.

C. 1. Former RF&P and B&O Baltimore zone engineers and former SCL engineers working in the Richmond zone will be entitled to positions equal to the number held, respectively, on the day prior to signing the Master Implementing Agreement (RF&P/B&O Baltimore Zone Engineers 10 positions and SCL 11 positions). Engineers thereafter will exercise seniority and hold positions within the terminal based on their relative (dovetailed by hire date) seniority with prior rights protected.

2. All positions within Richmond terminal will become former C&O (Proper) as former RF&P/B&O Baltimore Zone and former SCL engineers attrite.

3. Only former SCL engineers working in the Richmond zone on the day prior to implementation will be considered as having rights to positions within the Richmond terminal.

4. Only former B&O and former RF&P Engineers in the Baltimore zone with seniority prior to the implementation of this Attachment will have rights to positions within Richmond terminal.

5. The Eastern B&O Consolidated O.S.L. active roster, the B&O Central Consolidated roster and the Richmond Coordinated Terminal Agreement (CSXT Labor Agreement 1-030-92) are eliminated upon implementation of this attachment.

D. The following Engineers' Prior Rights Seniority Districts shall be consolidated into one seniority district hereinafter to be known as the Eastern Consolidated District.

Consolidated B&O Central (including New Castle, Pittsburgh West End, POV,
and TRRY prior rights)
Consolidated Cleveland (including CL&W and CT&V prior rights)
Eastern B&O Consolidated (including Baltimore West End, Consolidated Western
Maryland, Consolidated Maryland [including Baltimore East End,
Cumberland East End, and Cumberland West End prior rights],
Consolidated West Virginia [including G&B, MR, WOR, and WV&P prior
rights], and RF&P prior rights.
Pittsburgh East End
C&O (Piedmont-Washington)
Conrail

Note: Pittsburgh East End will have prior rights on Consolidated B&O
Central from 10-1-96.

1. Prior Rights within the districts listed above shall be preserved for Engineers holding seniority as such on or before the effective date of the Master Implementing Agreement subject to paragraph 12 below. Such Engineers will acquire Eastern Consolidated District seniority as of the effective date of this Agreement.

2. Employees prior to the effective date of the Master Implementing Agreement who have (1) entered the Engineers' Training Program or (2) have been assigned a class date to commence the Engineers' Training Program and successfully complete the program, will acquire prior rights status. Such Engineers will establish Eastern District seniority upon successful completion of the Engineers' Training Program.

3. Employees commencing the Engineers' Training Program after the effective date of the Master Implementing Agreement, upon successful completion of the Program, or hired Engineers, will establish seniority as Engineers on the Eastern District behind all Engineers referred to in 1. and 2. above. Such Engineers will be referred to as consolidated rights Engineers.

4. A seniority roster for the Eastern District will be prepared by the Carrier as of the effective date of the Master Implementing Agreement and will be maintained on a continuing basis thereafter in the Crew Management System.

5. The initial position on the Eastern District roster for each Engineer referred to in Article I C. will be determined by their date of hire in engine service on their current seniority roster. When two (2) or more Engineers have the same hire date, they will be placed in relative order on the Eastern District roster based on the earliest year, month, and day of birth, except that relative standing among prior rights Engineers will not change.

6. Engineers shall have the right to protest their initial placement on the Eastern District roster provided they do so in writing to the General Chairman and Carrier's Highest Designated Officer within 180 days of its first listing.

7. Prior right Engineers may exercise seniority to any position accruing to such prior rights subject to applicable rules. Such Engineers may also exercise seniority to any position on the Eastern District outside the zone in which they are working.

8. Engineers may exercise seniority to any position within the Eastern Consolidated District based on their consolidated rights Eastern District seniority.

9. CSXT Engineers holding seniority on the date of the transaction will be ranked on the Eastern District roster in accordance with their earliest current engine service date on their current seniority roster.

10. Former CR Engineers in Locomotive Engineer's School or Locomotive Engineers training on the effective date of the Master Implementing Agreement will be ranked in accordance with the earliest Locomotive Engineer's training physical date of Engineers in their training class and will maintain the same relative order within a class as their train service seniority.

11. There will be prior rights for all CSXT Engineers on all jobs, currently theirs, in the Eastern and Western Seniority Districts. There will be prior rights for all Conrail Engineers on all jobs, currently theirs, in the Eastern and Western Seniority Districts. (Kasher Award at page 22)

12. Prior right Conrail Engineers will have the right to exercise their Conrail seniority within and between CSXT Eastern, Western and Northern Seniority Districts over any junior Conrail Engineer. In the event that the exercise of such seniority would result in an immediate shortage of Engineers at the terminal/zone from which the exercise of seniority is being made, the parties will cooperate in resolving this matter and failing thereto will be referred to the General Chairman and the Highest Designated Office for final resolution. (Kasher Award at page 22)

13. New assignments not working exclusively in former B&O, C&O, or CR territory, including extra boards, will be filled from the date of hire roster without regard to prior right seniority.

a. Engineers who are required to work on territory over which they were not previously qualified will be allowed to qualify without loss of time.

b. Engineers who are required to work on territory over which they were not previously qualified in order to protect their New York Dock benefits will be allowed to qualify without loss of time.

c. An Engineer who voluntarily exercises seniority outside their designated district/zone will qualify at their own expense, unless otherwise arranged in advance of the exercise of seniority.

E. Engineers may be required to perform service throughout their seniority district in accordance with the provisions of the former B&O agreement as modified herein. Any preexisting agreements which established district boundaries, equity/allocation arrangements, etc. are eliminated.

F. New service in the Eastern District will be considered "divisional" service for purpose of applying the former B&O agreement.

G. New train operations may be established and existing service may be retained or abolished. Service may be established in pool or assigned service in any class and may be operated from any point to any other point or on a turnaround basis within a seniority district subject to the BLE July 25, 1996 CSXT System Agreement.

H. Side Letter No. 20 guaranteed road, yard or combination road/yard extra boards may be established at any location to meet the needs of service.

I. Engineer vacancies on outlying point assignments will be protected by the nearest Engineer extra list protecting that class of service.

J. Terminals may be established and or coordinated/consolidated for the purpose of handling business resulting from this transaction. All terminals within the seniority district will be considered as common to all Engineers working in, into, or out of terminals within the seniority district. All road crews may receive/leave their trains at any location within terminals and all Engineers may perform work within terminals pursuant to the applicable agreements as if such terminals were apart of each Engineer's original seniority district. The Carrier will designate the on/off duty points for all yard and road crews and provide facilities as required by the former B&O Agreement.

K. Engineers may be required to report and be relieved at designated points in the coordinated territory as long as such points meet the requirements of the former B&O Agreement, interpretations and practices thereunder in effect.

L. When an Engineer is required to report for duty or is relieved from duty at a point other than the on/off-duty points fixed for the service, the Carrier shall authorize and provide suitable transportation for the Engineer.

NOTE: Suitable transportation includes Carrier-owned or provided passenger-carrying motor vehicles or taxi, trains or planes.

M. CSXT will operate its road trains into, out of and through the Shared Asset Areas (SAA) as if such territory was part of CSXT territory.

N. This attachment does not impose any restriction that did not exist on the effective date of the Master Implementing Agreement on work rights of any assignments operating within or through the territory covered by this Attachment.

ARTICLE II - QUALIFYING /TRAINING

A. Engineers with an employment relationship on the effective date of the provisions of this attachment will not be required to lose time or utilize off-duty time for the purpose of initially qualifying on trackage within the territory.

B. An unqualified Engineer who is entitled to a pilot will be furnished a qualified Engineer pilot called from the Engineer's extra board, pilot pool, regular pilot assignments or will be allowed to make the necessary qualifying trips without loss of compensation. When an Engineer pilot is not provided, an unqualified Engineer will not be disciplined or censured in any manner for refusing to perform service for which called.

C. The Carrier and Local Chairman with jurisdiction will determine the number of qualifying trips needed to qualify on a specific territory. When in the opinion of the supervisory officer an Engineer is taking an unreasonable amount of time to qualify, the Engineer in question will be required to consult with the Supervisory Officer and the Local Chairman for the purpose of identifying and correcting the problem.

D. An Engineer who was initially qualified over certain territory, but who has not worked that territory (which is not a part of their "home" district) within the time specified under the operating rules, will be provided an Engineer pilot for one round trip over such territory.

E. This provision does not apply to an Engineer who makes a voluntary seniority move to an assignment and/or territory to which the engineer is not qualified to operate. Engineers must be qualified on assignments before being allowed to voluntarily move/claim them. In this case the qualifying will be at the Engineer's own expense. This does not waive the Carrier's obligation to qualify Engineers on their "home zone" (prior right district within the Eastern District).

F. Engineers required to report for training will be compensated in accordance with the former B&O Agreement. When required to report for training at other than their assigned terminal they will be compensated at the applicable driving allowance (IRS rate per mile) for use of their personal vehicle and will be provided lodging and a reasonable meal allowance(s) if required to stay overnight.

NOTE: This ARTICLE II will also apply to any Engineer in a discharged status, furloughed, leave of absence or medical disability, who is subsequently returned to service with seniority rights unimpaired.

ARTICLE III – ADMINISTRATION

A. Investigations will be held at the home terminal of the Engineer(s) involved, except where the majority of the employees are from another terminal. In the latter case, engineer will be allowed the applicable driving allowance (IRS rate per mile) for driving to a distant location, and will be provided lodging and reasonable meal allowances if required to stay over night.

