

AGREEMENT
of
AUGUST 20, 2002

Between Railroads Represented by the
NATIONAL CARRIERS'
CONFERENCE COMMITTEE

and

Employees of such Railroads Represented by the
UNITED TRANSPORTATION UNION

AGREEMENT

THIS AGREEMENT, made this 20th day of August, 2002 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees (other than Yardmasters) of such carriers shown thereon and represented by the United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - Longevity Bonus

(a) Not later than three months after the date of this Agreement each employee who qualifies under subsection (b) shall be paid a Longevity Bonus of \$1,200. Such Bonus shall be paid in a separate check and shall be subject to withholdings for applicable Federal, State and Local taxes.

- (b) To qualify for the Longevity Bonus an employee must:
- (1) have an employment relationship with the carrier in a craft covered by this Agreement on September 1, 2002;
 - (2) have established seniority in train or engine service with a carrier signatory to this Agreement on or before October 31, 1985; and
 - (3) (i) have received compensation for active service performed during the period July 1, 2002 through August 31, 2002, or

(ii) have been on authorized leave for such entire period for personal illness, on-duty injury, or pursuant to the Family and Medical Leave Act, and return to active service not later than January 1,2003, or

(iii) have been out of service for such entire period due to carrier disciplinary action that is subsequently rescinded or overturned with pay for all time lost.

(c) There shall be no duplication of the Longevity Bonus by virtue of employment under another agreement, nor will such payment be used to offset, construct or increase guarantees in protective agreements or arrangements.

Section 2 - First General Wage Increase (for other than Dining Car Stewards)

(a) Effective July 1,2002, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30,2002 shall be increased by four (4) percent.

(b) In computing the increase for enginemen under paragraph (a) above, four (4) percent shall be applied to the standard basic daily rates of **pay** applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

- | | |
|----------------|---|
| Passenger | - 600,000 and less than 650,000 pounds |
| Freight | - 950,000 and less than 1,000,000 pounds
(through freight rates) |
| Yard Engineers | - Less than 500,000 pounds |

Yard Firemen - Less than 500,000 pounds
(separate computation covering five- day
rates and other than five-day rates)

Section 3 - Second General Wage Increase (for other than Dining Car
Stewards)

Effective July 1, 2003, all standard basic daily rates of pay in effect on June 30, 2003 for employees represented by the United Transportation Union shall be increased by two-and-one-half (2- 1/2) percent, computed and applied in the same manner prescribed in Section

Section 4 - Third General Wage Increase (for other than Dining Car
Stewards)

Effective July 1, 2004, all standard basic daily rates of pay in effect on June 30, 2004 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 2(b) above.

Section 5 - Standard Rates

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

Section 6 - Application of Wage Increases

(a) The adjustments provided for in this Article will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, but will apply to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(b) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted in the same manner as heretofore increased under previous wage agreements.

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

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

(e) Standard monthly rates and money monthly guarantees applicable in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that money differentials existing as of June 30, 2002 shall be preserved.

(f) Existing monthly rates and money monthly guarantees applicable in train service other than passenger will be changed in the same proportion as the daily rate for the class of service involved is adjusted.

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

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

(i) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.

(j) In computing the first increase in rates of pay effective under Section 2 for engineers, firemen, conductors, brakemen and flagmen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number comprising a basic day, which are therefore paid on a daily basis without a mileage component, whose rates had been increased by "an additional \$.40" effective July 1, 1968, the four (4) percent increase shall be applied to daily rates in effect on the day preceding the effective date of the general wage increase provided for in Section 2, exclusive of car scale additives, local freight differentials, and any other money differential above existing standard daily rates. For firemen, the rates applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be utilized in computing the amount of increase. The same procedure shall be followed in computing the increases effective July 1, 2003 and July 1, 2004. The rates produced by application of the standard local freight differentials and the above-referred-to special increase of "an additional \$.40" to standard basic through freight rates of pay are set forth in Appendix 1 which is a part of this Agreement.

(k) Other than standard rates:

(i) Existing basic daily rates of pay other than standard shall be changed, effective as of the dates specified in Sections 2, 3, and 4 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.

(iii) Daily rates of pay, other than standard, of engineers, firemen, conductors, brakemen and flagmen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number encompassed in the basic day, which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 2, 3, and 4 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (k)(i) above. This provision does not apply to the Trip Rates established pursuant to Article V of this Agreement.

Section 7 - General Wage Increases for Dining Car Stewards

(a) Effective July 1, 2002, all basic monthly rates of pay in effect on June 30, 2002 for dining car stewards represented by the United Transportation Union shall be increased by four (4) percent.

(b) Effective July 1, 2003 all basic monthly rates of pay in effect on June 30, 2003 for dining car stewards represented by the United Transportation Union shall be increased by two-and-one-half (2-1/2) percent.

(c) Effective July 1, 2004, all basic monthly rates of pay in effect on June 30, 2004 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier, at its discretion, may offer employees alternative compensation arrangements in lieu of the general wage increases provided in

Article I (in whole or part). Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans.

Section 2

(a) The following conditions shall govern implementation of alternative compensation arrangements pursuant to this Article:

- (1) Carrier shall notify the appropriate organization representative(s) regarding its proposed alternative compensation arrangement(s). The parties shall meet promptly on such proposal and use their best efforts to reach agreement on implementation;
- (2) The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate organization representative(s);
- (3) The proposed arrangement(s) must be made available to the smallest employee grouping that can be reasonably administered.

(b) Nothing herein shall be construed to bar the parties from reaching mutual agreement on different terms or conditions pertaining to implementation of this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Part A - Cost-of-Living Payments Under Appendix D, Document "A" of Award of Arbitration Board No. 559 dated May 8, 1996

Section 1

Article 11, Part C, Document "A" of Appendix D of the Award of Arbitration Board No. 559 dated May 8, 1996, shall be eliminated effective on the date of this Agreement. On June 30, 2002, the forty-eight (48) cent cost-of-living allowance pursuant to such provision in effect on that date shall be rolled in to basic rates of pay.

Section 2

Any local counterpart to the above-referenced Article 11, Part C that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2005

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

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2005 based, subject to paragraph (d), on the CPI for March 2005 as compared with the CPI for September 2004. Such allowance, and further cost-of-living adjustments thereto which shall become

effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e),

<u>Measurement Periods</u>		
<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 2004	March 2005	July 1,2005
March 2005	September 2005	January 1,2006

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

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

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

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

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1,2005	3% of September 2004 CPI
January 1,2006	6% of September 2004 CPI, less the increase from September 2004 to March 2005

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

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

(iii) If the increase in the CPI from the base month of September 2004 to the measurement month of March 2005 exceeds 3% of the September 2004 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2005 during such measurement period.

(iv) Any increase in the CPI from the base month of September 2004 to the measurement month of September 2005 in excess of 6% of the

September 2004 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

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

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

The cost-of-living allowance in effect on December 31, 2005 shall be adjusted (increased or decreased) effective January 1, 2006 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be added to the amount of the cost-of-living allowance in effect on December 31, 2005 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments.

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

conversion factor designed to adjust the newly revised index to the basis of the CPI-W during such measurement period.

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance that becomes effective July 1, 2005 shall be payable to each employee commencing on that date.

(b) The increase in the cost-of-living allowance effective January 1, 2006 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.

(c) The increase in the cost-of-living allowance effective July 1, 2006 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.

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

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

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part B will not become part of basic rates of pay. Such allowance will be applied as follows:

(a) For other than dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Article I of this Agreement. The cost-

of-living allowance will otherwise be applied in keeping with the provisions of Section 6 of Article I.

(b) For dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of \$1.80 in the monthly rates of pay produced by application of Sections 6 and 7 of Article I.

Section 4 - Continuation of Part B

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

ARTICLE IV - HEALTH AND WELFARE

Section 1

The parties mutually agree that their health and welfare issues shall be resolved as provided in Section 2 of this Article and that such settlement will be incorporated into and become part of this Agreement and will be deemed full and final disposition of the parties' respective notices on these matters.

Section 2

(a) The parties, realizing the complexities of the current health and welfare problems related to cost containment and other issues, agree to establish a health and welfare negotiating committee to study and examine such issues. Such committee will consist of such partisan members the parties deem necessary and such experts as determined necessary by the parties. Each party will be responsible for the expenses and compensation of their own partisan members and will share the expenses and compensation of the experts. The committee is authorized to comprehensively examine the following subjects:

- O Plan Redesign
- O Cost Containment
- O Cost Sharing
- O Administrative Changes
- O Vendor Review

(b) In the event that a negotiated health and welfare agreement is reached with the UTU, such settlement shall be promptly submitted to a membership ratification vote.

(c) Either party may refer the health and welfare issue to final and binding arbitration under subsection (d) at any time after the earlier of (i) the date a negotiated health and welfare agreement hereunder fails ratification, or (ii) no earlier than ninety (90) days after the effective date of this Agreement.

(d)(1) Either party may refer the health and welfare issue to final and binding arbitration under the Railway Labor Act pursuant to subsection (c) by written notice to the other party.

(2) The Arbitration Board shall consist of two partisan members, one appointed by UTU and one appointed by NCCC, and a neutral arbitrator who shall serve as Chairman. The Chairman shall be selected by mutual agreement or through alternative striking from an eleven-person list provided by the National Mediation Board in accordance with its current procedures for providing a list to parties to New York Dock arbitration disputes, the order of striking to be determined by coin flip or other mutually acceptable method. Each party shall bear its own costs and shall share equally the fees and expenses of the neutral and all other costs of the arbitration.

(3) Hearings before the Board shall commence within thirty (30) days after the dispute has been referred to it. The Board's decision shall be in writing and shall be issued not later than sixty (60) days after commencement of the hearings.

Section 3

Nothing herein shall be construed to bar the parties from reaching mutual agreement on any matter relating to health and welfare.

ARTICLE V - PAY SYSTEM SIMPLIFICATION

PART A - GENERAL

Section 1 - General

The parties have agreed that the current pay system should be simplified. In agreeing upon a new pay system the following principles shall apply:

(a) The new pay system will neither create nor result in additional pay-related costs for a carrier, nor gains for its employees, nor losses for pre October 31, 1985 employees, except insofar as those employees acquiring seniority in train or engine service subsequent to October 31, 1985 who, coincident with the establishment of Trip Rates pursuant to this Article, will have their Trip Rates calculated based upon elements of pay for which they were not eligible prior to the date of this Agreement. Except as otherwise provided herein, pay elements not specifically identified in Part B, Section 5 will continue to be covered by existing rules and will not be impacted by this Article.

(b) The provisions of the new pay system will have no effect on work rules except where a pay element is incorporated in a Trip Rate.

(c) Any pay element incorporated in a Trip Rate established hereunder will not be used to support a claim for that pay element relating to that trip, and carrier shall not be required to respond to any such claim.

Section 2 - Mutual Cooperation

The parties recognize that successful implementation of this Article is dependent upon the mutual cooperation of all involved. Therefore, a Joint Committee shall be established on each carrier party to this Agreement consisting of an equal number of organization and management participants. To the extent possible, the Committee shall consist of representatives from that property who participated in the negotiations leading to this Agreement. The initial responsibility of the Committee shall be to explain the intent of this Article to the affected employees and managers so that there will be a clear and consistent understanding as to the Article's purpose and intent.

PART B - THROUGH FREIGHT SERVICE

Section 1 - General

A new pay system shall be implemented as provided in this Part for all employees covered by this Agreement working in through freight (assigned and unassigned) service.

