

CSXT LABOR AGREEMENT 1-015-96

MEMORANDUM OF AGREEMENT
BETWEEN
CSX TRANSPORTATION, INC.
AND ITS EMPLOYEES REPRESENTED BY
BROTHERHOOD OF LOCOMOTIVE ENGINEERS
(FORMER B&O, B&O (TOLEDO DIVISION), B&OCT,
PM, HV, POV, RF&P, CONSOLIDATED WM, TRRY and CONRAIL)

Preamble

This refers to Carrier's letter of May 21, 1999 and our subsequent discussions concerning the modification of the seniority and zoning arrangements in CSXT Labor Agreement 1-015-96 as the result of the Kasher Award and the arbitrated Conrail Implementing Agreement. It was understood by the parties that revisions would be necessary to bring CSXT Labor Agreement 1-015-96 in line with the language and intent of those developments. The Consolidated Western Maryland is included as a prior right district within the Eastern B&O Consolidated Seniority District. Those portions of Conrail trackage acquired on June 1, 1999 are considered as a Prior Right Seniority District.

Therefore, the parties have met and agreed upon the following revisions:

IT IS AGREED:

The following Engineers' Seniority Districts have been consolidated into two seniority districts hereinafter to be known as the Eastern and Western Consolidated Seniority Districts. The Eastern Consolidated Seniority District consists of the following seniority districts:

Consolidated Central B&O (inc. New Castle, Pittsburgh West End, POV, and TRRY Prior Right)* To include Pittsburgh East End effective October 1, 1996.

Consolidated Cleveland (inc. CL&W and CT&V Prior Right)

Eastern B&O Consolidated (inc. Baltimore West End, Consolidated Maryland [inc. Baltimore East End, Cumberland East End, and Cumberland West End Prior Right], Consolidated West Virginia [inc. G&B, MR, WOR and WV&P Prior Right], RF&P, Consolidated Western Maryland [including the Eastern and Western Regions], and C&O Proper [Piedmont - Washington District]).

Pittsburgh East End

Portions of Conrail Territory included in June 1, 1999 acquisition.

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The Western Consolidated Seniority District consists of the following seniority districts:

Consolidated Chicago (inc. Chicago and New Rock Prior Right)

Consolidated Hocking Valley (inc. Columbus Road, Columbus Yard, and Walbridge Prior Right)

Consolidated Ohio (inc. Newark, Ohio, and Toledo\Wellston Prior Right)

Consolidated Pere Marquette (inc. Canadian* and PM Prior Right)

Cone Yard

Decatur

Hamilton

Indiana

Illinois

C&O Cincinnati - Chicago (and Cincinnati - Northern**)

L&N Monon South

L&N Monon North

L&N Cincinnati Yard (KY District**)

L&N Danville

L&N C&EI Consolidated (including Danville and CD Eastern prior right)

L&N SD District (prior right)

Those portions of Conrail Territory included in June 1, 1999 acquisition.

* Canadian Engineers may only exercise seniority to U.S. positions after satisfying applicable immigration laws. U. S. Engineers may only exercise seniority to Canada after satisfying applicable immigration laws.

** Prior right to positions in Queensgate yard only.

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(ARTICLE I - SENIORITY)

A. Consolidated and prior rights shall be preserved for Engineers holding seniority as such on or before the effective date of this agreement. Consolidated rights, for the purpose of this agreement, mean the right to work within a seniority district by having established seniority on a consolidated roster (ex. Consolidated B&O Central, Eastern B&O Consolidated, etc.). Prior rights, means the right to work within a seniority district (which may or may not have been merged with other prior right district[s]) by having established seniority on a prior right roster (ex. Pittsburgh West End, Baltimore West End, etc.).

B. Engineers establishing seniority on the Consolidated Eastern/Western Districts after June 1, 1999 will be considered as common rights engineers on their respective district.