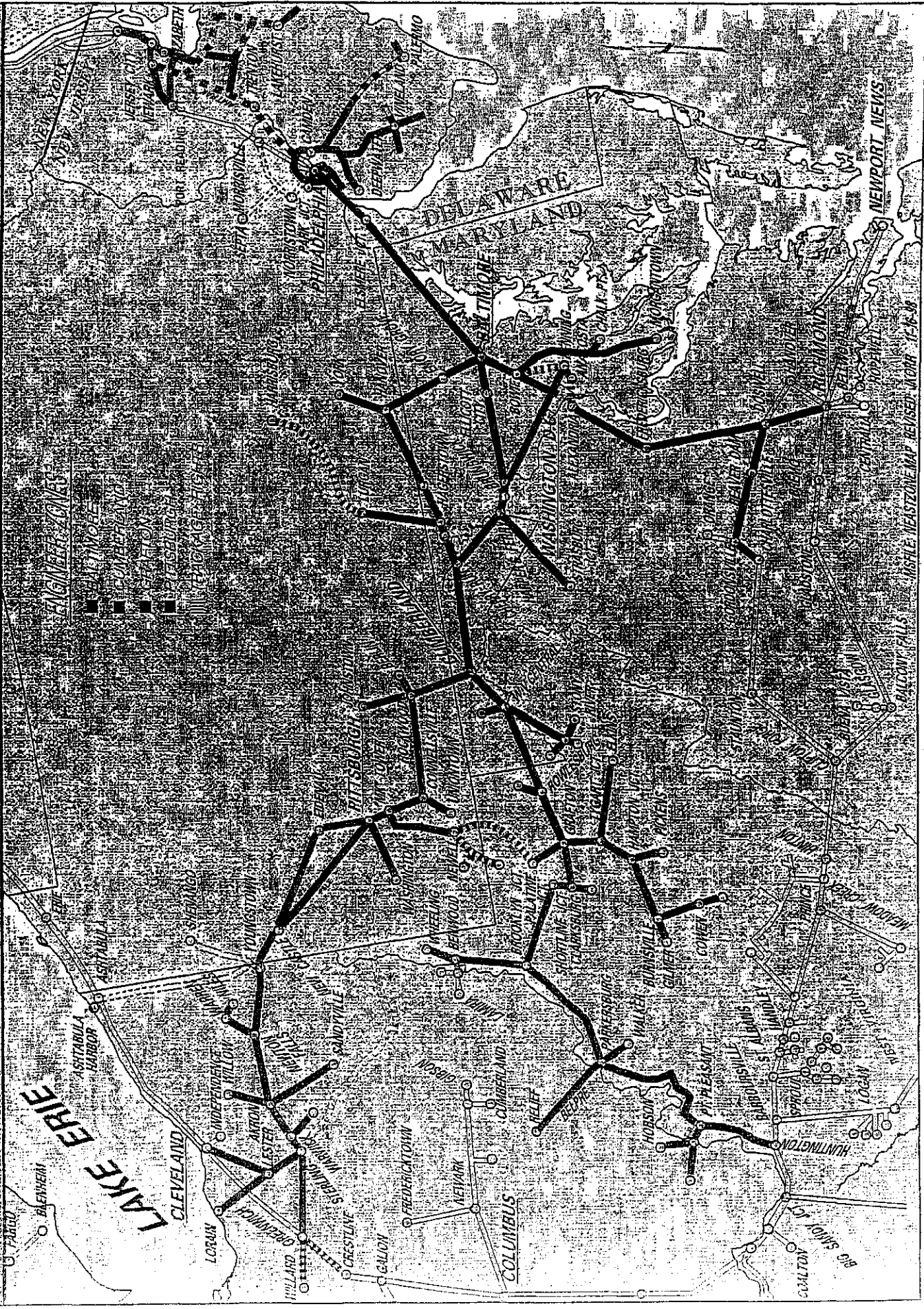
B. Except where specifically prohibited by law, Engineers will be paid bi-weekly by "direct deposit" to any federally insured institution. If an Engineer fails to provide appropriate information for direct deposit, their check will be mailed to that Engineer's home address of record.

C. The carrier may require Engineers to submit the initial claim for compensation and penalty claims/grievances by electronic medium (computer). Engineers will be trained in the use of computers for the purpose of filing claims referred to in this paragraph.

D. Engineers will be paid on the basis of weight on drivers at an average of 67,000 per axle, subject to current negotiations between CSXT and the BLE.

E. Engineers will be called from a Crew Management Center or as designated by the Carrier. Engineers will be automatically marked off for and marked up from scheduled vacations, including daily vacations, rest days and personal leave days.

EASTERN DISTRICT



MAP OF THE EASTERN DISTRICT
REVISED 1914



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 1

Re: Richmond Terminal

October 16, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

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

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

Gentlemen:

It is understood in the application of Article I of the Attachment to the Master Implementing Agreement covering the Eastern District that a roster will be created for Richmond Terminal based on hire date of each Engineer holding rights to work in Richmond. Former C&O (Proper) Virginia Consolidated District Engineers will have their rights to yard work protected. Former EBOC Baltimore Zone Engineers with seniority will have their names included on the roster. Former RF&P Engineers will be ahead of former EBOC Baltimore zone engineers on the Richmond roster. Former SCL Engineers who were working in the Richmond Zone (Richmond Terminal or road assignments with home terminal at Richmond) on the day prior to signing the Master Implementing Agreement will have their names included on the roster and will have their right to yard work protected.

Reductions in the Richmond Terminal will be done on the basis of the former Allocation/Order of Selection List to ensure that any reductions fairly and equitably affect C&O, RF&P/B&O Baltimore zone and SCL Engineers. Attached hereto are five Questions and Answers which were agreed-to and further clarify the application of the Agreements with respect to seniority.

It was also agreed that this would not affect the existing Richmond Terminal limits and they would remain as specified in the previous Richmond Coordinated Terminal Agreement dated May 29, 1992.

Very truly yours,



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Re: Extra Boards and Qualification

Side Letter # 2

October 16, 1998

Mr. R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Road, Suite 200
Buffalo, NY 14220

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Gentlemen:

This refers to previous discussions concerning the CSXT/CR/NS transaction and particularly the issues of prior rights and extra boards.

During our discussions it was understood that in order to effect a smooth transition and provide sufficient qualified Engineers to protect the requirements of service that it is desirable to have as many Engineers as possible "cross-qualified" on the territory within their district/zone as early as possible. Further, in consideration of the "prior rights" issue, it was agreed that extra boards, where appropriate, in the Western and Eastern Districts would be consolidated as soon as practicable. It was understood that due to the number of Engineers involved in this transaction and the territory involved that there may be some delay in qualifying extra Engineers throughout their district/zone. Therefore, it may be necessary or even appropriate for some extra boards to remain separate prior right boards for sometime following the implementation. However, the Carrier will take appropriate action to ensure that extra Engineers are "cross-qualified" as necessary and extra boards are consolidated to provide adequate qualified Engineers for the service requirements.

Very truly yours,

RICHMOND COORDINATED TERMINAL

QUESTIONS AND ANSWERS

Q-1. What is considered the Richmond Zone (SCL)?

A-1. Richmond Zone SCL is defined as SCL Engineers working within Richmond Terminal, Hopewell Yard, all Engineers working under the jurisdiction of the Richmond SCL Road Extra Board and those Engineers under leave to Amtrak who last worked under the Richmond Supply Point.

Q-2. Will SCL Engineers working in Richmond Terminal maintain flow back rights to SCL?

A-2. Yes, subject to the schedule agreement rules.

General Questions and Answers.

Q-3. Is the Orange Book Guarantee preserved for those covered SCL engineers who will work in the Richmond Terminal?

A-3. Yes.

Q-4. Will SCL Engineers remain under United Health Care and/or Aetna and not participate in the C&O Hospital Association?

A-4. Yes.

Q-5. Will Carrier furnish SCL Richmond zone Engineers copies of the C&O Schedule Agreement?

A-5. Yes.



Kenneth R. Peiffer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 3

Re: Mark-up Incentive

October 30, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Dear Sir:

This refers to previous discussion in connection with the CSXT/CR/NS transaction and particularly to the efficient operation of Engineers and trains immediately following implementation of the Master Implementing Agreements.

In an effort to ensure a smooth transition in this transaction it was agreed that CSXT will award each Engineer covered by the B&O Schedule Agreement \$500.00 in CSXT Common Stock for each full bi-weekly payroll period in which the Engineer is continuously marked-up and works all calls. (See attached five Questions/Answers)

In order to qualify a yard Engineer with rest days must mark-up on the Additional Service list (ASL) prior to 6:00 p.m. of their last workday in yard service. Engineers in road service possessing rest days must mark-up on a road ASL prior to 6:00 p.m. of their last workday. Engineers who are displaced must mark-up within two hours of notification of displacement.

Engineers who maintain continuous mark-up status and work every call will be awarded the appropriate dollar amount (\$1,000.00) of stock by the end of the first bi-weekly payroll period in the succeeding month, i.e., continuous mark-up two payroll periods in February (\$1,000.00) in stock credited to their ESOP account end of full pay period in March.

This agreement will not be implemented or continued in effect in a zone when Engineers are in demoted status or furloughed or in reserve pool status.