Section 2 - Trip Rates

(a) Each carrier shall develop Trip Rates for Starts in through freight service runs/pools. Separate Trip Rates shall be developed for conductors and brakemen. The Trip Rates shall incorporate the pay elements specified in Section 5 except as otherwise agreed by the parties or determined by the Disputes Committee established in Section 6 hereof. Once Trip Rates become effective for runs/pools, pay elements incorporated in such Trip Rates will not

be used to support any claims for those pay elements relating to that trip. Pay elements not included in Trip Rates will continue to be covered by existing rules.

(b) A Trip Rate shall be developed for each separate run/pool except as otherwise provided in Section 9.

Section 3 - Computation of Trip Rates

(a) Trip Rates for through freight service runs/pools shall be derived as follows:

- (1) add together all earnings attributable to the elements of pay to be incorporated in the Trip Rate actually paid to the employees (including extra employees) whose seniority in train service was established on or before October 31, 1985 ("Pre-85 Employees") for all through freight Starts involving service performed on such runs/pools during the Test Period;
- (2) divide the earnings derived from the calculation in (1) above by the total through freight Starts made during the Test Period by the Pre-85 Employees (including extra employees) who performed service;
- (3) the Trip Rate for each Start on such run/pool for all employees (including extra employees) shall be the dollar amount derived by the calculation set forth in (2);
- (4) the earnings described in paragraph (1) above shall include all compensation attributable to the Starts described in paragraph (2) above and subsection (b) below.

(b) For purposes solely of this Article, the term “Start” shall mean a fully compensated trip performed by the pool/run (including extra employees), including other trips such as deadhead, hours of service relief, and turnaround service directly related to and performed by the pool/run.

(c) Test Period. The parties agree that the differences in the prevailing operating conditions on each Carrier signatory to this Agreement warrant the establishment of Test Periods being developed on an individual railroad basis, pool/run by pool/run. The objective in developing Test Periods will be to establish a measurement which reflects a 12-month period of “normalized operations.” Normalized operations as defined and used herein will mean an operating pattern which is not adversely affected by the implementation of a major transaction such as an acquisition, control or merger involving two or more Carriers or any other unusual or extenuating circumstances. The Carrier will bear by a preponderance of the evidence the burden of substantiating its reasons for selecting the Test Periods proposed for runs/pools.

Section 4 - Computation and Application Adjustments

(a) In the computation and application of the Trip Rates described in Section 3 above, the adjustments set forth in subsection (b) and (c) shall be made, where appropriate:

(b) Computation Adjustments:

- (1) If and to the extent that General Wage Increases and Cost of Living Adjustments (except as to pay elements which are not currently subject to wage adjustments) become effective during a Test Period, appropriate computation adjustments shall be made, but there shall be no duplication or pyramiding;

- (2) Trip Rates shall be subject to adjustment for General Wage Increases and Cost of Living Adjustments (except as to pay elements which are not currently subject to wage adjustments) that become effective during the period from close of the Test Period to the effective date of the Trip Rate, but there shall be no duplication or pyramiding.

(c) Application Adjustments:

- (1) General Wage Increases and Cost of Living Adjustments (except as to pay elements which are not currently subject to wage adjustments) that become effective on or after the effective date of a Trip Rate shall be applied, but there shall be no duplication or pyramiding.
- (2) Trip Rates applicable to employees covered by rules adjusting compensation based on the employee's length of service with the carrier (such as Article IV, Section 5 of the UTU Implementing Document A of November 1, 1991) shall be adjusted by such rules.

(d) Each Trip Rate established pursuant to this Article shall be used solely to compensate employees for a Start in the involved run/pool. The Trip Rate shall not modify existing rules governing payment for personal leave, vacation, etc.

Section 5 - National Pay Elements

(a) The following pay elements shall be incorporated in each Trip Rate except as otherwise agreed by the parties or determined by the Disputes Panel established in Section 6 of this Part:

- (1) payments attributable to mileage or time;

- (2) payments attributable to terminal/departure/yard runarounds;
- (3) payments attributable to conversion of the employee's assignment to local freight rates;
- (4) payments made, pursuant to agreement, to employees in lieu of being afforded meal periods, and penalty payments made to employees attributable to violations of rules relating to employees eating en route in through freight service (this does not apply to non-taxable meal allowances);
- (5) payments made to an employee resulting from being required, in accordance with existing agreements, to "step up" in the employee's pool, which for this purpose shall mean taking a turn in such pool earlier than would otherwise be the case due to other sources of supply being exhausted.
- (6) payments attributable to initial terminal delay;
- (7) payments attributable to final terminal delay;
- (8) payments attributable to deadheading;
- (9) payments attributable to terminal switching (initial, intermediate and final).

(b) In the establishment of Trip Rates for runs/pools pursuant to this Article, the parties may mutually agree to modify the National Pay Elements specified above, and/or to include additional pay elements, with respect to such Trip Rates. Pay elements not expressly included in Trip Rates will continue to be covered by existing rules.

Section 6 - National Disputes Committee

A National Disputes Committee (“Disputes Committee”) is established for the purpose of resolving any disputes that may arise under this Article. Such Committee shall consist of the President of the UTU and the Chairman of the NCCC, and a neutral Chairman selected by the parties or, absent agreement, appointed by the National Mediation Board. Each partisan member may select others to serve on the Committee at his discretion. If the partisan members of the Committee are unable to agree on resolution of any dispute within ten (10) days after convening, the matter will be referred to the neutral Chairman for resolution. The neutral Chairman will resolve the dispute within ten (10) days after referral of the matter. Each party shall bear its own costs and shall equally share the fees and expenses of the neutral. Any resolution by the Committee or by the neutral shall be final and binding and shall be enforceable and reviewable under Section 3 of the Railway Labor Act.

Section 7 - New Runs/ Pools

Trip Rates for new runs/pools that existing agreements permit to be established may be so established based on Trip Rates for comparable runs/pools. Any dispute regarding such matters may be referred by either party to the Disputes Committee.

Section 8 - Material Changes

Trip Rates established pursuant to this Article shall be established in such a manner as to make them stable. If subsequent material changes occur that significantly affect a run/pool, the Trip Rate for such run/pool shall be adjusted to fairly reflect the changed circumstances occasioned by the material change. If the parties cannot agree on such adjustment, the matter may be referred by either party to the Disputes Committee. The burden of proof by a preponderance of the evidence shall rest on the party that contends that a material change that significantly affects a run/pool has occurred.

Section 9 - Implementation

(a) Runs/Pools. Trip Rates for runs/pools shall be implemented as follows:

Carrier will serve notice on the authorized Organization representative(s) that will include the following information:

- (1) Identification of runs/pools involved;
- (2) Test Period Proposed (consistent with Section 3(c));
- (3) Proposed Trip Rate(s) for the runs/pools, together with a summary of the underlying data supporting computation, based solely on incorporation of National Pay Elements set forth in Section 5 above;
- (4) Any proposed modifications to the National Pay Elements and/or additional pay elements to be incorporated with respect to the proposed Trip Rate(s) for the runs/pools, and a summary of the underlying data supporting computation of such Trip Rate(s).

(b) The parties shall meet within thirty (30) days after service of the carrier notice to discuss the carrier proposal and any related proposals made by the Organization. At the request of the Organization, carrier will provide opportunity to review all relevant carrier data supporting the proposed Trip Rate computations.

(c) Trip Rates for the runs/pools shall become effective as follows:

- (1) On the date agreed to by the parties;

- (2) Absent agreement or a written referral to the Disputes Committee, thirty (30) days after service of the Carrier notice, where Trip Rate is based solely on incorporation of the National Pay Elements; or
- (3) Where the matter has been referred to the Disputes Committee, on the effective date of such Committee's resolution of the dispute.

(d) If the parties are unable, despite best efforts, to reach agreement on implementation of a Trip Rate for a run/pool, either party may refer the dispute to the Disputes Committee. The burden of proof by a preponderance of the evidence shall rest on the party that proposes implementation.

(e) If either party concludes that implementing a Trip Rate for a run/pool is inappropriate, it shall promptly notify the other party of its conclusion. The parties shall meet and make a reasonable effort to resolve the matter after review and discussion of all relevant information. If the parties are unable to resolve the matter despite their best efforts, either side may refer the matter to the Disputes Committee. The burden of proof by a preponderance of the evidence shall rest on the party that proposes not to implement a Trip Rate with respect to the run/pool involved.

(f) The parties mutually intend to work diligently with the ultimate objective of developing Trip Rates for through freight runs/pools. If either party believes that the rate of progress in developing Trip Rates is insufficient, it may refer the matter to the Disputes Committee, and it shall bear the burden of proof by a preponderance of the evidence.

(g) Trip Rates for runs/pools should be implemented as expeditiously as possible, but in any event, all of them shall be implemented no later than thirty

(30) months after the date of this Agreement, unless the parties otherwise agree or the Dispute Committee otherwise decides.

(h) In the event that Trip Rates are not implemented for runs/pools on a carrier by the date specified in subsection (g) above, effective the next day thereafter, the dual basis of pay shall be eliminated with respect to post October 31, 1985 employees on such runs/pools (including extra employees) and such employees will be paid on the same basis as Pre-85 Employees represented by UTU with respect to the national pay elements identified in Section 5 of this Part, provided, however, that where the carrier has taken all actions required in this Part to implement Trip Rates with respect to the above-referenced runs/pools as described in this Section and the trip rate issue(s) is/are in the dispute resolution process described in this Article, such runs/pools will be governed solely by the outcome of such dispute resolution process.

PART C - OTHER CLASSES OF SERVICE

Trip rates will be established for other classes of road service (road switchers, local freight, etc.) consistent with the terms, conditions, principles and guidelines as currently established in this Article and consistent with each class of service.

ARTICLE VI - SERVICE SCALE

Section 1

Any employee who is subject, on June 30, 2004, to Article IV, Section 5 of the UTU Implementing Document A of November 1, 1991 shall be compensated, on and after July 1, 2004, at the full rate of the position when working as a conductor/foreman, brakeman/helper, hostler, or engineer (on a carrier party hereto on which the UTU represents locomotive engineers).

Section 2

Local rules that adjust compensation for employees based on length of service on carriers that are not covered by the aforementioned Article IV, Section 5 are hereby amended in the same manner as provided in Section 1.

Section 3

Each carrier covered by this Article shall establish a Service Scale that shall be applicable to all employees whose seniority in train or engine service is established on or after July 1, 2004. Such Service Scale shall conform to the rules in effect on such carrier on June 30, 2004 that adjust employee compensation based on length of service (including the aforementioned Article IV, Section 5 where and to the extent applicable). The carrier shall make arrangements with the applicable organization representative(s) for a process to review such preexisting rules prior to establishment of the Service Scale.

ARTICLE VII - ENHANCED MANPOWER UTILIZATION

Section 1

(a) A carrier may propose implementation of a rule providing for the automatic mark up of employees for service after the expiration of any period of authorized or approved time off, in accordance with the procedures set forth herein.

(b) The carrier shall serve written notice of its proposal on the appropriate organization representative(s). Such proposal shall include a synopsis of the proposed rule, which shall be consistent with validated current scientific data and findings regarding employee rest and fatigue abatement. An initial conference on the proposal will be held within thirty (30) days after the

postmarked date of the notice. If the parties fail to resolve the matter within sixty (60) days after the date of the initial conference, the carrier may submit the matter to final and binding party-paid arbitration at any time thereafter.

(c) The arbitrator's jurisdiction shall be limited to a determination of the terms and conditions for an automatic mark-up rule in light of all relevant circumstances involved. The arbitrator's decision shall be in writing and shall be issued not later than thirty (30) days after conclusion of the hearing.