ARTICLE II - SENIORITY ROSTER

A. Seniority rosters for the Eastern and Western Districts were prepared by the Carrier as a result of the Conrail Master Implementing Agreement and will be maintained on a continuing basis in the Crew Management System.

B. The initial position on the Eastern/Western District roster for each Engineer referred to in Article II A was determined by date of hire in engine service on their current seniority roster. When two (2) or more Engineers had the same hire date, they were placed in relative order on the Eastern/Western roster based on the earliest year, month, and day of birth, except that relative standing among Prior or Prior-Prior Right Engineers was not changed.

C. An Engineer shall have the right to protest his initial placement on the Eastern/Western roster provided he does so in writing to the BLE General Chairman within 180 days of its first listing.

ARTICLE III - PROTECTING SERVICE

A. The following zones are established for the purpose of this Agreement:

Consolidated Eastern District:

1. BALTIMORE - Baltimore terminal and east to and including South and North Jersey; south to Richmond (including Richmond Terminal pursuant to Paragraph C(1) of the CSXT Eastern District Implementing Agreement); west from Richmond to and including Charlottesville; west to and including Brunswick; west to and including Hanover.

2. CUMBERLAND - Cumberland terminal and east to and west from Brunswick; east to Lurgan; east to Hanover; west to and east from Grafton.

3. GRAFTON - Grafton terminal and west to Parkersburg; Wheeling, Huntington (including the Marietta Sub); MGA territory not including Newell; west to Cowen (including the SC&M).

4. PITTSBURGH - Pittsburgh terminal and east to Cumberland; south to and including Newell and the former MGA territory; west to Willard and branches including Cleveland, Lorain and Wooster.

Consolidated Western District:

1. CHICAGO - Chicago terminal and west to end of track on the New Rock Sub.

2. CINCINNATI - Cincinnati terminal and east to Columbus; west to Lima; west to Indianapolis; west to Washington; west to Louisville via Mitchell or Seymour and between Louisville and Indianapolis.

3. DETROIT - Detroit terminal and north to and including Midland, Bay City; south to but not including Toledo terminal.

4. GRAND RAPIDS - Grand Rapids terminal and east to Plymouth; west to Manistee, Montague and Chicago.

5. INDIANAPOLIS - East to Willard/Crestline and Cincinnati; west to and including St. Louis; west to Chicago via Monon/Conrail; south to and including Bloomington.

6. ONTARIO - All positions working in/originating in Canada (although not included in Conrail acquisition).

7. WASHINGTON - Washington terminal and west to St. Louis; west to and including Decatur; west to Chicago; south to Evansville.

8. WILLARD - Willard terminal to and including the Toledo terminal; west to Chicago; west to and including Lima; west to and including Columbus and Newark; east to Cleveland via former Conrail trackage; also, including trackage in the Chillicothe area.

B. 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 their District (Eastern/Western) outside the zone in which they are working.

C. Engineers may exercise seniority to any position within the Consolidated Seniority District (Eastern/Western) based on their consolidated right Eastern/Western seniority.

NOTE: It is understood that in the application of paragraphs B. and C. above Engineers may only exercise seniority outside of their home zone if the requirements of service can be met in each zone as determined by the Road Foreman of Engines and the BLE Local Chairman from the zone the engineer desires to leave. These moves will be restricted to "open" positions, or to new assignments that have gone "no bid" during the seven(7) day advertisement period. Should it be determined that an engineer moved across zone lines without proper authority the matter will be handled for prompt resolution locally, and if necessary between the BLE General Chairman and Carrier's Highest Designated Officer. It is understood however that no claims will be entertained as the result of unauthorized movement across zone lines.

Demoted Engineers not standing for Engineers positions in their home zone may exercise seniority to Engineers positions in other zones. If they do not elect to do so, they will remain furloughed unless there are other positions in other classes/crafts of service to which they can exercise seniority consistent with applicable agreement rules.