This agreement will remain in effect until one party serves 10 days written notice on the other for cancellation thereof.

Very truly yours,

Agreed-to Questions and Answers
(August 28, 1998)

- Q-1 Is an engineer who is granted a Personal Leave Day(s) during a bi-weekly pay period entitled to receive the \$500.00 in CSXT Common Stock?
- A-1 No. Only an Engineer who is continuously marked-up and works all calls would be entitled to the stock award.
- Q-2 Is an Engineer who takes one or two weeks vacation and/or a single day(s) vacation during a bi-weekly pay period entitled to receive the \$500.00 in CSXT Common Stock?
- A-2 No. Only an Engineer who is continuously marked-up and works all calls would be entitled to the stock award. However, an Engineer returning from vacation on Sunday, the day following the start of a bi-weekly payroll period, will be entitled to receive the \$500.00 in CSXT Common Stock, if he is available for work at 1201 hours on Sunday and protected the needs of service on the Saturday prior to going on vacation.
- Q-3 Is an Engineer who requests twelve hours rest under Article XI. Section 3(a) of the 1996 BLE System Agreement, during a bi-weekly pay period entitled to receive the \$500.00 in CSXT Common Stock?
- A-3 If it causes the Engineer to miss a call for service, he would not be entitled to receive the \$500.00 in Common Stock. If it does not cause him to miss a call for service, or if he is required to take ten hours rest under the law, he would be entitled to receive the \$500.00 in CSXT Common Stock?
- Q-4 Is an Engineer who declines a call off the Additional Service List for an assignment that he is not qualified on entitled to receive the \$500.00 in CSXT Common Stock?
- A-4 If the call is for an assignment that works off of the Engineer's district or zone and no pilot is available, the Engineer would be entitled to receive the \$500.00 in CSXT Common Stock. If the call is for an assignment that works exclusively on the Engineer's historic prior right seniority district the Engineer would not be entitled to receive the \$500.00 in CSXT Common Stock.
- Q-5 Are Engineers engaged in MARC Passenger Service entitled to the \$500 in CSXT Common Stock?
- A-5 Yes. However, all passenger Engineers will be required to mark-up on the road ASL by 6:00 p.m. of their last workday and work all calls therefrom on their rest days.



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
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Side Letter # 4

Re: Mark-up Incent. Interp.

January 7, 1999

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Dear Sir:

This refers to the CSXT/CR/NS transaction and the proposed implementing agreement, including the side letter dated October 30, 1998 referenced as "Mark-up Incentive."

The Mark-up incentive was intended to provide an incentive to engineers in the area affected by this transaction to be available for service both in the usual manner and during unusual circumstances which may result during the initial transition period of merging the former Conrail operations into the CSXT operations. A question was raised concerning engineers who are requested or required to perform service for the Carrier in other than their normally assigned position. This question would apply particularly to representatives of the Brotherhood of Locomotive Engineers who mark-off from their regular assignment to perform service at the direction of their supervisor, such as safety or quality meetings.

In order to apply the intent fairly the General Manager of the Service Lane where the affected engineer is working should make the determination whether or not the affected engineer is entitled to the mark-up incentive when performing service at the direction of the Service Lane management. It must be recognized that many of the responsibilities which require a local BLE representative to "mark-off on union business" are those normally associated with that elected position. The nature of that elected position requires a certain amount of time to perform duties on behalf of the Organization. The General Manager, when requesting or requiring an individual (including an elected representative) to mark-off for Service Lane meetings should determine the necessity of that individual participating in the meeting and, if needed, the "mark-off" should not be counted to deny the individual the benefits of the mark-off incentive.

Very truly yours,



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Re: Late Pay

Side Letter # 5

October 28, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Cleatus Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, FL 32250

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

Gentlemen:

This refers to discussions concerning the CSXT/CR/NS transaction and specifically wage payment to engineers which are late being delivered.

CSXT agrees that Engineers who report to the Payroll Department that they have not received their regular pay within one business week following the normal delivery schedule will immediately be issued a duplicate or substitute pay check for the full amount due for that pay period. It is intended that this check will be delivered by expedited handling. Payments made by electronic transfer (direct deposit) will be guaranteed to be available on pay day.

Very truly yours,



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 6

Re: MARC Service

October 27, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Dear Sir:

This refers to previous correspondence concerning the CSXT/CR/NS transaction and particularly Engineers operating MARC trains.

This confirms our understanding that Engineers who are qualified to operate MARC service will retain their prior right to this service notwithstanding their position on the new Eastern District seniority roster.

Very truly yours,

A handwritten signature in dark ink, appearing to read "K.R. Peifer", written in a cursive style.



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 7

Re: Training/Qualifying Allowance

October 16, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

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

Gentlemen:

This refers to our discussions concerning the CSXT/CR/NS transaction, specifically the allowance to be paid Engineers who are used to train (pilot) other engineers.

This confirms our understand that the engineer Instructor allowance (\$26.00 in road service and \$15.00 in yard service) will be allowed to qualified former B&O, L&N, C&O and Conrail Engineers who are used to train/pilot another Engineer from one of these former railroads. However, this allowance will not be paid for training/piloting an Engineer from the same former railroad. The allowance will be payable when the training/piloting is in territory over which the unqualified Engineer had no previous right or opportunity to operate.

This application of the Engineer Instructor Allowance rule is limited to this transaction as specified above.

Very truly yours,



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 8

Re: Discipline

October 28, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Dear Sir:

This refers to our several discussions concerning the CSXT/CR/NS transaction and issues related employees' discipline records.

After an engineer has established 5 years of seniority as an engineer a clear record for the first or second 6 months of a calendar year will cancel one (1) disciplinary entry on the employee's service record made prior to the six (6) months of clear record. A clear record for one (1) calendar year will cancel three (3) disciplinary entries on the employees' service record made prior the year of a clear record.

Very truly yours,

A handwritten signature in dark ink, appearing to read "KR Pelfer", written in a cursive, flowing style.



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 9

Re: Protection

October 27, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Mr. R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Road, Suite 200
Buffalo, NY 14220

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

Gentlemen:

This refers to previous correspondence concerning the CSXT/CR/NS transaction and particularly application of New York Dock Protective Conditions (NYD).

This confirms our understanding, consistent with commitments made in letters dated February 18, 1998 that Engineers with seniority prior to April 1, 1997 who's names are made a part of a new seniority district roster which includes former Conrail Engineers will be issued test period averages (TPA's). Engineers who receive a TPA will be considered entitled to NYD benefits, subject to their terms and conditions and will not be required to identify or establish a causal connection to the transaction. Engineers who do not receive TPA's will be eligible for NYD protective benefits, but must show a "causal connection" to asserted adverse affect.

For the purpose of applying the test period averages for the above referenced employees, the twelve month period immediately preceding April 1, 1997 will be used.

Very truly yours,



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 10

Re: Operating Engs Right Side

January 7, 1999

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Dear Mr. Menefee:

This confirms our understanding that the following provision, which is currently in affect in the B&O Coordinated Territories, will continue to apply in the coordinated Eastern and Western Districts:

"Engineers in through freight service will not be required to operate their locomotives from any other position than the right side of the locomotive cab in the direction which the train is to be operated, except in emergency. This does not apply when the engineer is involved in switching moves or setting out or picking up cars."

Very truly yours,

A handwritten signature in dark ink, appearing to read "KR Peifer". The signature is written in a cursive, flowing style.



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 11

Re: PL Days and Assistance

January 8, 1999

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

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

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

Mr. R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Road, Suite 200
Buffalo, NY 14220

Gentlemen:

This refers to the agreement of this date. It was agreed that Conrail BLE Agreement Article 9 (Personal Leave Days) and 10(B) (1) (Assistance Away From Home) would remain in effect for former Conrail engineers with seniority as of the implementation date until such time as agreement is reached pursuant to Section 6 Notices that may be served on or after November 1, 1999, or otherwise agreed.

Very truly yours,

K. R. Peifer



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 12

Re: CR 401(k)

January 8, 1999

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Mr. T. Smith, General Chairman
Brotherhood of Locomotive Engineers
P.O. Box 1207
1122 Brundridge St.
Troy, AL 36081

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

Mr. R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Road, Suite 200
Buffalo, NY 14220

Gentlemen:

During the negotiations which led to the implementing agreement concluding the CR/CSXT/NS transaction, we discussed the "Brotherhood of Locomotive Engineers 401(k) Saving Plan for former employees of Consolidated Rail Corporation" (hereafter "CR BLE Plan"). We agreed that former Conrail employees represented by BLE who transfer to CSXT's Northern District, Eastern District or Western District under provisions of the Implementing Agreement will remain eligible to participate in the "CR BLE Plan" for the six years of the protective period as provided by New York Dock. Thereafter, such former Conrail employees will become eligible to participate in CSXT's 401(k) Plan for BLE in accordance with the provisions of that Plan.

The "CR BLE Plan" will be amended, as necessary, to permit the continued participation of the former Conrail employees as described above. Further, CR BLE and the administrator/trustee for the "CR BLE Plan" will afford CSXT access to all records and other documentation regarding the CR BLE Plan which may be useful in verifying CSXT's obligation under this agreement.