ARTICLE VIII - NATIONAL WAGE AND RULES PANEL

The parties mutually recognize that the National Wage and Rules Panel has provided a non-confrontational setting and meaningful opportunity to obtain and share information, analyze problems and develop options to deal with issues of common concern. Continuation of the Panel's efforts will, in the parties' judgment, continue to build trust, avert conflict and improve administration of their labor agreements.

Section 1 - Continuation of Panel

The National Wage and Rules Panel established pursuant to the Award of Arbitration Board No. 559, Appendix D, Document A, Article XIII, shall continue as provided therein, except as otherwise specified in this Article.

Section 2 - Amendments to Article XIII

(a) Article XIII, Section 1 is amended to read as follows:

“(a) The parties, realizing the complexities of the changing rail industry and environment, and to alleviate any adversarial relationships emanating from such, agree to establish a non-binding joint review Panel to study and examine those unresolved subjects.

The National Wage and Rules Panel (Panel) shall consist of three (3) members representing the United Transportation Union and three (3) members representing the carriers. The President of UTU and the Chairman of the National Carriers' Conference Committee (NCCC) shall be ex officio members of the Panel.

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

(b) The list of subjects set forth in Article XIII, Section 2 is amended to add the following issues, and the parties hereby commit to use their best efforts to resolve such matters:

- employee protective arrangements
- access to employee medical information
- employee availability
- vacation scheduling
- daily mark up (preference) rules in yard service
- national training agreements
- yard conditions related to Remote Control Technology

(c) Article XIII, Section 4(a) is amended to read as follows:

“While the Panel’s recommendations shall not be considered final and binding, the parties shall exert good faith efforts to utilize those recommendations as a basis for settlement of the issues involved.

Notwithstanding any provision to the contrary, the Panel may be dissolved at any time by majority vote of the members.”

ARTICLE IX - OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article XI(b) of the July 17, 1968 Brotherhood of Railroad Trainmen Agreement, Article IX(b) of the July 29, 1968 Switchmen’s Union of North America Agreement, Article IX(b) of the September 14, 1968 Brotherhood of Locomotive Firemen and Enginemen Agreement, Article V(b) of the March 19, 1969 United Transportation Union (C) Agreement and Article V(b) of the April 15, 1969 United Transportation Union (E) Agreement, as amended by Article XIII of the August 25, 1978 United Transportation Union Agreement, are further amended as follows effective on the date of this Agreement.

Section 1

Paragraph(b)(1) - Accidental Death or Dismemberment of the above-referenced Agreement provisions is amended to read as follows:

“(1) Accidental Death or Dismemberment

The carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	\$300,000
Loss of Both Hands	\$300,000
Loss of Both Feet	\$300,000
Loss of Sight of Both Eyes	\$300,000
Loss of One Hand and One Foot	\$300,000
Loss of One Hand and Sight of One Eye	\$300,000
Loss of One Foot and Sight of One Eye	\$300,000
Loss of One Hand or One Foot or Sight of One Eye	\$150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident."

Section 2

Paragraph (b)(3) - Time Loss of the above-referenced Agreement provisions is amended to read as follows:

"(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of \$1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act."

Section 3

Paragraph(b)(4) - Aggregate Limit of the above-referenced Agreement provisions is amended by raising such limit to \$10,000,000.

ARTICLE X - GENERAL PROVISIONS

Section 1 - Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement and is in settlement of the dispute growing out of the notices dated November 1, 1999 served by and on behalf of the carriers listed in Exhibit A upon the organization signatory hereto, and the notices dated on or subsequent to November 1, 1999 served by the organization upon such carriers, except as otherwise provided in Article IV of this Agreement.

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2004 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) The parties to this Agreement shall not serve nor progress prior to November 1, 2004 (not to become effective before January 1, 2005) any notice or proposal for changing any matter contained in:

- (1) This Agreement,
- (2) the proposals of the parties identified in Section 2(a) of this Article, and
- (3) Section 2(c) of Article XV of the Agreement of January 27, 1972,

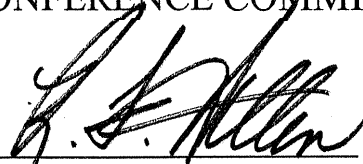
and any pending notices which propose such matters are hereby withdrawn, except as otherwise provided in Article IV of this Agreement.

(d) The parties to this Agreement shall not serve nor progress prior to November 1, 2004 (not to become effective before January 1, 2005) any notice or proposal which might properly have been served when the last moratorium ended on January 1, 2000.

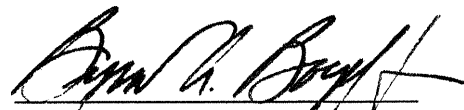
(e) This Article will not bar management and committees on individual railroads from agreeing upon any subject of mutual interest.

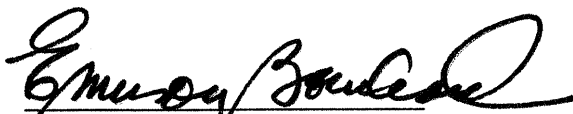
SIGNED AT WASHINGTON, D.C. THIS 20th DAY OF AUGUST, 2002.

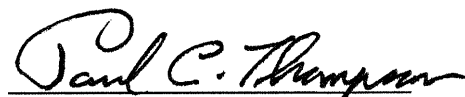
FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE:

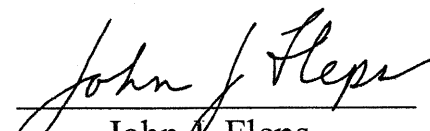

Robert F. Allen
Chairman

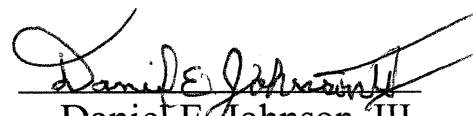
FOR THE EMPLOYEES REPRESENTED BY THE UNITED TRANSPORTATION UNION:

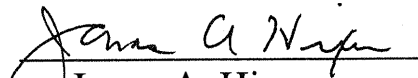

Byron A. Boyd, Jr.
President



Emerson Bouchard
Kansas City Southern


Paul C. Thompson
Assistant President



John J. Fleps
The Burlington Northern and Santa Fe Railway Co.


Daniel E. Johnson, III
General Secretary and Treasurer



James A. Hixon
Norfolk Southern Railway Co.

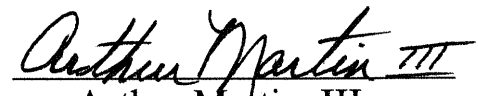

Richard L. Marceau
Vice President



John J. Marchant
Union Pacific Railroad

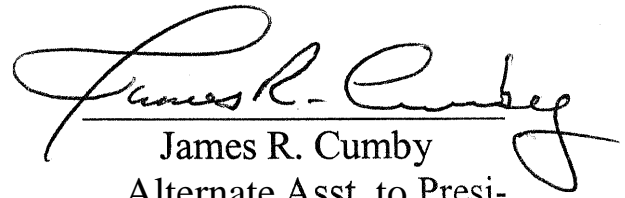

Carl M. Vahldick
Vice President


Kenneth R. Peifer
CSX Transportation, Inc.


David L. Hakey
Vice President


Arthur Martin, III
Vice President

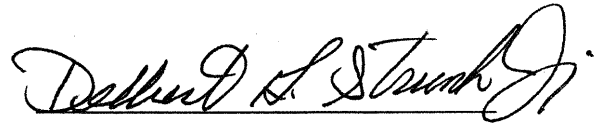

Donald R. Carver
Asst. to President-
Yardmasters



James R. Cumby
Alternate Asst. to President - Yardmasters



David B. Snyder
General Chairperson, BNSF



Delbert G. Strunk, Jr.
General Chairperson, NS



John T. Reed
General Chairperson, CSXT

August 20, 2002
#1

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107


Dear Mr. Boyd:

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

In the event that this Agreement becomes effective subsequent to July 1, 2002, any cost-of-living amount payments made to employees pursuant to Article II, Part C, Document "A" of Appendix D of the Award of Arbitration Board No. 559 on and after that date shall be recovered from any retroactive wage increase payments made under Article I.


Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

August 20, 2002
#2

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Article VI - Service Scale of Document "A" of the Agreement of this date.

The parties agree that at the earliest opportunity in the next national bargaining round, the matter of relating the existing service scales in effect on each participating road to training and experience will be addressed.

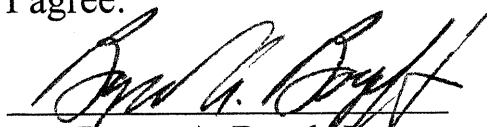
Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:


Byron A. Boyd, Jr.

August 20, 2002
#3

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

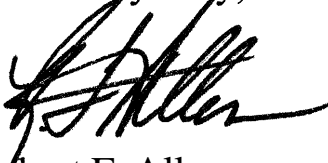
Dear Mr. Boyd:

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

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

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

Exhibit A
UTU

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1999 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1999 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE UNITED TRANSPORTATION UNION FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the United Transportation Union (E), (C), (T) and/or (S), as indicated by an "X" in the appropriate column(s) below:

RAILROADS	UTU			
	(E)	(C)	(T)	(S)
Alameda Belt Line Ry.		X		X
Alton & Southern Ry.	X			X
The Belt Railway Co. of Chicago			X-2	
Bessemer and Lake Erie R.R.	X-1		X-1	
The Burlington Northern and Santa Fe Ry. Co.	X	X	X	X
Central California Traction Co.	X	X	X	X
Columbia & Cowlitz Ry.	X	X	X	
Consolidated Rail Corporation		X	X	X

RAILROADS

UTU
(E) (C) (T) (S)

CSX Transportation, Inc. :

Atlanta & West Point R.R.(former)		X	X	
The Baltimore & Ohio Chicago Term. R.R. Co.	X			X
The Baltimore and Ohio R.R. Co. (former)	X	X	X	

The Chesapeake and Ohio Ry. Co. (former)	X	X	X	X
CSXT Northern (former Conrail)	X	X	X	
Gainesville Midland Railroad Company		X	X	
Louisville & Nashville R.R. Co. (former)			X	X

Nashville, Chattanooga & St. Louis Ry. Co. (former)		X	X	
Seaboard Coast Line R.R. Co. (former)	X	X	X	
Western Railway of Alabama		X	X	

Duluth, Missabe & Iron Range Ry. Co.		X-1	X-1	
Elgin, Joliet and Eastern Ry. Co.	X-1	X-1	X-1	
Kansas City Southern	X	X	X	X

Lake Superior & Ishpeming R.R. Co.	X-1	X-1	X-1	X-1
Longview Switching Co.		X	X	
Los Angeles Junction Railroad Company	X			X

Manufacturers Railway Company	X		X	
New Orleans Public Belt Railroad	x-2			x-2
Norfolk and Ports. Belt Line R.R. Co.	X	X	X	

R A I L R O A D S

UTU

(E) (C) (T) (S)

N

<hr/>				
Norfolk Southern Railway Company				
The Alabama Great Sou. R.R. Co.	X	X	X	X
Atlantic & East Car. Ry. Co.	X	X	X	X
Central of Georgia R.R. Co.	X	X	X	X
The Cinn., N.O. & Tex. Pac. Ry. Co.	X	X	X	X
Georgia Sou. and Fla. Ry. Co.	X	X	X	X
Tenn., Ala. and Georgia Ry. Co.	X	X	X	X
Tennessee Railway Company	X	X	X	X
<hr/>				
Northeast Ill. Reg. Commuter R.R. Corp. (METRA)	x-2	x-2	x-2	x-2
North. Ind. Commuter Transp. District		x-2	x-2	X-2
Oakland Terminal Railway		X		X
Peoria and Pekin Union Ry. Co.		X		X
<hr/>				
Port Terminal Railroad Association	X		X	
Portland Terminal Railroad Co.				X
Terminal Railroad Assoc. of St. Louis	X		x-2	
The Texas Mexican Ry. Co.*	X	X	X	X
<hr/>				
Union Pacific Railroad	X	X	X	X
Utah Railway Company		X		
Wichita Terminal Association	X			X
Winston Salem Southbound Railway Company		X	X	

NOTES:

- 1 - Wages and Rules only.
- 2 - Health and Welfare only.