D. 1. When there is a need to increase the Engineers' work force at any supply point, the senior demoted engineer at that supply point will be marked up. If it is a location, which serves as a supply point for more than one zone (ex. Cumberland, Md. is a supply point for both the Cumberland and Pittsburgh zones), the senior demoted engineer at that supply point in another zone will be marked up (Prior rights will be taken into consideration when determining the senior demoted engineer to mark up for a particular assignment or extra board position. Prior right demoted engineers will be marked up first, followed by consolidated right demoted engineers followed by common right engineers).

It will be the Carrier's obligation to furnish pilots for unqualified engineers from another zone for assignments originating at that supply point under this section. It is understood that a supply point is a location that has an Engineers' extra board.

2. If there are no demoted Engineers at that supply point, the senior demoted Engineer at the nearest supply point within the zone will be initially marked up to the unclaimed position. If there are multiple open positions they will be offered to demoted engineers in seniority order. Consolidated and prior rights will be taken into consideration when determining the senior demoted Engineer to mark up for a particular assignment or extra board position.

3. Temporary vacancies will continue to be filled as they are today, pursuant to Article XI of CSXT Labor Agreement No. 1-014-96. Permanent vacancies will be filled by engineers working within the particular zone or by engineers exercising seniority to that zone pursuant to the "NOTE" in paragraph C. above.

E. 1. When there are no demoted Engineers in a zone, demoted Engineers at the nearest supply point outside the zone will be initially marked up in inverse order to the unclaimed position. If there are multiple open positions they will be offered to demoted engineers in seniority order. As long as the Engineer remains in the position that he has initially been marked up on he will receive no less than the applicable (road or yard) bi-weekly guarantee rate in consideration for remaining on the position. This provision will remain in effect if he is displaced and places himself on another position within two (2) hours of notification. If however, he subsequently obtains an exercise of seniority and elects to exercise it, this guarantee provision will cease.

An engineer marked up under this section will be entitled to Carrier provided lodging, twenty-five (\$25) dollars meal allowance for each day worked, and reimbursement for auto mileage for one round trip between his residence and the new supply point, provided he is marked up at a supply point that is more than fifty (50) miles from his residence. Engineers marked up under this Section will be held for a maximum of ninety (90) days. If there is a need to hold an engineer outside of his zone beyond this period, the General Chairman and Carrier's Highest Designated Officer will meet to resolve the matter.

2. When in the opinion of the Local 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 BLE Local Chairman for the purpose of identifying and correcting the problem.

3. When a demoted engineer has been forced to a supply point from another zone the Carrier will post a Notice to engineers and demoted engineers throughout the Consolidated District (Eastern or Western) requesting voluntary transfers to the supply point where the demoted engineer was forced. Volunteers will be selected in seniority order on the basis of their relative standing on the Consolidated District Roster (Eastern or Western) from only those locations where the Carrier has determined there is an excess of engineers. When a volunteer has been approved for transfer and qualified at the new supply point, the demoted engineer previously forced out of his zone will be permitted to exercise displacement rights.

4. Any volunteer who is marked up at the new supply point under paragraph 3. above will receive Carrier provided lodging and twenty-five (\$25) dollars meal allowance for each day worked for a maximum of thirty (30) days and reimbursement for auto mileage for one round trip between his residence and the new supply point, provided that the new supply point is more than fifty (50) miles from his residence.

ARTICLE IV - ESTABLISHING ASSIGNMENTS

A. Regular assignments and pools, including those assignments or pools operating in multiple zones, will continue to operate under existing agreements and equity arrangements as applicable.

B. New service operating in more than one district (Eastern/Western) will be considered Interdivisional service and notice will be served accordingly.

C. 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.

D. When regular road assignments are established, such as through freights, district runs, work trains, locals, etc., notice will be listed in the system showing the following information:

Time starting work
Number of days per week
On and off duty point(s)
Lay-up point
Relief days or day if applicable
Territory covered by assignment

E. The working limits of a pool operating within a zone may be changed from time to time by appropriate notice in the system. Such a change in working limits will not constitute a change for purposes of granting displacement rights to Engineers holding turns in that pool.