Very truly yours,



Kenneth R. Peifer
Vice President-Labor Relations

Side Letter # 13

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Re: Yardmasters

January 8, 1999

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

Mr. T. Smith, General Chairman
Brotherhood of Locomotive Engineers
P.O. Box 1207
1122 Brundridge St.
Troy, AL 36081

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

Mr. R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Road, Suite 200
Buffalo, NY 14220

Gentlemen:

This refers to the agreement of this date and our discussions regarding various issues. It was agreed that engineers currently working as yardmasters will make their engine service allocation selection when exercising seniority back to the engineer ranks.

Very truly yours,



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 14

Re: Relocation

January 8, 1999

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

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

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

Mr. R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Road, Suite 200
Buffalo, NY 14220

Gentlemen:

This has reference to our Agreement of this date between the Carriers and your Organization.

Employees who a) accept a job offer under this agreement which would require a change in residence; b) who actually change their place of residence to a point closer to the new work assignment, and c) who would otherwise be eligible for benefits under Article I, Sections 9 and 12 of New York Dock conditions may elect one of the following options:

I. Accept the benefits as provided in Article I, Sections 9 and 12 of New York Dock conditions, except that such employee will be additionally entitled to the following:

- A \$1,000 transfer allowance paid in advance. If an employee accepts this advance payment but does not relocate, the advance payment will be deducted from any monies due the employee. The Carriers will arrange to have the transfer allowance referred to herein issued two (2) weeks prior to the employee reporting to the new work location, provided the employee gives sufficient notification regarding his election as to whether the employee desires Option 1 or Option 2.

- Reimbursement of wage loss not to exceed five (5) days rather than three (3) days as provided in New York Dock.

- Reasonable lodging and meal expenses for their relocation up to a maximum of five (5) days, provided the employee provides receipts for reimbursement.

- The current automobile mileage rate established by the Carrier for its non-agreement employees for up to two (2) vehicles in connection with the movement of their personal vehicles to the new location.

- Reasonable charges for storage of all household furnishings for up to sixty (60) days.

II. In lieu of any and all moving expenses and benefits under Article I, Sections 9 and 12 of New York Dock, the employee may elect the applicable lump sum allowance(s) as more fully described below:

- a. A \$2,000 advance payment (in addition to any other payment that may be applicable under this Item II). If an employee accepts this advance payment but does not relocate, the advance payment will be deducted from any monies due the employee. The Carriers will arrange to have the transfer allowance referred to herein issued two (2) weeks prior to the employee reporting to the new work location, provided the employee gives sufficient notification regarding his election as to whether the employee desires Option 1 or Option 2.
- b. A lump sum transfer allowance based upon the shortest highway mileage from the old work location to the new work location as follows:

<u>Mileage</u>	<u>Amount</u>
Up to 449	\$5,000
450-899	5,500
900-1349	6,000
1350+	6,500

50% of the applicable lump sum amount called for by this Item II(b) will be paid when the employee actually relocates to the new work location; and (provided the employee has continued to work or to be available for work at the new work location) the remaining 50% will be paid in two installments at ninety (90) day intervals thereafter.

- c. An employee who owned a mobile home at the former work location will be paid an additional \$3,000. A mobile home owner is defined as an employee who owns or is under contract to purchase a mobile home which was occupied as a principal place of residence immediately prior to the transfer. The employee must furnish evidence satisfactory to the Carrier to establish ownership of that mobile home.
- d. An employee who owned a home at the former work location immediately prior to the transfer will be paid an additional \$11,000. A home owner is defined as an employee who owns or was under contract to purchase a home which was occupied as a principal place of residence immediately prior to the transfer. The employee must furnish evidence satisfactory to the Carrier to establish ownership of that home.

Very truly yours,

R. R. Reifer



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Re: Local Agreements

October 16, 1998

Side Letter # 15

Mr. R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Road, Suite 200
Buffalo, NY 14220

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

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

Gentlemen:

This refers to our discussions concerning the CSXT/CR/NS transaction and particularly retention of certain local agreements while applying the former B&O labor agreements in the new Eastern and Western Districts.

We recognize the complexities of this transaction with respect to applying the former B&O agreement in so many territories previously operated under provisions of one of the several labor agreements being replaced. Likewise, it is understood the combined and consolidated operations of former CR and CSXT territories must continue without interruption of service to customers or unduly taking the attention of local management and labor away from the focus of operating trains efficiently.

During our discussions it was recognized that the former B&O labor agreement would replace the former CR, C&O (Proper), C&O (PM), C&O (HV), and L&N labor agreements as described in the attachments to the Master Implementing Agreement. However, we also recognized there were a number of local agreements which the Carrier might elect to retain during a transition period. Still other local agreements would be retained until negotiations result in a change. For example, there was no intent to change final terminal delay (FTD) points; therefore, these agreements and the designated points would remain in place. Another example, local agreements related to qualifying/training would be immediately replaced by the provisions of the Master Implementing Agreement and the former B&O labor agreement. Another example, local agreement(s) covering the operation of the CP/SOO trains by former C&O (PM) crews, would have to be reviewed before a decision to retain or eliminate the agreement(s) could be made.

This confirms our understanding local agreements whose purpose can be accomplished by comparable language in the former B&O labor agreement will be considered as superseded or replaced by the former B&O agreement provisions. Local agreements which have no comparable provisions in the former B&O labor agreement will be considered as remaining in effect until advised that they are canceled or they are changed in accordance with the Railway Labor Act.

Very truly yours,

R. K. Pfeiffer



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 16

Re: Single Agreement/Representation

December 30, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

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

Cleatus Roy, General Chairman
Brotherhood of Locomotive Engineers
452 Osceola Avenue
Jacksonville Beach, FL 32250

Gentlemen;

This refers to our several discussions concerning the CSXT/CR/NS transaction and the BLE single system agreement which we have been working on for a number of months.

As you know our single system agreement meetings have been interrupted by the more urgent meetings related to the CSXT/CR/NS transaction. Consequently we will not be able to complete the single system agreement until sometime in 1999. You have jointly requested, in a spirit of cooperation, that an understanding be reached to maintain your representation relationships pending completion of the single system agreement in spite of significant changes to seniority districts (from the CSXT/CR/NS transaction) which will precede a single system agreement.

In approaching this accord, it must be understood that all engineers within the newly constructed seniority districts, will eventually, through attrition, be represented by the appropriate General Committee having jurisdiction in that district. For example, all engineers in the Eastern and Western Districts will become former B&O and will be represented by current General Chairman Menefee and engineers in the C&O (particularly Richmond Terminal) will be represented by current General Chairman Roy.

Therefore, this will confirm our understanding of the following principles:

- The former L&N labor agreement will be retained on an interim basis in all territory over which it formerly applied in the proposed Western District as identified in Article I - Seniority, Paragraph A.
- The CSXT General Committees of Adjustment will make every effort to reach an agreement on a single collective bargaining agreement in no less than six months following implementation of this transaction. The parties may agree to extend the six months period if it is determined that significant progress is being made.
- If, at the end of the specified period, a single system agreement cannot be reached the former B&O agreement will apply in all former L&N territory within the proposed Western District.
- It is recognized that guaranteed extra boards on the proposed Western District should have the same rate; therefore, where not restricted by law, the Carrier may adjust extra boards to the uniform rate of \$2020.38 for each bi-weekly pay period.
- The former L&N Waiting Time agreement as described in September 3, 1998 side letter covering the CSXT Kentucky District will be applied in the former L&N territory within the proposed Western District.

Very truly yours,



cc: Mr. E. Dubrowski, Vice President
Mr. P. T. Sorrow, Vice President



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 17

Re: Savings Clause

October 27, 1998

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

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

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

This refers to previous correspondence concerning the CSXT/CR/NS transaction and particularly unintended agreement changes.

This confirms the following:

1. All rules, interpretations or practices in effect on the day prior to the effective date of the Master Implementing Agreement remain in effect, except as specifically changed or modified by the Master Implementing Agreement, Attachments and letters of understanding.
2. Where the rules of the respective agreements conflict with provisions in the Master Implementing Agreement, Attachments and letters of understanding the provisions of the later will govern. Rules or portions thereof that are not in conflict with the provisions of the Master Implementing Agreement, Attachments and letters of understanding are preserved.
3. The parties are in accord that any inadvertent errors, omissions or inclusions in the Master Implementing Agreement, Attachments or letters of understanding which are recognized by both parties as being inconsistent with the purpose and intent of this transaction will be corrected or deleted, as the case may be, to properly reflect the understandings reached through negotiations.
4. It is also recognized and understood that Article I C.5 has the effect of eliminating entirely the EBOC (Eastern B&O Consolidation) Agreement (O'Brien Award

Implementing Document), the B&O Central Consolidated Agreement along with the Richmond Coordinated Terminal Agreement (CSXT Labor Agreement 1-030-92).

Very truly yours,

K. R. Peifer



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Re: Locker and Washroom Facilities

Side Letter # 18

April 28, 1999

Don M. Menefee, General Chairman,
Brotherhood of Locomotive Engineers
460 Osceola Ave
Jacksonville Beach, FL 32250

Dear Sir:

Adequate locker, washroom, toilet and shower facilities will be provided and properly maintained in a clean and sanitary condition at the principal on-and off-duty points in the consolidated district.