* UTU's representation of employees on this carrier terminated effective July 15, 2002.

FOR THE CARRIERS:



A handwritten signature in black ink, appearing to read "K. Miller", written over a horizontal line.

FOR THE UNITED TRANSPORTATION UNION:



A handwritten signature in black ink, appearing to read "David A. B...", written over a horizontal line.

August 20, 2002
Washington, D.C.

REMOTE CONTROL AGREEMENT

THIS AGREEMENT, made this 20th day of August, 2002, by and between each of the carriers listed in Exhibit A, attached hereto and made a part hereof, and the employees of such carriers shown thereon and represented by the United Transportation Union, regarding each such carrier's implementation and utilization of remote control technology for assignments including, but not limited to, yard engines, road switchers, locals and other comparable assignments, witnesseth:

Section 1 - Protection

Protection shall be provided to covered employees in connection with implementation of this Agreement as provided in Attachment A hereto.

Section 2 - Compensation

Effective January 1, 2002, each employee covered by this Agreement assigned to a Remote Control Operator-qualified ("RCO") position and operating Remote Control Locomotive ("RCL") equipment will be paid a special allowance per tour of duty in the amount equal to forty-six minutes at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an employee per tour of duty.

Section 3 - Training/Certification

- A. For each location where remote control equipment is implemented, the Carrier will provide training so that all ground service employees will be qualified to use remote control equipment. Carrier training programs shall be conducted frequently enough to ensure that employees will be able, without unreasonable delay, to freely exercise seniority to and from RCO assignments. Yardmasters supervising remote control operations will be trained to become familiar with procedures governing remote control operations.

- B. As a sufficient number of RCO-qualified UTU-represented employees are trained, they may be used to train ground service employees during the on-the-job portion of the training, with the selection of UTU-represented RCO trainers to be a joint effort between UTU and Carrier. Certification remains a responsibility of management.

Section 4 - Bidding/Protection of Positions

- A. RCL assignments shall be advertised in the usual manner at the implementing location.
- B. If insufficient bids are received for the RCO positions involved (including relief), employees shall be force assigned in the usual manner at the implementing location.
- C. Each employee bidding or assigned to an RCO position shall complete the Carrier's RCO training program and shall be held on such position until such time as sufficient qualified employees are available at the location to protect such position.

Section 5 - Overview Committee

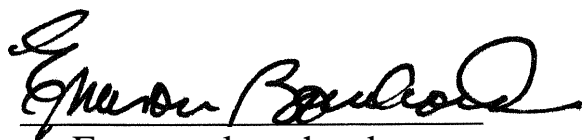
- A. A local overview committee consisting of two (2) UTU and various Carrier representatives will meet at mutually agreeable times and locations to discuss and resolve issues and problems associated with the implementation of remote control technology. The UTU representatives shall be selected by the organization.
- B. Regular meetings will occur during the first one-hundred twenty (120) days of operation and on an "as needed" basis thereafter. During such 120-day period, the UTU representatives shall be made whole for lost time, if any, due to attending committee meetings.

- C. The UTU Local Chairmen may participate in the training program as observers for purposes of becoming familiar with and explaining the use of remote control technology to prospective trainees and interested employees.

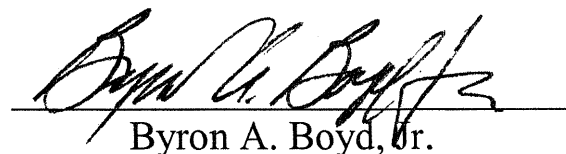
SIGNED AT WASHINGTON, D.C. THIS 20th DAY OF AUGUST, 2002.

FOR THE CARRIERS:

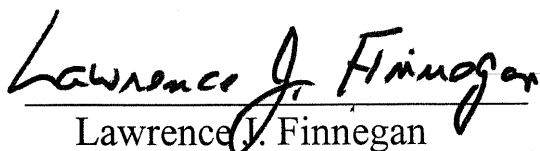
FOR THE EMPLOYEES REPRESENTED BY THE UNITED TRANSPORTATION UNION:



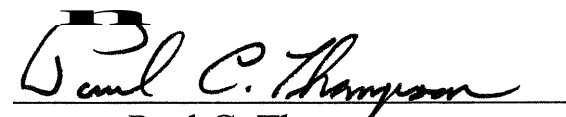
Emerson Kouchard
Kansas City Southern



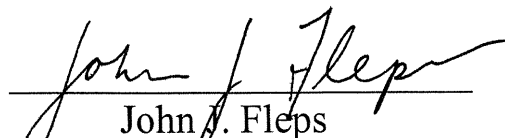
Byron A. Boyd, Jr.
President



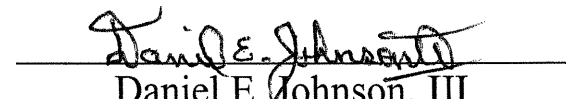
Lawrence J. Finnegan
Consolidated Rail Corporation



Paul C. Thompson
Assistant President



John J. Fleps
The Burlington Northern and
Santa Fe Railway Company



Daniel E. Johnson, III
General Secretary and Treasurer



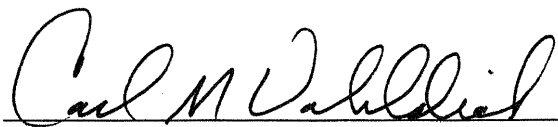
Mark R. MacMahon
Norfolk Southern Railway Co.



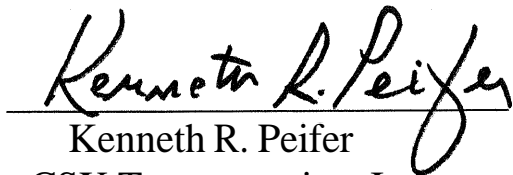
Richard L. Marceau
Vice President



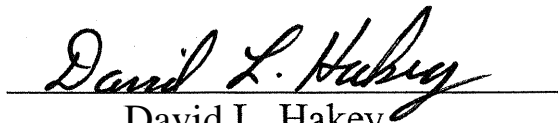
John J. Marchant
Union Pacific Railroad



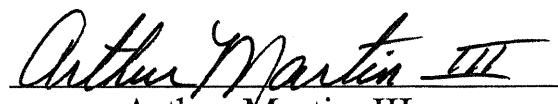
Carl M. Vahldick
Vice President



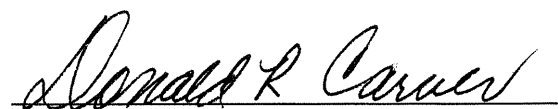
Kenneth R. Peifer
CSX Transportation, Inc.



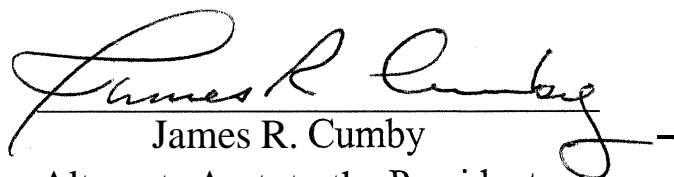
David L. Hakey
Vice President



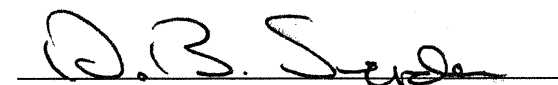
Arthur Martin, III
Vice President



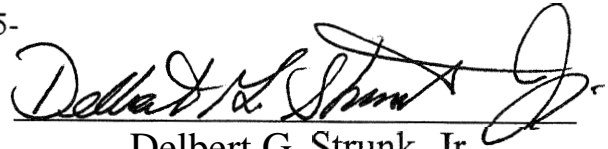
Donald R. Carver
Asst. to the President-Yardmasters



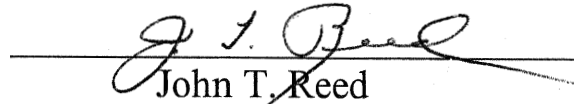
James R. Cumby
Alternate Asst. to the President-
Yardmasters



David B. Snyder
General Chairperson, BNSF

A handwritten signature in cursive script, reading "Delbert G. Strunk, Jr.", written over a horizontal line.

Delbert G. Strunk, Jr.
General Chairperson, NS

A handwritten signature in cursive script, reading "John T. Reed", written over a horizontal line.

John T. Reed
General Chairperson, CSXT

LABOR PROTECTION

1. A protected class of employees shall be established to include those employees in train service (and engine service where UTU holds the contract) as of the effective date of this Agreement. Employees on the effective date of this Agreement who are (i) furloughed and subsequently recalled, (ii) out of service due to carrier disciplinary action and subsequently reinstated to service with seniority unimpaired, or (iii) in yardmaster or engine service (where UTU does not hold the contract), and hold train service seniority, and subsequently exercise such seniority, will be included in the protected class.
2. The period that any member of the protected class may be eligible for protection as provided herein shall be six (6) years from the first date on which an RCL assignment is established in his location.
3. At any location where an RCL assignment is established, the senior protected employee who cannot hold a position through the normal exercise of seniority will qualify to hold a remote control protection (“RCP”) slot as provided for below. The normal exercise of seniority to another location shall not reduce the number of RCP slots. If a question develops as to which employee is the appropriate occupant of the RCP slot, the General Chairman and designated carrier representative will determine which employee will occupy such slot.
4. Upon establishment of an RCL assignment, a RCP slot shall be created at that location on a one-for-one basis, i.e., one slot for each such assignment.

5. Any RCP slots shall be reduced on a one-for-one basis by any of the following:
 - A. A buy-out accepted by a train or engine service employee (in service on the effective date of this Agreement) on that seniority district after the effective date of this Agreement;
 - B. The abolishment of an RCL assignment at that location; or
 - C. The establishment of any RCL reserve board position, etc. for train or engine service employees at that location.

Note: See attached Side Letter

6. An employee holding a protected slot shall be paid at the yard helper rate based on 5 days per week, provided however, that when his last regular assignment was as a yard foreman, the yard foreman rate shall apply.
7. There shall be no pyramiding of any protective benefits, but the employee shall be paid the higher level of protection.
8. This Agreement does not change any existing rights or obligations employees have under existing protective arrangements.

August 20, 2002

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

Dear Mr. Boyd:

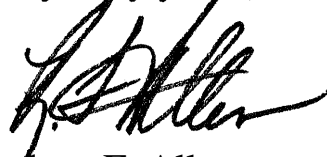
This is in reference to the Agreement dated August 20, 2002 between certain carriers and the United Transportation Union concerning implementation of remote control technology.

Appendix A, Labor Protection, of that Agreement provides in pertinent part for the reduction of Remote Control Protection ("RCP") slots created thereunder on a one-for-one basis for (i) a buy-out accepted by a train or engine service employee (in service on the effective date of the Agreement) on an affected seniority district, or (ii) the establishment of a Remote Control Locomotive ("RCL") reserve board position, etc. for train or engine service employees at the affected location.