ARTICLE V - GENERAL PROVISIONS

A. Schedule rules of the former B&O agreement in conflict with the provisions of this Agreement are amended to the extent necessary to apply this Agreement.

B. For convenience, reference 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 and the feminine gender.

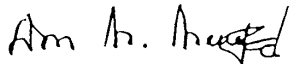
C. The signatory parties are in accord that any inadvertent errors, omissions or inclusions in this Agreement, recognized by both parties as being inconsistent with the purpose and intent of the Agreement will be corrected, included or deleted as the case may be, to properly reflect the understandings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

This Agreement will be effective June 20, 2000 and shall remain in effect unless and until changed or modified in accordance with the Railway Labor Act, as amended.

Signed this 4th day of July, 2000 at Jacksonville, Florida.

FOR: THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS:

FOR: CSX TRANSPORTATION, INC.:



D. M. Menefee, General Chairman



G. A. Gordon, Senior Director
Labor Relations



Labor Relations Department

G. A. Gordon, Sr. Director
(904) 359-3939

500 Water Street, J-455
Jacksonville, FL 32202

October 2, 2000

File: CSXT LA 1-015-96

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
6 Fairfield Blvd., Suite No. 1
Ponte Vedra Beach, FL 32082

Dear Sir:

This refers to our several conversations concerning the application of Article III C. Note, of CSXT Labor Agreement 1-015-96. During our discussions in conference on September 21, 2000, it was mutually agreed that the language contained in the above referenced Article was not intended to restrict prior right engineers from claiming assignments in another zone which had been allocated to a specific prior right district. Several specific examples were discussed in order to identify how the current application of the aforementioned rule has impacted the rights of prior right engineers from claiming positions which they are otherwise entitled, through the normal exercise of seniority.

The following are examples as to how the erroneous misapplication has directly impacted the exercise of seniority:

- A prior right Consolidated C&O PM District Engineer, working in Toledo, Ohio (Willard Zone) who has full displacement rights and attempts to claim a prior right assignment (unassigned freight pool) home terminal in Toledo, but operating in the Detroit Zone. Under this example, the prior right engineer would be permitted to claim the assignment without regard to the engineer's home zone.
- A prior right B&O Newark (Ohio Consolidated District) Engineer is working in Newark or Columbus, Ohio (Willard Zone) who has full displacement rights and wishes to claim a prior right assignment on the Midland Subdivision at Washington Court House, Ohio (Cincinnati Zone). Under this example, the prior right engineer would be allowed to claim the assignment without regard to the engineer's home zone.
- A prior right B&O Consolidated Chicago District Engineer is working at Garrett, Indiana (Willard Zone) who has full displacement rights and wishes to claim a prior right position at Chicago, Illinois (Chicago Zone). Under this example, the prior right engineer would be allowed to claim the assignment without regard to the engineer's home zone.

- A prior right B&O Baltimore East End (Maryland Consolidated District) Engineer is working in Brunswick, Maryland (Baltimore Zone) who has full displacement rights and wishes to claim a prior right position at Brunswick, Maryland (Cumberland Zone). Under this example, the prior right engineer would be allowed to claim the assignment without regard to the engineer's home zone.

We agree that the examples listed above are not all encompassing, but are intended to show the intent of the parties during negotiations culminating in CSXT Labor Agreement 1-015-96 relative to the exercise of seniority by prior right engineers.

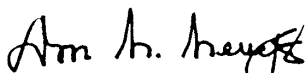
It is also understood that a prior right engineer with full displacement rights, may exercise prior right seniority across zones lines to a prior right assignment without the concurrence of the applicable BLE Local Chairman or Road Foreman of Engines, as provided in Article III C. Note, of CSXT Labor Agreement 1-015-96.