- (a) The washroom facilities will have hot and cold running water with soap and paper towels provided.
- (b) The facility shall be adequately lighted, heated as seasonally required, well ventilated and kept clean.
- (c) Lockers of 18" x 21" x 72" will be provided in sufficient quantity so that each regular engineer will have his/her own locker and extra engineers will have lockers available for their use. If a problem develops regarding lockers, the parties will meet to resolve the matter.
- (d) Should a parking problem exist for engineers, such as lighting, ample space, all-weather surfacing, etc., the parties will meet promptly for the purpose of correcting such problem.
- (e) Should a problem exist for engineers in the consolidated district in the application of this understanding, the parties will meet promptly for the purpose of correcting the problem.

Very truly yours,



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 19

Re: Rules Classes and Examinations

April 28, 1999

Don M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Ave
Jacksonville Beach, FL 32250

Dear Sir:

Engineers required to attend Rules Classes and Examinations will be governed by the following:

1. Advance notice of at least one week will be given of the schedule of rules classes and examinations.
2. (a) Attending Rules Classes - Except as noted below, an engineer subject to attend instruction classes, rules classes, reexaminations on rules and regulations, or initial examination for promotion, which are so scheduled that it is necessary for him/her to lose time from his/her assignment will be paid for all time lost on his/her assignment. Where no time is lost, or if the engineer does not avail himself/herself of the opportunity to attend such classes without the loss of time, he/she will be compensated at the basic pro-rata rate of the class of service in which employed for actual time spent in attendance with a minimum of four (4) hours.

(b) If the class is held during the hours of the engineer's assigned tour of duty, no additional compensation will be allowed, however time consumed for this purpose after having been on duty eight hours will be compensated for on the basis of actual time spent over eight hours with a minimum of one hour at the pro-rata rate in addition to the earnings of his assignment.

3. (a) Physical Examinations - an engineer directed by the company to undergo a physical examination will be compensated therefor three (3) hours at the pro-rata rate of his/her assignment. However, if the engineer is unable to schedule the examination without loss of compensation from his/her assignment or extra list, he/she will be compensated therefor for all lost earnings. An engineer must secure authorization from his supervising officer before marking off duty to take a physical examination. An engineer required to take an examination at other than his/her home terminal will be reimbursed for all reasonable expenses incurred.

(b) This rule will not apply to physical examinations required when an engineer is returning to duty from a leave of absence (including sick leave or injury), or physical examinations required of employees while absent from duty because of illness or injury, he/she will be allowed all reasonable expenses incurred if he/she is required to leave his/her home terminal for such examination. This rule will apply to physical examinations required by federal regulations.

Very truly yours,

K. R. Pifer



Kenneth R. Pelfer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

Side Letter # 20

April 20, 1999

R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Rd., Suite 200
Buffalo NY 14220

Dear Mr. Godwin:

This refers to our discussions concerning the CSXT/CR/NS transaction and particularly CR engineers who exercise seniority between the Northern Western and Eastern Districts.

Former CR engineers who exercise their seniority from one district to another under provisions of Article II of the Eastern and Western Districts attachments will be allowed reasonable time to qualify at Carrier's expense. Payment for qualifying will be limited to one time and is further limited to the first three years following implementation of the Master Implementing Agreement.

Yours very truly,

A handwritten signature in dark ink, appearing to read "K.R. Pelfer". The signature is written in a cursive, flowing style.



Kenneth R. Peifer
Vice President-Labor Relations

500 Water Street-J455
Jacksonville, FL 32202
(904) 359-2227

April 29, 1999

Side Letter # 21

Mr. D. M. Menefee
General Chairman
460 Osceola Avenue
Jacksonville Beach, FL 32250

Mr. C. L. Roy
General Chairman
452 Osceola Avenue
Jacksonville Beach, FL 32250

Mr. Robert W. Godwin
BLE General Chairman
810 Abbott Road
Suite 200
Buffalo, NY 14220

Gentlemen:

This refers to our continuing discussions concerning the CSX/CR/NS transaction and particularly to CSXT and former Conrail prior rights within the Eastern and Western Districts.

In accordance with the provisions of the Kasher Award, each former railroad is entitled to have continuing prior rights to any assignments which operate exclusively within their former railroad territorial limits. A literal application of that Award would deny recognition of former L&N or B&O traffic, which was rerouted over former Conrail trackage. Likewise, it would also deny recognition of former Conrail traffic, which was rerouted over former B&O trackage. This, of course, would deny fair and appropriate and previously agreed-to handling of former B&O, C&O, L&N and Conrail engineers who should be prior righted to assignments in recognition of the rerouting of the traffic. Therefore, it was agreed that the Award will be interpreted to obvious inequities created if we fail to recognize significant traffic on former Conrail trackage to be handled over former B&O. Similarly, the same recognition would be given to the volumes of B&O

traffic rerouted over former Conrail trackage. Attached is a list of these locations which were thoroughly discussed during our many months of negotiations and recognized as runs requiring special attention to prior right railroad issues.

If the above correctly reflects your understanding, please affix your signature in the space provided and return one copy of our records.

Yours very truly,


Edward S. Emerick

AGREED:

D. M. Menefee, General Chairman

C. L. Roy, General Chairman

R. W. Godwin, General Chairman

**FORMER B&O/CR/L&N TERRITORITY
WITH AGREED-TO
PRIOR RIGHT ASSIGNMENTS**

WESTERN DISTRICT	PRIOR RIGHT B&O	CR
Cincinnati-Indianapolis/Washington/Louisville	10	0
Columbus-Garrett	0	4
Ft. Wayne-Crestline/Chicago	6	0
Columbus-Cincinnati	0	3
Garrett-Chicago	-	5
Garrett-Willard/Toledo/Columbus	-	4
Indianapolis-Crestline/Willard	0	20
Indianapolis-St. Louis	4	23
Marysville-Indianapolis/Garrett/Cleveland	0	8
Toledo-Cleveland	0	10
Willard-Chicago	24	24
Buffalo-Willard/Crestline (interdivisional service between Northern & Western Districts)	25%	75%
 EASTERN DISTRICT		
Baltimore-North Jersey	0	1
Baltimore-Philadelphia	-	3
Bennings Local	0	5
New Castle-Cleveland (interdivisional service between the Eastern & Northern Districts)	-	-



Employee Relations
500 Water Street, J455
Jacksonville, FL 32202

Howard S. Emerick
Director Labor Relations

Side Letter #22

May 7, 1999

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
460 Osceola Avenue
Jacksonville Beach, FL 32250

R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers
810 Abbott Rd., Suite 200
Buffalo NY 14220

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

Gentlemen:

This refers to our previous conversations in connection with the Conrail transaction and particularly equity arrangements within the formerly coordinated terminals on the proposed Western District.

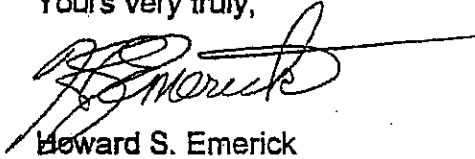
In order to provide fair and equitable work opportunities for all CSXT engineers in terminals which have former Conrail facilities and former CSXT facilities, an equity arrangement will be created. The equity arrangement will be in the form of an order of selection list (OSL) which will be created based upon the percentage of assignments each formerly had within the terminal. The number of former CSXT assignments and the total number of former Conrail assignments in each affected terminal as of March 1, 1999 will be determined. The percentage of assignments within the terminal will then be determined for former Conrail and CSXT engineers and designated as prior right respectively. Any assignments added above those initially designated as prior right will be designated or considered as common right and subject to Western District seniority.

In applying this arrangement it was understood when a prior right assignment is abolished at one yard and subsequently an assignment is created at another prior right yard within the same terminal, the assignment will be recognized as prior right assignment to the district which lost assignment in the earlier abolishment. Further, it was understood that the concerned Local Chairmen will

handle the reallocation of assignments in the application of the OSL and no disputes or claims will be entertained as a result of their interpretation and application of this equity provision. Disputes, if any, will be referred to the appropriate General Chairman and appropriate Director of Employee Relations may be handled to arbitration as may be agreed by the parties.

The application is intended to apply to all terminals in the Eastern and Western Districts.

Yours very truly,

A handwritten signature in dark ink, appearing to read "H. S. Emerick", with a long horizontal flourish extending to the right.

Howard S. Emerick

IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.
and its Railroad Subsidiaries

NORFOLK SOUTHERN RAILWAY COMPANY
and its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by
BROTHERHOOD OF LOCOMOTIVE ENGINEERS

WHEREAS, Norfolk Southern Corporation ("NS"), Norfolk Southern Railway Company and its railroad subsidiaries ("NSR"); and CSX Corporation ("CSX") and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") have filed an application with the Surface Transportation Board ("STB") in Finance Docket No. 33388 seeking approval of acquisition of control by NS and CSX of CRR and CRC, and for the division of the use and operation of CRC's assets by NSR and CSXT (the "transaction");

The NSR includes the following Carriers: Norfolk Southern Railway Company, The Alabama Great Southern Railroad Company, Atlantic and East Carolina Railway Company, The Cincinnati, New

Orleans and Texas Pacific Railway Company, Georgia Southern and Florida Railway Company, Interstate Railroad Company, Norfolk and Western Railway Company, Tennessee, Alabama and Georgia Railroad Company, Tennessee Railway Company.