This will confirm our mutual agreement as to the manner in which such provisions will be applied. If RCL buy outs are offered on an affected seniority district, the Carrier may offer up to one-half of the total buy outs to engine service employees. Any such buy outs shall be offered in seniority order to affected employees. The same arrangements would apply to establishment of RCL reserve board positions at the affected location.

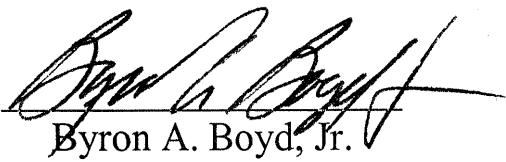
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. F. Allen", written in a cursive style.

Robert F. Allen

I agree:

A handwritten signature in black ink, appearing to read "Byron A. Boyd, Jr.", written in a cursive style.
Byron A. Boyd, Jr.

August 20,2002

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

Dear Mr. Boyd:

This is in reference to the Agreement dated August 20,2002 concerning implementation of remote control technology (Agreement).

This will confirm our understanding that where applicable rules unduly restrict implementation of the objectives of Section 4 of the Agreement at a location, the parties commit to developing a process that will temporarily amend such rules to permit the effective and expeditious implementation of remote control technology. The parties understand the process is intended to facilitate implementation of such technology at the location, and not to permanently modify existing rules.

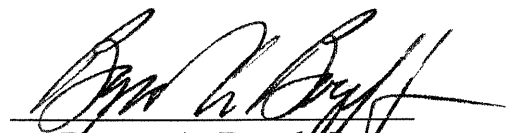
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

August 20,2002

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

Dear Mr. Boyd:

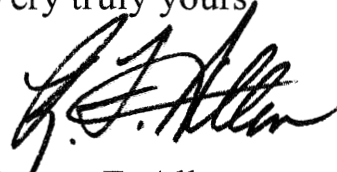
This is in reference to the Agreement dated August 20,2002 concerning implementation of remote control technology (Agreement).

This will confirm our understanding that any of the carriers listed in the attachment to this Letter may elect to become a party to the Agreement as provided herein.

1. Such election shall be made by written notice served on the appropriate organization representative(s). Such notice may be served at any time within the ninety (90) day period following the date of the Agreement and will become effective fifteen (15) days after the date of service.
2. If a dispute arises between the carrier and any labor organization affecting implementation of remote control technology pursuant to Paragraph 1 of this Letter, such dispute shall be resolved directly by such parties in accordance with applicable law.

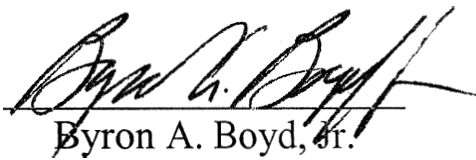
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. F. Allen". The signature is written in a cursive style with a large initial "R".

Robert F. Allen

I agree:

A handwritten signature in black ink, appearing to read "Byron A. Boyd, Jr.". The signature is written in a cursive style with a large initial "B".
Byron A. Boyd, Jr.

ATTACHMENT

Alameda Belt Line
Alton & Southern Ry.
Bessemer and Lake Erie Railroad
Central California Traction Co.
Duluth, Missabe and Iron Range Ry. Co.
Elgin, Joliet and Eastern Ry. Co.
Longview Switching Co.
Los Angeles Junction Ry. Co.
Manufacturers Ry. Co.
Norfolk & Portsmouth Belt Line R.R. Co.
Oakland Terminal Ry.
Port Terminal Railroad Association
The Texas Mexican Ry. Co.*
Terminal Railroad Association of St. Louis
Portland Terminal R.R. Co.
Winston-Salem Southbound Ry. Co.
Wichita Union Terminal Ry. Co.

* UTU's representation of employees on this carrier terminated effective July 15,2002

EXHIBIT A

The Burlington Northern and Santa Fe Railway Company

Consolidated Rail Corporation

CSX Transportation, Inc.

The Baltimore and Ohio Chicago Terminal R.R. Co.

CSXT Northern (former Conrail)

Gainesville Midland R.R.Co.

Western Railway of Alabama

Kansas City Southern

Norfolk Southern Railway Company

The Alabama Great Southern R.R.Co.

Atlantic and East Caroline Ry. Co.

Central of Georgia R.R.Co.

The Cinn. N.O. and Tex. Pac. Ry. Co.

Georgia Sou. and Florida Ry. Co.

Tenn. Ala. and Georgia Ry. Co.

The Tennessee Railway Co.

Union Pacific Railroad

AGREEMENT

THIS AGREEMENT, made this 20th day of August, 2002 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Yardmasters Department, United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - Longevity Bonus

(a) Not later than three months after the date of this Agreement, each employee who qualifies under subsection (b) shall be paid a Longevity Bonus of \$1,200. Such Bonus shall be paid in a separate check and shall be subject to withholdings for applicable Federal, State and Local taxes.

(b) To qualify for the Longevity Bonus an employee must:

(1) have an employment relationship with the carrier under this Agreement on September 1, 2002;

(2) have established seniority with the carrier as a yardmaster on or before June 15, 1987; and

(3) (i) have received compensation for active service performed during the period July 1, 2002 through August 31, 2002, or

(ii) have been on authorized leave for such entire period for personal illness, on-duty injury, or pursuant to the Family and

Medical Leave Act, and return to active service not later than January 1, 2003, or

(iii) have been out of service for such entire period due to carrier disciplinary action that is subsequently rescinded or overturned with pay for all time lost.

(c) There shall be no duplication of the Longevity Bonus by virtue of employment under another agreement, nor will such payment be used to offset, construct or increase guarantees in protective agreements or arrangements.

Section 2 - First General Wage Increase

Effective July 1, 2002, all standard basic daily rates of pay for employees covered by this Agreement in effect on June 30, 2002 shall be increased by four (4) percent.

Section 3 - Second General Wage Increase

Effective July 1, 2003, all standard basic daily rates of pay in effect on June 30, 2003 for employees covered by this Agreement shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 2 above.

Section 4 - Third General Wage Increase

Effective July 1, 2004, all standard basic daily rates of pay in effect on June 30, 2004 for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 2 above.

Section 5 - Application of Wage Increases

Special allowances not included in fixed daily, weekly or monthly rates

of pay for all services rendered, and arbitraries representing duplicate time payments will not be increased.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier, at its discretion, may offer employees alternative compensation arrangements in lieu of the general wage increases provided in Article I (in whole or part). Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans.

Section 2

(a) The following conditions shall govern implementation of alternative compensation arrangements pursuant to this Article:

- (1) Carrier shall notify the appropriate organization representative(s) regarding its proposed alternative compensation arrangement(s). The parties shall meet promptly on such proposal and use their best efforts to reach agreement on implementation;
- (2) The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate organization representative(s);
- (3) The proposed arrangement(s) must be made available to the smallest employee grouping that can be reasonably administered.

(b) Nothing herein shall be construed to bar the parties from reaching

mutual agreement on different terms or conditions pertaining to implementation of this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Part A - Cost-of-Living Payments Under Appendix D, Document "B" of Award of Arbitration Board No. 559 dated May 8, 1996

Section 1

Article 11, Part C, Document "B" of Appendix D of the Award of Arbitration Board No. 559 dated May 8, 1996, shall be eliminated effective on the date of this Agreement. On June 30, 2002, the forty-eight (48) cent cost-of-living allowance pursuant to such provision in effect on that date shall be rolled in to basic rates of pay.

Section 2

Any local counterpart to the above-referenced Article II, Part C that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2005

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

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance

shall be payable effective July 1, 2005 based, subject to paragraph (d), on the CPI for March 2005 as compared with the CPI for September 2004. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

<u>Measurement Periods</u>		
<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 2004	March 2005	July 1, 2005
March 2005	September 2005	January 1, 2006

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

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.

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

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

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1, 2005	3% of September 2004 CPI
January 1, 2006	6% of September 2004 CPI, less the increase from September 2004 to March 2005

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

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

(iii) If the increase in the CPI from the base month of September 2004 to the measurement month of March 2005 exceeds 3% of the September 2004 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2005 during such measurement period.

(iv) Any increase in the CPI from the base month of September 2004 to the measurement month of September 2005 in excess of 6% of the

September 2004 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

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

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

The cost-of-living allowance in effect on December 31, 2005 shall be adjusted (increased or decreased) effective January 1, 2006 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be added to the amount of the cost-of-living allowance in effect on December 31, 2005 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments,

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

CPI-W during such measurement period,

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance that becomes effective July 1, 2005 shall be payable to each employee commencing on that date.

(b) The increase in the cost-of-living allowance effective January 1, 2006 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.

(c) The increase in the cost-of-living allowance effective July 1, 2006 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.

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

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

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part B will not become part of basic rates of pay. Each one cent per hour of cost-of-living allowance will be applied to basic monthly rates of pay produced by application of the general wage increase provisions of Article I on each railroad in the same manner as used in applying the cost-of-living adjustment provisions of the June 15, 1987 National Agreement.

Section 4 - Continuation of Part B

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

ARTICLE IV - HEALTH AND WELFARE

Section 1

The parties mutually agree that their health and welfare issues shall be resolved as provided in Section 2 of this Article and that such settlement will be incorporated into and become part of this Agreement and will be deemed full and final disposition of the parties' respective notices on these matters.

Section 2

(a) The parties, realizing the complexities of the current health and welfare problems related to cost containment and other issues, agree to establish a health and welfare negotiating committee to study and examine such issues. Such committee will consist of such partisan members the parties deem necessary and such experts as determined necessary by the parties. Each party will be responsible for the expenses and compensation of their own partisan members and will share the expenses and compensation of the experts. The committee is authorized to comprehensively examine the following subjects:

- O Plan Redesign
- O Cost Containment
- O Cost Sharing
- O Administrative Changes

O Vendor Review

(b) In the event that a negotiated health and welfare agreement is reached with the UTU, such settlement shall be promptly submitted to a membership ratification vote.

(c) Either party may refer the health and welfare issue to final and binding arbitration under subsection (d) at any time after the earlier of (i) the date a negotiated health and welfare agreement hereunder fails ratification, or (ii) no earlier than ninety (90) days after the effective date of this Agreement.

(d)(1) Either party may refer the health and welfare issue to final and binding arbitration under the Railway Labor Act pursuant to subsection (c) by written notice to the other party.

(2) The Arbitration Board shall consist of two partisan members, one appointed by UTU and one appointed by NCCC, and a neutral arbitrator who shall serve as Chairman. The Chairman shall be selected by mutual agreement or through alternative striking from an eleven-person list provided by the National Mediation Board in accordance with its current procedures for providing a list to parties to New York Dock arbitration disputes, the order of striking to be determined by coin flip or other mutually acceptable method. Each party shall bear its own costs and shall share equally the fees and expenses of the neutral and all other costs of the arbitration.

(3) Hearings before the Board shall commence within thirty (30) days after the dispute has been referred to it. The Board's decision shall be in writing and shall be issued not later than sixty (60) days after commencement of the hearings.

Section 3

Nothing herein shall be construed to bar the parties from reaching mutual agreement on any matter relating to health and welfare.

ARTICLE V - SERVICE SCALE

Section 1

Any employee who is subject, on June 30, 2004, to Article III of the June 15, 1987 National Agreement shall be compensated, on and after July 1, 2004, at the full rate of the position when working as a yardmaster.

Section 2

Local rules that adjust compensation for employees based on length of service on carriers that are not covered by the aforementioned Article III are hereby amended in the same manner as provided in Section 1.