If the above accurately reflects the intent of our negotiations, please acknowledge your concurrence by signing in the space provided below.

Very truly yours,



I CONCUR:



D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers



Labor Relations Department
G. A. Gordon, Sr. Director
(904) 359-3939

500 Water Street, J-455
Jacksonville, FL 32202

October 2, 2000

File: CSXT LA 1-015-96

Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
6 Fairfield Blvd., Suite No. 1
Ponte Vedra Beach, FL 32082

Dear Sir:

This refers to our conversation during conference on September 21, 2000 concerning the application of Article III C. Note, of CSXT Labor Agreement 1-015-96. During our conference, it was mutually agreed that the language contained in the above referenced Article dealing specifically with an engineer moving across zone lines without proper authority, would be handled as follows:

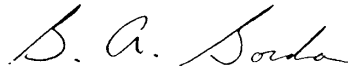
- Facts concerning the alleged violation of Article III C. Note will be brought to the attention of the respective BLE local chairman or Carrier supervisor and forwarded promptly to CMC for handling.
- CMC will review the facts as presented and if it determines an engineer moved across zone lines without proper authority, the engineer will immediately be notified he is being returned to his previously held zone.
- When returned to the previously held zone, the engineer will be placed on the assignment he vacated provided the assignment previously held is vacant. If the assignment is occupied, the engineer being returned to the zone will have a full exercise of seniority.

It is mutually agreed that complaints regarding engineers moving across zone lines without proper authority that cannot be handled as noted above, will promptly be brought to the attention of the BLE General Chairman for handling with Carrier's Highest Designated Officer.

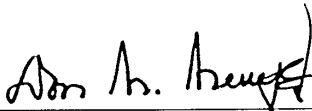
It is also agreed that no claims will be entertained as a result of unauthorized movement across zone lines.

If the above accurately reflects the intent of our negotiations, please acknowledge your concurrence by signing in the space provided below.

Very truly yours,



I CONCUR:



D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers



Labor Relations Department

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Mr. D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers
6 Fairfield Blvd., Suite No. 1
Ponte Vedra Beach, FL 32082

Dear Sir:

This refers to our conversation during conference on September 21, 2000 when we discussed how best to distribute work previously protected by the Engineer's Extra Board located in Brunswick, Maryland in connection with CSXT Labor Agreement 1-015-96.

It was mutually agreed that effective September 12, 2000 the Engineer's Extra Board located in Brunswick would be split into two (2) separate engineer extra boards protecting vacancies as follows:

Brunswick - Cumberland Zone Engineer's Extra Board

Brunswick – District Runs and Helpers Operating West
Winchester – District Runs and Yard
Martinsburg – District Runs, Yard and Helpers
Divisional Pool – West

Brunswick - Baltimore Zone Engineer's Extra Board

Brunswick – District Runs, Yard and Helpers Operating East
Brunswick - Road Assignments Operating East To Richmond, Baltimore, Philadelphia,
Etc., Rock Runners Originating In Brunswick

We agree that the examples listed above are not all encompassing, but are intended to show the intent of the parties regarding the creation of two (2) separate engineer extra boards in Brunswick.

It is also understood that a prior right engineer with full displacement rights, may exercise prior right seniority across zones lines (Cumberland Zone to the Baltimore Zone or Baltimore Zone to the Cumberland Zone) to a prior right assignment without the concurrence of the

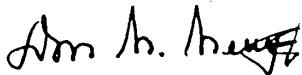
applicable BLE Local Chairman or Road Foreman of Engines, as provided in Article III C. Note, of CSXT Labor Agreement 1-015-96.

If the above accurately reflects the intent of our understanding, please acknowledge your concurrence by signing in the space provided below.

Very truly yours,



I CONCUR:



D. M. Menefee, General Chairman
Brotherhood of Locomotive Engineers