WHEREAS, it is anticipated that the STB will impose the employee protective conditions set forth in New York Dock Ry. - Control - Brooklyn Eastern District, 360 I.C.C. 60 (1979) ("New York Dock conditions") on all aspects of the Primary Application; Norfolk and Western Railway Company - Trackage Rights - Burlington Northern, Inc., 354 I.C.C. 653 (1980), on related authorization of trackage rights; Oregon Short Line Railroad - Abandonment - Goshen, 360 I.C.C. 91 (1979), on related abandonment authorizations; and Mendocino Coast Railway, Inc. - Lease and Operate - California Western Railway, 360 I.C.C. 653 (1980), on the related authorization of the operations by CSXT or NSR of track leases with other rail carriers to which CRC is a party;

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Dock conditions and other aforementioned labor protective conditions or any other protective conditions that may be imposed by the STB in this proceeding to the extent such conditions may be applicable to the transaction and related authorizations;

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

Upon ten (10) days' advance written notice by CSXT, NSR and CRC posted on appropriate bulletin boards, with copies to the General Chairmen signatory hereto, CSXT, NSR and CRC may effect the following selection or rearrangement of forces as described herein and in the separate related agreements (Attachments 1 through 7) between NSR, CSXT and/or CRC and Brotherhood of Locomotive Engineers (BLE).

ARTICLE II - WORKFORCE ALLOCATION

CRC engineers will be allocated among CSXT, NSR, and the Shared Assets Areas (SAA) according to the needs of service as further described in the separate related agreements appended hereto as Attachments 1 through 7.

- A. Such engineers actively employed, using their CRC seniority (recognizing all levels of prior and system rights), will place themselves at a location thirty (30) days after the notification provided in Article II(B) below and be considered as part of the pool of engineers at that location in the following manner:

1. Where such a location becomes entirely NSR or CSXT, all of the engineers at the location at the end of the thirty (30) day period will likewise become exclusively employees of NSR or CSXT.
2. Where such a location is divided by CSXT and NSR, (or, in the case of SAA, by CSXT, NSR and CRC), bulletins will be posted in the CRC CAPS system at the end of the thirty (30) day period advising engineers at that location of the number of engineers to be allocated exclusively to NSR and the number to be allocated exclusively to CSXT (or, in the case of the SAA, the number, if any, to be allocated to CRC). Such allocation will be made by accepting bids by certified mail from engineers at that location. At the expiration of fifteen (15) days, engineers will be assigned on the basis of their engineer seniority. Service needs of each Carrier left unfilled at the expiration of the bulletin period will be filled by those engineers remaining at the location.
3. For the purpose of this Article II(A) only, the term "actively employed" likewise encompasses those employees on leave(s) of absence, furloughed, sick and/or injured and returning to service from forms of discipline. Such employee upon returning to service shall have thirty (30)

days in which to exercise seniority at the employee's option at any location where the employee held seniority prior to the transaction.

- B. Notification and explanation of the above procedure will be made in writing (see Attachment "A") to all active CRC engineers by certified mail.

ARTICLE III

Except as modified by the attachments, after this initial allocation, former CRC engineers, whether they are allocated to CSXT or NSR may only be permitted, or will be required, to exercise their former CRC seniority to the SAA only when furloughed and until such time as they stand for recall. Likewise, former CRC engineers allocated to CRC may only be permitted, or will be required, to exercise their former CRC seniority to CSXT or NSR when furloughed and until such time as they stand for recall.

ARTICLE IV - SENIORITY AND EXISTING AGREEMENT PRESERVATION

The provisions of the agreements between the National Railroad Passenger Corporation (AMTRAK), Metro North, Septa and New Jersey Transit, CRC and former CRC engineers with seniority prior to January 1, 1983 represented by the Brotherhood of Locomotive Engineers pursuant to Sections 1145 and 1165 of the Northeast Rail

Service Act are hereby incorporated into applicable CSXT and NSR agreements.

ARTICLE V

The New York Dock conditions which are attached and made a part hereof as Attachment "B", shall be applicable to employees determined to be "displaced employees" or "dismissed employees" as a result of the transaction as set forth herein.

ARTICLE VI

A. In order that the provisions of the first proviso set forth in Article I, Section 3 of the New York Dock or any other conditions may be properly administered, each employee determined to be a "displaced employee" or a "dismissed employee" as a result of this Agreement, who also is otherwise eligible for protective benefits and conditions under some other job security or other protective conditions or arrangements shall, within thirty (30) days after having established "displaced" or "dismissed" status under the conditions set forth in New York Dock, elect between the benefits under such other arrangement and this Agreement. This election shall not serve to alter or affect any application of the substantive provisions of Article I, Section 3.

B. In the event an employee fails to make such election

within the said thirty (30) day period, he or she will be subject to the protective benefits of this Agreement.

C. There shall be no duplication or pyramiding of protective benefits receivable by any employee under this Agreement and any other agreement or protective arrangement.

D. If, subsequent to the effective date of the transaction described herein, Organization representatives exercise seniority rights in road and/or yard service, and then during the period such seniority is exercised such persons meet the definitions of "displaced" or "dismissed" employees, they shall be entitled to the same protection afforded employees in road or yard service in which such seniority is exercised. When determining the "average monthly compensation" for such persons, it is understood that:

1. As to "full time" Organization representatives who do not work in the class or classes in which they hold seniority while holding office, the individual's test period average will be determined by taking the average of both the average monthly compensation and average monthly time paid for of the two senior active and two junior active employees ahead of and behind the individual on the roster to which he or she displaces.

2. As to other than "full time" Organization representatives, their test period average will first be computed in accordance with New York Dock. The test period average as thus determined will then be increased proportionately for each day the individual lost time or laid off to participate in union business.

3. The dates on which the individual lost time in order to participate in union business will be certified by the individual involved and by an officer of the Organization and furnished to the designated officer of the Carrier.

ARTICLE VII

A. Each "dismissed employee" shall submit to the Carrier a claim with the following information for the month in which he is claiming benefits on a form (Attachment C) provided by the Carriers and in accordance with the applicable claim procedures for handling protective conditions.

1. The day(s) claimed by such employee under any unemployment insurance act.

2. The day(s) each such employee worked in other employment, the name and address of the employer and the gross earnings

made by the "dismissed employee" in such other employment.

B. If the employee referred to in this Article has nothing to report under this Article account not being entitled to benefits under any unemployment insurance law and having no earnings from any other employment, such employee shall submit, within the time period provided for in Section C of this Article, the appropriate form stating "Nothing to Report".

C. The failure of any employee referred to in this Article to provide the information required in this Article shall result in the withholding of all protective benefits during the month covered by such information pending Carrier's receipt of such information from the employee.

In order to provide a routine method for handling claims for protective benefits under the New York Dock conditions, the following procedures will apply in connection with this transaction;

1. The steps in the handling of claims for compensation will be:

(a) An initial Entitlement to Benefits Form provided by the Carrier will be filed by the employee with the designated labor relations officer.

- (b) Once the employee has been advised that he or she is entitled to benefits the Carrier will provide the employee with Claim Forms for the purpose of filing for benefits in any month he or she did not have the opportunity to earn the equivalent of his or her Test Period Average.
- (c) All Entitlement to Benefits Forms and monthly Claim Forms must be filed by the employee not later than seventy-five (75) days from the last day of the month for which a claim is being made. Claims not made within this time limit will not be entertained or allowed.
2. When claims for compensation alleged to be due have been presented in accordance with paragraph 1, above, and are not allowed, the employee will be notified of the reason for the declination in writing within seventy-five (75) days from the date such claims were received. When not so notified, claims will be allowed.
3. Final appeal will be by the General Chairman and directed to the designated Labor Relations Officer. Appeals from decisions regarding claims for compensation alleged to be due will be made within sixty (60) days or they will not be entertained or allowed. When such timely appeals are

not allowed, the General Chairman will be notified of the reason for the declination, in writing, within sixty (60) days from the date of appeal. When not so notified, claims for compensation alleged to be due will be allowed.

4. Failure to comply with the time limit set forth above will cause the matter to be closed, but this will not be considered as a precedent or waiver of the contentions of either party to similar claims..
5. All claims involving a decision by the designated Labor Relations Officer will be barred unless, within one (1) year from the date of said officer's decision, proceedings are instituted by the employee or his representative before the arbitration committee described in Article I, Section II of New York Dock.

ARTICLE VIII

An employee whose job is abolished as a result of the transaction or who is displaced by such an employee and becomes unable to secure a position through the normal exercise of seniority under existing agreements and who is eligible to receive a dismissal allowance, may be offered a position by the Carriers at

any location. Such employee shall be given thirty (30) days' notice of such offer and must elect one of the following options prior to the expiration of the notice:

1. To accept the offer;
2. Resign from all service and accept a lump sum payment computed in accordance with New York Dock conditions; or
3. To be furloughed without protection during the furlough.

In the event an employee fails to make such an election, he shall be considered to have exercised Option 3.

Employees accepting a job offer pursuant to this Article requiring a change of residence will be subject to the moving and real estate expenses provided in Sections 9 and 12 of the New York Dock conditions. Employees accepting the offer will be ranked on the appropriate roster as of the date of acceptance.

Employees transferred to other rosters pursuant to this Article will retain seniority rights and recall rights on their previous rosters. If recalled, they shall accept such recall in accordance with the appropriate agreement or forfeit all seniority on their previous roster. If they accept such recall, they shall forfeit all seniority on the roster to which they have previously accepted transfer. The application of this paragraph shall not

involve any expense to the Carrier for moving or real estate costs, or otherwise, unless the employee is furloughed within three (3) years after changing his point of employment, in which case the provisions of Section 9 of Article I of New York Dock will apply.