Section 3

Each carrier covered by this Article shall establish a Service Scale that shall be applicable to all employees entering service on or after July 1, 2004 on positions covered by an agreement with the organization signatory hereto. Such Service Scale shall conform to the rules in effect on such carrier on June 30, 2004 with respect to the yardmaster craft that adjust employee compensation based on length of service (including the aforementioned Article III where and to the extent applicable). The carrier shall make arrangements with the applicable organization representative(s) for a process to review such preexisting rules prior to establishment of the Service Scale.

ARTICLE VI - SUPPLEMENTAL SICKNESS

The October 31, 1978 Supplemental Sickness Benefit Agreement, as subsequently amended (Sickness Agreement), shall be further amended as provided in this Article.

Section 1 - Adjustment of Plan Benefits

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on December 31, 1999 under the terms of Article VII, Document "B" of Appendix D of the Award of Arbitration Board No. 559. Enactment of the agreed-upon RUIA legislation shall not cause the ratio of benefits to rates of pay to differ from that which existed on December 31, 1999.

(b) Section 4 of the Sickness Agreement shall be revised to read as follows:

"4. Benefits.

(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be \$1505.50, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be \$2,506. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar day's basis at 1/30 of the monthly benefit rate.

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness, and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the \$1505.50 monthly benefit should exceed \$2,630, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for yardmasters under the amended RUIA will not exceed \$2,630. 'The average daily benefit for Yardmasters under the RUIA as so amended' for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster

who had worked full time in his base year and whose monthly rate of pay at the December 31, 1999 wage level was \$3,757.”

Section 2 - Adjustment of Plan Benefits During Agreement Term

Effective December 31, 2004, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

Section 3 - Amendment of Paragraph 6 of Sickness Agreement

Paragraph 6 of the Sickness Agreement is amended by revising the last sentence thereof to read as follows:

“For purposes of this Paragraph, a recovery shall be deemed to be for loss of wages to the extent of any actual wages lost due to the disability involved, regardless of how such recovery may be allocated for any other purpose.”

ARTICLE VII - OFF-TRACK VEHICLE BENEFITS

Article IV of the September 20, 1968 Agreement (“1968 Agreement”), as amended by Article VI of the October 31, 1978 Agreement, is further amended as follows effective on the date of this Agreement:

Section 1

Paragraph (b)(1) of the 1968 Agreement is amended to read as follows:

“(1) Accidental Death or Dismemberment

The carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	\$300,000
Loss of Both Hands	\$300,000
Loss of Both Feet	\$300,000
Loss of Sight of Both Eyes	\$300,000
Loss of One Hand and One Foot	\$300,000
Loss of One Hand and Sight of One Eye	\$300,000
Loss of One Foot and Sight of One Eye	\$300,000
Loss of One Hand or One Foot or Sight of One Eye	\$150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident."

Section 2

Paragraph(b)(3) of the 1968 Agreement is amended to read as follows:

“(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of \$1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act."

Section 3

Paragraph(b)(4) of the 1968 Agreement is amended by substituting the figure "\$10,000,000" for the figure "\$1,000,000" wherever the latter figure appears.

ARTICLE VIII - VACATIONS

Existing agreements pertaining to vacations are amended to provide that an employee receiving a vacation, or pay in lieu thereof, will be paid for each week (five work days) of such vacation 1/52 of the compensation earned by such employee on the carrier on which the employee qualified for vacation during the calendar year preceding the year in which the vacation is taken. The term "compensation" as used herein shall be interpreted and applied consistent with the rules and practices on the carrier applicable to operating craft employees covered by agreements with the United Transportation Union.

ARTICLE IX - TURNOVER TIME

Existing agreements are amended to provide that an employee covered by this Agreement shall receive an allowance for all time consumed immediately prior or subsequent to the employee's regular tour of duty that is (i) required by the carrier, and (ii) directly involves the transition of ongoing work responsibilities between shifts. Such allowance shall not exceed an amount equal to fifteen (15) minutes' time at the straight time rate of pay.

ARTICLE X - GENERAL PROVISIONS

Section 1 - Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement and is in settlement of the dispute growing out of the notices dated November 1, 1999 served by and on behalf of the carriers listed in Exhibit A upon the organization signatory hereto, and the notices dated on or subsequent to November 1, 1999 served by the organization upon such carriers except as otherwise provided in Article IV of this Agreement.

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2004 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) The parties to this Agreement shall not serve nor progress prior to November 1, 2004 (not to become effective before January 1, 2005) any notice or proposal for changing any matter contained in this Agreement or which proposes matters covered by the proposals of the parties cited in paragraph (a) of this Section, and any proposals in pending notices relating to such subject matters are hereby withdrawn except as otherwise provided in Article IV of this Agreement.

(d) The parties to this Agreement shall not serve nor progress prior to November 1, 2004 (not to become effective before January 1, 2005) any notice or proposal which might properly have been served when the last moratorium ended on January 1, 2000.

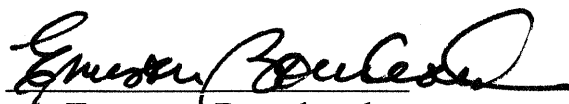
(e) This Article will not bar management and committees on individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT WASHINGTON, D.C. THIS 20th DAY OF AUGUST, 2002.

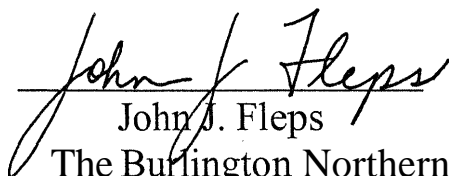
FOR THE PARTICIPATING
CARRIERS LISTED IN EXHIBIT A
REPRESENTED BY THE
NATIONAL CARRIERS' CON-
FERENCE COMMITTEE:



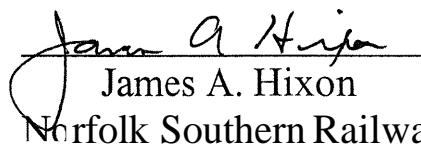
Robert F. Allen
Chairman



Emerson Bouchard
Kansas City Southern



John J. Fleps
The Burlington Northern and
Santa Fe Railway Co.

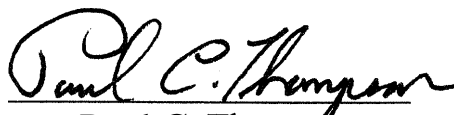


James A. Hixon
Norfolk Southern Railway Co.

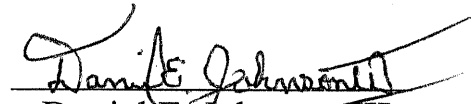
FOR THE EMPLOYEES
REPRESENTED BY THE
YARDMASTERS DEPART-
MENT, 'UNITED TRANS-
PORTATION UNION:



Byron A. Boyd, Jr.
President



Paul C. Thompson
Assistant President



Daniel E. Johnson, III
General Secretary and
Treasurer



Richard L. Marceau
Vice President



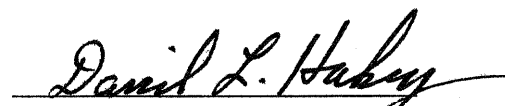
John J. Marchant
Union Pacific Railroad



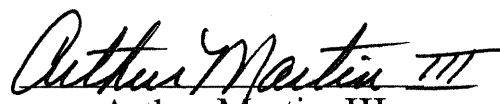
Kenneth R. Peifer
CSX Transportation, Inc.




Carl M. Vahldick
Vice President



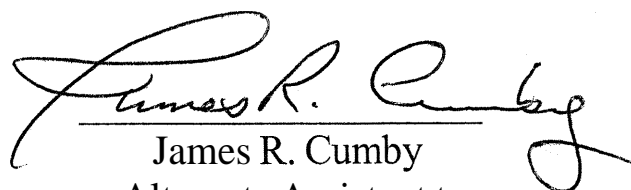
David L. Hakey
Vice President



Arthur Martin, III
Vice President



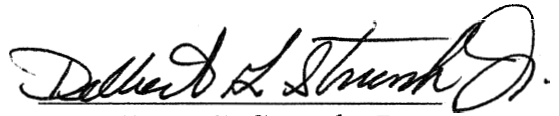
Donald R. Carver
Assistant to President-Yard-
Masters



James R. Cumby
Alternate Assistant to
President - Yardmasters



David B. Snyder
General Chairperson, BNSF



Delbert G. Strunk, Jr.
General Chairperson, NS



John T. Reed
General Chairperson, CSXT

August 20,2002
#1

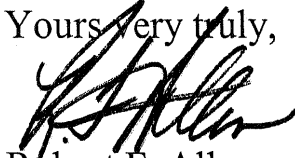
Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding that the provisions of Document "B" of the Agreement of this date will also be applied to yardmasters who are represented by the United Transportation Union but not represented by its Yardmasters Department.

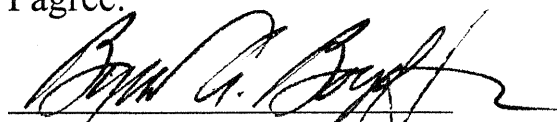
Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

August 20,2002
#2

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600Detroit Avenue
Cleveland, Ohio 44107

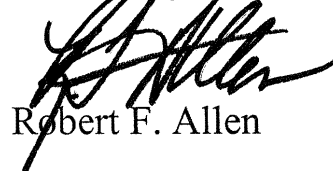
Dear Mr. Boyd:

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

In the event that this Agreement becomes effective subsequent to July 1, 2002, any cost-of-living amount payments made to employees pursuant to Article II, Part C, Document "B" of Appendix D of the Award of Arbitration Board No. 559 on and after that date shall be recovered from any retroactive wage increase payments made under Article I.

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

August 20, 2002
#3

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Article V - Service Scale of Document "B" of the Agreement of this date.


The parties agree that at the earliest opportunity in the next national bargaining round, the matter of relating the existing service scales in effect on each participating road to training and experience will be addressed.

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,


Robert F. Allen

I agree:


Byron A. Boyd, Jr.

August 20, 2002

#4

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

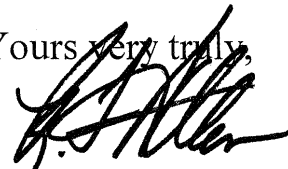
Dear Mr. Boyd:

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

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

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:

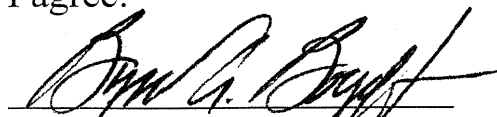

Byron A. Boyd, Jr.

Exhibit A
(UTU - Ymstrs.)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1999 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1999 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE YARDMASTERS DEPARTMENT - UNITED TRANSPORTATION UNION FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Yardmasters Department - United Transportation Union.

Alton & Southern Railway
The Burlington Northern and Santa Fe Railway Co.
Consolidated Rail Corporation - 3
Duluth, Missabe & Iron Range Railway Co. - 1
Kansas City Southern
New Orleans Public Belt Railroad - 2
Norfolk & Portsmouth Belt Line Railroad Co.
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Co.
 Atlantic and East Carolina Railway Co.
 Central of Georgia Railroad Co.

The Cincinnati, New Orleans & Texas Pac. Ry. Co.
Georgia Southern and Florida Railway Co.
Tennessee, Alabama and Georgia Railway Co.
Tennessee Railway Co.
Northeast Illinois Regional Commuter R.R. Corp. (METRA) - 4
Peoria and Pekin Union Railway Co.
Port Terminal Railroad Association
Portland Terminal Railroad Company
Terminal Railroad Association of St. Louis

NOTES:

- 1 - Wages and Rules only.
- 2 - Health and Welfare only.
- 3 - Wages and Rules and Health and Welfare only.
- 4 - Health and Welfare and Supplemental Sickness only.