NOTE: This article has no application to an employee who is eligible to exercise seniority in any other craft or class in which he holds seniority.

ARTICLE IX

For convenience, 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.

ARTICLE X

This agreement with attachments does not impose any restrictions on work rights of any assignments operating within or through the territory covered by this agreement that did not exist on the effective date of this agreement.

ARTICLE XI

All pending notices and proposals, if any, served under Section 6 of the Railway Labor Act, as amended, on behalf of individuals who become employees of CSXT or NSR under Article II will no longer apply to such employees. These employees, if any, will be covered by the current notices pending on the agreement applicable to the territory to which transferred as if they were on such territory when said notices were served.

ARTICLE XII

The parties further agree that after the initial division of the use and operation of CRC's assets between CSXT and NSR pursuant to this agreement, if either CSXT or NSR serves a subsequent notice related to the Application but limited to a coordination of its CRC allocated assets and not affecting the other railroads, then only that railroad needs to be the party to the subsequent implementing agreement.

ARTICLE XIII

This agreement with attachments shall become effective only upon STB approval of the transaction and upon ten (10) days' notice to the respective General Chairmen and will fulfill the requirements stipulated in Article I, Section 4 of the New York

Dock conditions imposed in the Order in STB Finance Docket No. 33388. Nothing in this agreement is intended to diminish the protection in New York Dock.

Dated February 12, 1999.

FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS

R. W. Godwin
R. W. Godwin, General Chairman
Brotherhood of Locomotive Engineers (CRC)

D. M. Manefee
D. M. Manefee, General Chairman
Brotherhood of Locomotive Engineers (CSXT)

C. L. Roy
C. L. Roy, General Chairman
Brotherhood of Locomotive Engineers (CSXT)

T. Smith
T. Smith, General Chairman
Brotherhood of Locomotive Engineers (CSXT)

W. E. Knight
W. E. Knight, General Chairman
Brotherhood of Locomotive Engineers (NW)

S. D. Speagle
S. D. Speagle, General Chairman
Brotherhood of Locomotive Engineers (NW)

R. C. Wallace
R. C. Wallace, General Chairman
Brotherhood of Locomotive Engineers (NSR)

FOR THE CARRIERS:

W. M. McCain
W. M. McCain, Asst. Vice President
Labor Relations
Consolidated Rail Corporation

K. R. Peifer
K. R. Peifer, Vice President
Labor Relations
CSX Transportation, Inc.

R. S. Spenski
R. S. Spenski, Vice President
Labor Relations
Cincinnati, New Orleans and Texas
Pacific Railroad Company
Norfolk Southern Railway Company
Norfolk and Western Railway Company

APPENDIX III

Labor protective conditions to be imposed in railroad transactions pursuant to 49 U.S.C. 11343 et seq. [formerly sections 5(2) and 5(3) of the Interstate Commerce Act], except for trackage rights and lease proposals which are being considered elsewhere, are as follows:

1. Definitions.-(a) "Transaction" means any action taken pursuant to authorizations of this Commission on which these provisions have been imposed.

(b) "Displaced employee" means an employee of the railroad who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) "Dismissed employee" means an employee of the railroad who, as a result of a transaction is deprived of employment with the railroad because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction.

(d) "Protective period" means the period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of the railroad prior to the date of his displacement or his dismissal. For purposes of this appendix, an employees' length of service shall be determined in accordance with the provisions of section 7(b) of the Washington Job Protection Agreement of May 1936.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the railroad's employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or applicable statutes.

3. Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements; provided, that if an employee otherwise is eligible for protection under both this Appendix and some other job security or other protective conditions or arrangements, he shall elect between the benefits under this Appendix and similar benefits under such other arrangement and, for so long as he continues to receive such benefits under the provisions which he so elects, he shall not be entitled to the same type of benefit under the provisions which he does not so elect; provided further, that the benefits under this Appendix, or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits; and, provided further, that after expiration of the period for which such employee is entitled to protection under the arrangement which he so elects, he may then be entitled to protection under the other arrangement for the remainder, if any, of this protective period under that arrangement.

4. Notice and Agreement or Decision - (a) Each railroad contemplating a transaction which is subject to these conditions and may cause the dismissal or displacement of any employees, or rearrangement of forces, shall give at least ninety (90) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of the railroad and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be affected by such transaction, including an estimate of the number of employees of each class affected by the intended changes. Prior to consummation the parties shall negotiate in the following manner.

Within five (5) days from the date of receipt of notice, at the request of either the railroad or representatives of such interested employees, a place shall be selected to hold negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this appendix, and these negotiations shall commence immediately thereafter and continue for at least thirty (30) days. Each transaction which may result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all employees involved on a basis accepted as appropriate for application in the particular case and any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of thirty (30) days there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the request for arbitration the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding, and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(b) No change in operations, services, facilities, or equipment shall occur until after an agreement is reached or the decision of a referee has been rendered.

5. Displacement allowances - (a) So long after a displaced employee's displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period), and provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases.

If a displaced employee's compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

(b) If a displaced employee fails to exercise his seniority rights to secure another position available to him which does not require a change in his place of residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position he elects to decline.

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for justifiable cause.

6. Dismissal allowances. - (a) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the transaction. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(b) The dismissal allowance of any dismissed employee who returns to service with the railroad shall cease while he is so reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of section 5.

(c) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the railroad shall agree upon a procedure by which the railroad shall be currently informed of the earnings of such employee in employment other than with the railroad, and the benefits received.

(d) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employee's resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible after appropriate notification, if his return does not infringe upon the employment rights of other employees under a working agreement.

7. Separation allowance. - A dismissed employee entitled to protection under this appendix, may, at his option within 7 days of his dismissal, resign and (in lieu of all other benefits and protections provided in this appendix) accept a lump sum payment computed in accordance with section 9 of the Washington Job Protection Agreement of May 1936.

8. Fringe benefits. - No employee of the railroad who is affected by a transaction shall be deprived, during his protection period, of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, reliefs, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of the railroad, in active or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

9. Moving expenses. - Any employee retained in the service of the railroad or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment as a result of the transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not exceed 3 working days, the exact extent of the responsibility of the railroad during the time necessary for such transfer and for reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by the railroad and the affected employee or his representatives; provided, however, that changes in place of residence which are not a result of the transaction, shall not be considered to be within the purview of this section; provided further, that the railroad shall, to the same extent provided above, assume the expenses, et cetera, for any employee furloughed with three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement

shall be paid under the provision of this section unless such claim is presented to railroad within 90 days after the date on which the expenses were incurred.

10. Should the railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employee of benefits to which he otherwise would have become entitled under this appendix, this appendix will apply to such employee.

11. Arbitration of disputes. - (a) In the event the railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except section 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman.

If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding, upon the parties.

(b) In the event a dispute involves more than one labor organization, each will be entitled to a representative on the arbitration committee, in which event the railroad will be entitled to appoint additional representatives so as to equal the number of labor organization representatives.

(c) The decision, by majority vote, of the arbitration committee shall be final, binding, and conclusive and shall be rendered within 45 days after the hearing of the dispute or controversy has been concluded and the record closed.

(d) The salaries and expenses of the neutral member shall be borne equally by the parties to the proceeding and all other expenses shall be paid by the party incurring them.

(e) In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the railroad's burden to prove that factors other than a transaction affected the employee.

12. Losses from home removal. - (a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the railroad (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of the transaction and is therefore required to move his place of residence:

(I) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the railroad for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

(ii) If the employee is under a contract to purchase his home, the railroad shall protect him against loss to the extent of the fair value of equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, the railroad shall protect him from all loss and cost in securing the cancellation of said lease.

(b) Changes in place of residence which are not the result of a transaction shall not be considered to be within the purview of this section.

(c) No claim for loss shall be paid under the provisions of this section unless such claim is presented to the railroad within 1 year after the date the employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or their representatives and the railroad. In the event they are unable to agree, the dispute or controversy may be referred by

either party to a board of competent real estate appraisers, selected in the following manner. One to be selected by the representatives of the employees and one by the railroad, and these two, if unable to agree within 30 days upon a valuation, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

ARTICLE II

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when his employment was terminated or he was furloughed, even though in a different craft or class, on the railroad which he is, or by training or retraining physically and mentally can become, qualified, not, however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, the railroad shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who had made a request under section 1 or 2 of the article II fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this appendix.

ARTICLE III

Subject to this appendix, as if employees of railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by railroad and employees of any other enterprise within the definition of common carrier by railroad in section 1(3) of part I of the Interstate Commerce Act, as amended, in which railroad has an interest, to which railroad provides facilities, or with which railroad contracts for use of

facilities, or the facilities of which railroad otherwise uses; except that the provisions of this appendix shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier; provided that said carriers shall establish one convenient central location for each terminal or other enterprise for receipt of one such application which will be effective as to all said carriers and railroad shall notify such employees of this requirement and of the location for receipt of the application. Such employees shall not be entitled to any of the benefits of this appendix in the case of failure, without good cause, to accept comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this appendix, with any carrier for which application for employment has been made in accordance with this section.

ARTICLE IV

Employees of the railroad who are not represented by a labor organization shall be afforded substantially the same levels of protection as are afforded to members of labor organizations under these terms and conditions.

In the event any dispute or controversy arises between the railroad and an employee not represented by a labor organization with respect to the interpretation, application or enforcement of any provision hereof which cannot be settled by the parties within

30 days after the dispute arises, either party may refer the dispute to arbitration.

ARTICLE V

1. It is the intent of this appendix to provide employee protections which are not less than the benefits established under 49 USC 11347 before February 5, 1976, and under section 565 of title 45. In so doing, changes in wording and organization from arrangements earlier developed under those sections have been necessary to make such benefits applicable to transactions as defined in article I of this appendix. In making such changes, it is not the intent of this appendix to diminish such benefits. Thus, the terms of this appendix are to be resolved in favor of this intent to provide employee protections and benefits no less than those established under 49 USC 11347 before February 5, 1976 and under section 565 of title 45.

2. In the event any provision of this appendix is held to be invalid or otherwise unenforceable under applicable law, the remaining provisions of this appendix shall not be affected.

THE FOLLOWING QUESTIONS AND ANSWERS CONSTITUTE AGREED-UPON
INTERPRETATIONS OF AGREEMENTS COVERING TRANSACTIONS MADE
PURSUANT TO FINANCE DOCKET NO. 33388.

Q. 1. Must a "Displaced Employee" exercise seniority to an equal or higher-paying job to which he would be entitled in order to qualify for displacement allowance?

A. Not necessarily. However, a "Displaced Employee" failing to do so will be treated for purposes of the guarantee as occupying an available higher paying position, subject to application of the one-for-one principle as set forth in Question and Answer 4.

Q. 2. Is an employee hired after the effective date of the coordination agreement eligible for protection under this agreement under any circumstances?

A. Yes, provided subsequent action taken by the carriers, pursuant to authorization in F.D. 33388 results in such employee attaining status as a "Displaced Employee" or a "Dismissed Employee".

Q. 3. Assuming the transaction covered by this agreement is effective on the scheduled implementation date contained in the posted notice and an employee attains status as a "Displaced Employee" as a result of the transaction six months thereafter, when does his protection expire?

A. Six (6) years from the month in which such employee is determined to be a "Displaced Employee". However, the protective period for any particular employee shall not continue for a longer period following the date he was "displaced" or "dismissed" than the period during which such employee was in the employ of the railroad prior to the date of his "displacement" or his "dismissal", as provided in New York Dock.

Q. 4. A job is available to more than one protected employee with higher posted earnings than any of their guarantees. Will the earnings of the higher, posted

assignment be charged against the guarantees of all such employees?

A. No more than one protected employee will be treated at any one time as occupying a higher rated position held by a junior man. That is to say, the senior employee who is not earning his guarantee will be treated as occupying the position producing the highest earnings, the second such senior employee will be treated as occupying the position producing the second highest earnings, and so forth.

Q. 5. An employee performs service as extra yardmaster, both prior to and subsequent to the effective date of the coordination. How will such service be computed?

A. (1) Such service and time prior to the coordination shall be included in the test-period computations.

(2) Compensation for such service and time paid for subsequent to the coordination shall be applied against the test-period guarantee.

Q. 6. Is it necessary that an employee be displaced from his assignment or position in order to establish eligibility for protective benefits under New York Dock?

A. No, provided it can be shown that as a result of the involved "Transaction," such employee "is placed in a worse position with respect to his compensation."

Q. 7. An employee with a guarantee of \$1,900 per month fails to exercise seniority to obtain a position with posted earnings of \$1,900-\$1,950. In a particular month, he earns \$1,850. What payment, if any, would be due?

A. None, subject to the one-for-one principle - See Q. and A. 4.

Q. 8. Employee Jones' guarantee is \$1,800 per month, and he claims a job with posted earnings of \$1,800-\$1,850 per month. A junior employee, Smith, has guarantee of \$1,700 per month and claims a job with posted earning of \$1,850-\$1,900 a month. In a month, Jones has earnings of \$1,750 and Smith earns \$1,875 in the same month. Can the job to which Smith is assigned be charged against Jones?

A. No. Jones fulfilled his obligation by exercising seniority to an assignment with posted earnings exceeding his guarantee. Provided Jones met all other requirements, he will be due \$50.

EXAMPLES

Jones is senior to Smith and their respective test period monthly components are as follows:

(Jones) Average monthly compensation . . . \$1,600.00
Average monthly time paid for . . . 200 hours
Monthly average hourly rate* . . . \$8.00

(Smith) Average monthly compensation . . . \$1,550.00
Average monthly time paid for . . . 190 hours
Monthly average hourly rate* . . . \$8.16

* For computation of earnings lost due to voluntary absences only.

Q. 9. Jones was available for service the entire month and worked 210 hours and earned \$1,680. What compensation would be due Jones?

A. The \$1,680 he earned.

Q. 10. Jones was available for service the entire month and worked 190 hours and earned \$1,575. What compensation would be due Jones?

A. His earnings of \$1,575 plus \$25, or \$1,600, the amount of his monthly earnings guarantee.

Q. 11. Jones marked off two (2) days (his assignment worked 8 hours on each of the two days) during the month and worked 190 hours and earned \$1,575. What compensation is due Jones?

A. He is only due \$1,575, his actual earnings, as he was not available for service equivalent to his base period of 200 hours; hence, 200 hours minus 190 hours leaves 10; 10 hours times his \$8 hourly rate equals \$80, which amount is deductible from the \$1,600 monthly guarantee.

Q. 12. Jones marked off two (2) days (his assignment worked 8 hours on each of the two (2) days during the month and worked 195 hours and earned \$1,550. What compensation would be due?

A. His earnings of \$1,550 plus \$10, or \$1,560 calculated as follows: \$1,550 plus \$50 minus \$40 (200 hours minus 195 hours equals 5 hours time \$8 equals \$40 to be deducted).

Q. 13. Jones marked off two (2) days during the month and worked 170 hours and earned \$1,500. What compensation is due?

A. \$1,500 as the calculation of his monthly guarantee, with deductions for two days' absence, resulted in less than his actual earnings, i.e., 16 hours (hours his assignment worked on the two off days) times \$8 equals \$128. \$1,600 minus \$128 equals \$1,472.

Q. 14. Jones, during the month, earned \$1,555 while during the same period Smith earned \$1,595. In the premise that they met the necessary requirements for the full guarantee allowances, could the earnings of Smith be used against the claim of Jones for \$45?

A. No, provided Jones has exercised seniority according to the bulletin listing average job earnings. If Jones did not exercise seniority to the position held by Smith in accordance with bulletin listing the average job earnings he would only be entitled to \$5 under his guarantee.

Q. 15. Jones worked his average monthly hours (200), but in such period did not earn his average monthly compensation. During the month Jones marked off for two days. May the Carrier make deduction for the days Jones was off?

A. No - deduction would be made as Jones worked his average monthly hours during the month.

Q. 16. A job is advertised and the potential earnings are not posted. Jones is the successful bidder and earns \$1,550 during the month. Could the earnings of any assignment with either higher or lower earnings be charged against Jones?

A. No, since the potential earnings of the job were not posted Jones would be entitled to \$1,550 plus \$50, or \$1,600, the amount of his monthly earnings guarantee, provided he met all other requirements. When the potential earnings of the job are posted, Jones would then be expected to place himself on a higher-paying position in accordance with normal bidding or displacement rules, at his first opportunity, subject to principles outlined in Q. and A. 1.

Q. 17. May an employee called and used as an emergency conductor or engineer, as the case may be, be charged with a loss of earnings on his regular assignment or with higher posted earnings on other assignments account of being so used?

A. No, as he is protecting his seniority as conductor or engineer in accordance with the requirements of the applicable Agreement.

Q. 18. How is vacation pay treated in computing guarantees under this Agreement?

A. Hours of compensation for days on vacation during a calendar month are treated, for the purposes of the guarantee, the same as any other compensation and hours creditable to that month. Thus, if a vacation falls entirely within one month, the compensation and hours shall be treated as all other compensation and hours creditable to that month. However, when a vacation commences in one month and ends in another, the vacation compensation and hours will be proportioned between the months in accordance with the number of vacation days falling in each month.

Q. 19. In computing monthly guarantees, may a protected employee be charged with voluntary absence when directed or summoned by the Company to attend investigation, or court?

A. No, provided such employee attends the investigation or court as a witness for the Carrier or, in the case of an investigation, attends as a charged employee and no discipline is assessed as a result thereof.

Q. 20. If an employee elects to accept the protective conditions of this Agreement while otherwise eligible for protection under a former protective arrangement or

agreement, will such employee resume protection under the former agreement at the expiration of the protective period under this Agreement?

A. Yes, provided protection under the former agreement has not been exhausted or expired.

Q. 21. What is the meaning of "change in residence?"

A. A "change in residence" as referred to in Section 5(b) and 6(d) of New York Dock shall only be considered "required" if the reporting point of the employee would be more than thirty (30) normal highway miles, via the most direct route, from the employee's point of employment at the time affected, and the normal reporting point is farther from the employee's residence than his former point of employment.

Q. 22. Do Section 9 and 12 of Article I also apply in the case of a "required" change of residence in the exercise of seniority on the employee's own seniority district?

A. Yes, provided the employee cannot hold a position which does not require a change of residence and has been instructed by the Carrier to so exercise his seniority.