FOR THE CARRIERS:



FOR THE UNITED TRANSPORTATION UNION:



August 20, 2002
Washington, D.C.

Synopsis of Tentative Agreement
Between UTU and NCCC

Document “A”

(Other than Yardmasters)

Article I General Wage Increase

7-1-02	4%
7-1-03	2.5%
7-1-04	3%

\$1,200 longevity payment for “pre-1985” employees

Article II Optional Alternative Compensation Program

Alternative Compensation arrangements such as stock options, stock grants, bonus programs based on carrier performance and 401(k) plans, to be offered at the Carrier discretion and implemented only by mutual agreement.

Article III Cost-of-Living Payments

The accumulative 48¢/hour - \$3.84/day COLA payment since 7-1-00 is rolled into and made a part of the rates of pay effective on the date of this agreement and is subject to all General Wage Increases provided herein.

COLA payments at the conclusion of the Agreement period will be applicable in the same manner as in the past (Harris COLA).

Article IV Health and Welfare

Maintains the status quo regarding benefit levels pending study and negotiation with no employee cost contributions. The parties agree to study and examine plan redesign, cost containment, cost sharing, administrative change and vendor review. This separates UTU from the unfavorable BMWWE settlement and other CRLO unions with no plan to gather evidence during study and negotiation. Any agreement reached resolving these issues will be subject to ratification pursuant to the UTU Constitution. If no agreement is reached, the matter may be referred to final and binding arbitration.

Article V Pay System Simplification

Trip rates to be established for through freight assignments. The trip rates will be comprised of pay elements applicable to the assignment involved and will raise earnings of pre-October 31, 1985 employees when deadheading is considered, and will raise post-October 31, 1985 employees to parity. Trip rates will be determined on each individual property for each through freight assignment based upon principles and guidelines contained in this Article V.

The trip rates will be implemented as promptly as possible, but not later than thirty (30) months after the date of the agreement. If not implemented by that date, then effective the next day thereafter, the dual basis of pay for post-October 31, 1985 employees is eliminated on such runs and they will be paid on the same basis as pre-October 31, 1985 employees.

VI Service Scale

Effective July 1, 2004, any employee subject to entry rates will receive the full rate of pay when working as a conductor/foreman, brakeman/helper, hostler or engineer

(on a carrier party to this agreement on which UTU represents locomotive engineers).

Article VII Enhanced Manpower Utilization

Allows for the establishment, through negotiation on each individual carrier, for an automatic mark up rule to be applicable following any period for authorized or approved time off consistent with validated current scientific data and findings regarding employee rest and fatigue abatement.

Article VIII National Wage and Rule Panel

Continuation of the Wage and Rule Panel through the term of this agreement to continue handling of the unresolved issues and to also study new issues such as employee protection, access to medical information, employee availability, scheduling of vacation, daily mark up in yard service and national training agreements, and yard conditions related to Remote Control Technology.

Article IX Off-Track Vehicle Accident Benefits

Increase the benefit payable from \$150,000 to \$300,000 and increase the aggregate benefit from \$1.5 million to \$10 million. The maximum per week payment to an injured employee covered by this rule is also increased from \$150.00 per week to \$1,000.00 per week.

Article X General Provisions

Neither party shall serve notice prior to November 1, 2004, to become effective January 1, 2005, requesting changes on matters contained in this agreement.

Contract period through December 31, 2004,

Remote Control Agreement

Effective January 1, 2002

Section 1 - Labor Protection

All employees in train service, or on a train service seniority roster, on the effective date of this agreement are eligible for protection.

Six (6) years protection from the first date on which an RCU assignment is established.

Senior protected employee who cannot hold a position through the normal exercise of seniority will qualify for a Remote Control Protection (RCP) slot.

RCP slots to be created on a one-for-one basis, i.e., one RCP slot for each RCU assignment.

RCP slots will be reduced on a one-for-one basis by a buyout, abolishment of RCU assignments at that location, or establishment of an RCU reserve board at that location. Up to one half of the buy-outs, if any, may be offered to engine service employees,

Employees holding an RCP slot will receive five (5) days pay per week at the yard helper rate. However, if last service performed was as a yard foreman, the yard foreman rate will apply.

There shall be no pyramiding of protection, but the higher level of protection shall be paid.

Existing protective rights and obligations are preserved.

Section 2 – Compensation

Effective January 1, 2002. This is to provide pay allowances and employee protection retroactive to when pilot projects were established.

Payment of 46 minutes based upon the straight time hourly rate of the applicable position, in addition to all other earnings, and subject to all future wage and COLA increases.

Section 3 – Training/Certification

All ground service employees will be trained and qualified to use remote control equipment. Yardmasters supervising remote control operations will receive training in remote control operations.

Section 4 – Bidding/Protection of Positions

RCL assignments to be advertised in the usual manner, as well as force assignment if insufficient bids are received for RCO positions.

Section 5 – Overview Committee

Overview Committee comprised of UTU and Carrier representatives to discuss and resolve issues and problems associated with remote control technology.

Document “B”

(Yardmasters)

Article I General Wage Increase

7-1-02 4%

7-1-03 2.5%

7-1-04 3%

\$1,200 longevity payment for “pre-1987” employees

Article II Optional Alternative Compensation Program

Alternative Coinpensation arrangements such as stock options, stock grants, bonus programs based on carrier performance and 401(k) plans, to be offered at the Carrier discretion and implemented only by mutual agreement.

Article III Cost-of-Living Payments

The accumulative 48¢/hour - \$3.84/day (\$4.41 for 200 hour roads) COLA payment since 7-1-00 is rolled into and made a part of the rates of pay effective on the date of this agreement and is subject to all General Wage Increases provided herein.

COLA payments at the conclusion of the Agreement period will be applicable in the same manner as in the past (Harris COLA).

Article IV Health and Welfare

Maintains the status quo regarding benefit levels pending study and negotiation with no employee cost contributions. The parties agree to study and examine plan redesign, cost containment, cost sharing, administrative change and vendor review. This separates UTU from the unfavorable

BMW settlement and other CRLO unions with no plan to gather evidence during study and negotiation. Any agreement reached resolving these issues will be subject to ratification pursuant to the UTU Constitution. If no agreement is reached, the matter may be referred to final and binding arbitration.

Article V Service Scale

Effective July 1, 2004, any employee subject to entry rates will receive the full rate of pay when working as a yardmaster.

Article VI Supplemental Sickness

Monthly benefit for employee receiving RUIA benefits will increase to \$1,505.50.

For those who have exhausted RUIA benefits, the monthly benefit will increase to \$2,506.00.

Article VII Off-Track Vehicle Accident Benefits

Increase the benefit payable from \$150,000 to \$300,000 and increase the aggregate benefit from \$1.5 million to \$10 million. The maximum per week payment to an injured employee covered by this rule is also increased from \$150.00 per week to \$1,000.00 per week.

Article VIII Vacations

Vacation paid on the basis of 1/52 of the compensation earned in the year preceding the year in which the vacation is taken.

Article IX Turnover Time

An allowance, not to exceed fifteen (15) minutes at the straight time rate of pay, when required to report early or stay late for the purpose of transitioning ongoing work responsibilities between shifts.

Article X General Provisions

Neither party shall serve notice prior to November 1, 2004, to become effective January 1, 2005, requesting changes of matters contained in this agreement.

Contact period through December 31, 2004.

August 28,2002

Chairpersons
General Committees of Adjustment
Railroads in the United States

Letter No. WR-6-99

Dear Chairpersons

Enclosed you will find a copy of the recently ratified National Agreement signed in Washington, D.C. on August 20,2002.

As you know, the agreement contains certain time frames within which to resolve issues relative to the health and welfare plans and implementation of trip rates. In this regard you will find enclosed a letter of understanding between the parties establishing September 1, 2002, as the date from which these time frames will be measured.

Additionally, enclosed is a copy of this agreement on a compact disc. If you are unable to view this information, you can download the entire agreement from the UTU Web page (www.utu.org). Instructions on how to view the CD and download from the Web site are included herewith.

I want to thank you all for your tireless work and dedicated effort resulting in an agreement overwhelmingly ratified by the UTU Membership.

Fraternally yours,



Byron A. Boyd, Jr.
International President

cc: P. C. Thompson, Assistant President
D. L. Hakey, Vice President - Administration
International Officers
State Legislative Directors
Field Supervisors
Designated Legal Counsel

QUESTIONS AND ANSWERS

Article I - Wages

Q-1 How do the eligibility provisions for the Longevity Bonus in this Agreement differ from the eligibility provisions for the Signing Bonus and Lump Sum Payments provided for in Article I, Document "A" of Appendix D of the Award of Arbitration Board No. 559 dated May 8, 1996("1996 Agreement")?

A-1 The dates, of course, are different, and the time period for ascertaining eligibility is different. All other eligibility issues should be governed by how eligibility was determined under the 1996 Agreement.

* * * * *

Q-2 What are some examples of the application of the Answer to Q-1?

A-2 The following are illustrative examples:

E-1 . An employee is reinstated to service with seniority unimpaired but without pay for all time lost. Is such employee entitled to the payment provided for in Section 1(a)?

No.

E-2. Will receipt of vacation pay during the period July 1, 2002 and August 31, 2002 qualify an individual for the Longevity Bonus?

No.

E-3. An employee received compensation for active service performed during the period July 1, 2002 and August 31, 2002 but died prior to September 1, 2002 . Is this employee eligible for the Longevity Bonus?

Yes, provided the employee is otherwise eligible as provided in the Article.

E-4. Will employees on reserve boards, guaranteed extra boards, and the like, and those employees receiving displacement/dismissal allowance under the various labor protective provisions be eligible for the Longevity Bonus provided for in the Article?

Yes, provided that such employees are otherwise eligible as provided in the Article.

E-5. Will the Longevity Bonus be included in earnings for calculation of vacation pay?

Yes.

E-6. Will employees on authorized military leave during the period specified in Article I, Section 1(b)(3)(i) be eligible for the Longevity Bonus upon return to service with the Carrier?

Yes, provided they have established seniority in train or engine service with a covered carrier on or before October 31, 1985.

E-7. If an employee is unable to work at any time between July 1, 2002 through August 31, 2002 due to his/her part-time involvement with union business, is such employee eligible for the Longevity Bonus?

NO.

* * * * *

Q-3 Will the payment of the Longevity Bonus be used to offset any guarantee an employee may be receiving, regardless of type of guarantee it may be?

A-3 The Longevity Bonus cannot be used to offset guarantees in protective agreements or arrangements.

* * * * *

Q-4 Under what circumstances will UTU members working as engineers be eligible for the Longevity Bonus?

A-4 If such employee performed service under a UTU collective bargaining agreement at any time during the period July 1, 2002 through August 31, 2002 and is otherwise eligible, such employee will be eligible for the Bonus.

* * * * *

Q-5 How will General Wage Increases (GWI) and Cost-of-Living (COLA) be applied to other than standard rates of pay and monthly guarantees applicable to road and yard service employees?

A-5 The GWI's and COLA's provided for in this Agreement will be applied in the same manner as they have been applied in the past.

* * * * *

Q-6 Will the 4% GWI be paid retroactive to July 1, 2002, following ratification and adoption of this Agreement?

A-6 Yes.

* * * * *

Q-7 Is it the parties' intent that an employee who otherwise qualified under Article I, Section 1, and who received compensation for active service performed during the specified period, would not be eligible for the

Longevity Bonus if he/she were off at any time during the qualification period for union business?

A-7 No.

Article II - Optional Alternative Compensation Program

Q-1 How will such a program be determined and implemented?

A-1 The program is totally optional, and will be offered at each Carrier's discretion, and will be implemented only by mutual agreement between the parties.

* * * * *

Q-2 What is meant by the term "smallest employee grouping that can be reasonably administered"?

A-2 The least number of employees agreed to by the parties.

* * * * *

Q-3 May employees elect to opt out of an agreed to "Optional Alternative Compensation Program" when offered?

A-3 Alternative compensation arrangements negotiated under this Article will cover only the employees mutually agreed to by the parties.

Article III - Cost-of-Living Payments

Q-1 Will the cost-of-living adjustments provided for in Part B be applicable to overmile rates of pay?

A-1 Yes.

Article IV - Health and Welfare

Q-1 Will any tentative agreement to change Health and Welfare coverage go out for ratification to the affected membership of UTU?

A-1 Yes

Article V - Pay System Simplification

Q-1 May the parties subject to the local negotiations that establish Trip Rates agree to include other components (including overtime) in Trip Rates?

A-1 Yes, provided there is mutual agreement to do so.

* * * * *

Q-2 If an employee is subject to entry rates and rate progression at the time Trip Rates are established, is such employee to receive the applicable percentage, i.e., 75%, 80%, 85%, etc., of the newly established Trip Rate?

A-2 Yes, as provided in Article V, Part B, Section 4(c)(2) and Article VI.

* * * * *

Q-3 Under Article V, Parts B and C, will Trip Rates be developed and implemented on the same basis described therein for engineers and firemen (where applicable) on those properties where UTU is the duly designated representative for such employees under the Railway Labor Act?

A-3 Yes.

* * * * *

Q-4 Once a Trip Rate has been developed, are future general wage increases and cost-of-living allowances applicable to the entire Trip Rate?

A-4 Yes, except as provided in Article V, Part B, Section 4(c)(1).

Q-5 Once a pay element has been incorporated in the calculation of the trip rate, will claims for that pay element be considered by the Carrier?

A-5 No. Claims for such pay elements incorporated in the Trip Rate will not be considered by the Carrier and will not be responded to.

* * * * *

Q-6 Will all claim settlements or arbitration decisions related to pay elements that are included in Trip Rates be incorporated in the Trip Rate calculation?

A-6 Yes, for those settlements or decisions that are based on events that took place during the applicable Test Period, but were not included during the initial Trip Rate calculation.

* * * * *

Q-7 Where a pool/run consists entirely of post-85 employees, will the earnings attributable to them be computed as if they were pre-85 employees?

A-7 Yes, but where the parties determine that recomputing earnings to determine as to what elements of pay to be incorporated in the Trip Rate would have been paid to pre-85 employees is not feasible, the parties may use data from a comparable run (comparable in length, running time, and other operating characteristics) to determine the value of such pay elements, which will be included in the Trip Rate computation.

* * * * *

Q-8 Will earnings paid to extra employees working in the pool be included in the test period?

A-8 Yes, as provided in Article V, Part B, Section 3.

Q-9 After the establishment of Trip Rates, the Carrier required additional work of a crew so as to violate a work rule not included in the Trip Rate calculation. Is such penalty payment still applicable and, if so, at what rate?

A-9 Yes, penalty payments not included in the Trip Rate will still be payable at the same amount at which paid prior to the establishment of Trip Rates. For example, if a certain penalty payment is paid as a basic day prior to the establishment of Trip Rates and that penalty payment is not included in the Trip Rate, the proper penalty payment would still be a basic day after the implementation of Trip Rates.

* * * * *

Q-10 How will an employee covered by the Trip Rates be compensated for personal leave days, holiday pay and/or vacation pay?

A-10 Compensation for personal leave days, holiday pay and/or vacation pay, will continue to be paid in accordance with rules and practices in existence prior to establishment of Trip Rates. If those rules and practices require payment of earnings of a trip, Trip Rates, if established, will apply.

* * * * *

Q-11 Can either party, i.e., UTU or Carrier, submit a dispute over the Trip Rate implementation to the National Disputes Committee?

A-11 Yes.

Q-12 At what point is it appropriate for a dispute to be referred to the National Disputes Committee?

A-12 After notice has been served pursuant to Article V, Part B, Section 9(a) and carrier has proposed a Test Period for a particular run/pool, if an impasse develops, either party may refer a dispute to the National Disputes Committee.

* * * * *

4-13 Does a Trip Rate proposed by the Carrier, based solely upon the incorporation of the National Pay Elements set forth in Section 5, become effective thirty (30) days after the Carrier's notice is served, absent agreement between the parties?

A-13 Yes, unless the UTU representative(s) make a timely written referral of the matter to the National Disputes Committee.

* * * * *

Q-14 If Trip Rates are not established by the date specified in Article V, Part B, Section 9(g), can the Carrier delay the application of the national pay elements set forth in Article V, Part B, Section 5 to post October 31, 1985 employees effective the next day after that date by simply referring the matter to the National Disputes Committee?

A-14 No. Under those circumstances, Article V, Part B, Section 9(h) provides in part that, effective on the next day after the date specified in Article V, Part B, Section 9(g), post October 31, 1985 employees on runs/pools for which Trip Rates have not been implemented by such date "will be paid on the same basis as Pre-85 Employees represented by UTU with respect to the national pay elements identified in Section 5 of this Part", and the National Disputes Committee will resolve the Trip Rate issue(s) in dispute if such is referred to the Disputes Committee by either party. However, disputes pending before the National Disputes Committee prior to such

date over any issue will be governed solely by the outcome of the dispute resolution process as provided in Article V, Part B, Section 9(h).

* * * * *

Q-15 Does the implementation of Trip Rates permit road crews to perform any additional work (moves) at the initial, intermediate or final terminals over and above that permitted by existing agreements?

A-15 Article V, Part A, Section 1(b) provides that the provisions of the new pay system will have no effect on work rules except where a pay element is incorporated in a Trip Rate.

* * * * *

Q-16 In computing overtime will the Trip Rate be used?

A-16 No. Overtime will continue to be applied as it is now.

* * * * *

Q-17 Will Trip Rates be applicable to both the working trip and the deadhead trip?

A- 17 Yes. Where Trip Rates are implemented, employees will receive the Trip Rate for both the deadhead and the working trip. Multiple Trip Rates will not be paid when service and deadhead(s) are combined during a tour of duty.

* * * * *

Q-18 Road extra board employees are used to provide Hours of Service relief as well as protecting other road assignment vacancies. How will these employees be compensated when performing service once Trip Rates are established?

A-18 A road extra board employee called to provide hours of service relief, in straight away or multiple trip turnaround service, will be paid the Trip Rate of the service for which called. When called to fill vacancies, road extra board employees will be paid the appropriate Trip Rate of the assignment for which called.

* * * * *

Q-19 What constitutes a “material change”?

A-19 Article V, Part B, Section 8 provides a process for adjustment of an established Trip Rate in response to a subsequent material change, i.e., one that significantly affects the run/pool.

* * * * *

Q-20 What elements of pay will be included in a yard Trip Rate?

A-20 This determination will be made, where the parties agree to implement a yard Trip Rate, on a basis that is consistent both with yard service and with the terms, conditions, principles and guidelines set forth in Parts A and B of Article V.

* * * * *

Q-21 How will the “12-month period of normalized operations” be determined in calculating Trip Rates?

A-21 The 12-month Test Period will be proposed by the carrier in its notice, with the burden of substantiating such period as reflecting “normalized operations” for the pool/run placed on the carrier.

Q-22 Will the establishment of Trip Rates in any way affect Crew Consist provisions?

A-22 No.

* * * * *

4-23 Will pay elements not specifically included in Trip Rates continue to be applicable?

A-23 Yes.

* * * * *

4-24 How will Trip Rates be determined for new runs/pools since there is no "Test Period"?

A-24 As provided in Article V, Part B, Section 7.

* * * * *

Q-25 Will the establishment of Trip Rates have any affect on local agreements providing for mileage and/or earnings regulations.

A-25 No. Such local agreements will continue to apply.

* * * * *

Q-26 Does the 12-month period of Normalized Operations contemplated by this Article have to be consecutive?

A-26 Yes, if the 12 consecutive months actually reflect Normalized Operations.

Q-27 Are additional mileage or time payments, such as constructive mileage or terminal mileage payments, afforded certain group(s) of employees as a result of other agreement rules or provisions other than the October 31, 1985 National Agreement to be included in the earnings used to develop a Trip Rate?

A-27 No.

* * * * *

Q-28 Does the term “yard runarounds” refer to road crews who are called in order but depart the initial terminal out of that order?

A-28 Yes.

* * * * *

Q-29 Will implementation of Trip Rates change a protected employee’s test period average or test period hours?

A-29 No.

Article VI - Service Scale

Q-1 If an agreement is not reached on an individual railroad as contemplated by Section 3, how will employees establishing seniority on or after July 1,2004 be compensated?

A-1 In accordance with the rules that adjust employee compensation based on length of service in effect on such railroad on June 30,2004

* * * * *

Q-2 Are entry rates and rate progression provisions of existing agreements eliminated on July 1, 2004?

A-2 Yes, but only for employees subject to such provisions on June 30,2004 represented by UTU and only when working in a UTU represented craft as a conductor/foreman, brakeman/helper, hostler, engineer (where represented by UTU) or yardmaster on and after July 1,2004.

* * * * *

Q-3 A local rule currently provides that an employee who is subject to rate progression will be paid, when working as a conductor, at the full rate of pay. Is that local rule affected by Article VI?

A-3 No.

* * * * *

Q-4 How will the new Service Scale contemplated by Section 3 be established?

A-4 By the Carrier, subject to review by the organization representative(s).

Q-5 Will the Service Scale to be established by the Carrier be identical to that which is governed by existing rules, which are in effect on such Carrier on June 30, 2004?

A-5 Yes.

* * * * *

Q-6 Does this Article apply to firemen in training programs to become locomotive engineers?

A-6 NO.

Article VII - Enhanced Manpower Utilization

Q-1 What is meant by the phrase “authorized or approved time off”?

A-1 This phrase is intended to mean the time such as, but not limited to, when an employee is off account of personal illness, Family and Medical Leave Act, personal leave days, vacations, or any other approved time off.

* * * * *

Q-2 Is the Carrier required to provide the organization representative(s) anything more than a synopsis of their proposed rule?

A-2 Yes. A detailed proposal must be provided to the organization representative(s) prior to any submission of the matter to final and binding arbitration.

* * * * *

Q-3 Will this Article have any affect on existing work/rest agreements currently in effect?

A-3 No.

Article VIII - National Wage & Rules Panel

Q-1 Are the items to be considered by the Panel limited to those set forth in this rule?

A-1 No. The parties are free to discuss and resolve any matters of mutual concern consistent with the intent of this forum.

Article IX - Off-Track Vehicle Accident Benefits

Q-1 What effect do the improvements to the Off-Track Vehicle Accident benefits have upon employees entitled to receive them?

A-1 The Off-Track Vehicle Accident benefit improvements merely increase existing benefit levels.

* * * * *

Q-2 What changes were made to the application of “Off Track Vehicle Coverage”?

A-2 The benefits were increased and there are no changes to the application.

Article X - General Provisions

Q-1 In several Articles of this Agreement reference is made to the date October 31, 1985 when discussing “pre-85” and “post-85” employees.

The parties recognize that other specific dates may exist in agreements which define issues relative to “pre-85” and “post-85” employees, such as, but not limited to, the June 28, 1985 Conrail Agreement and the June 15, 1987 Agreement covering Yardmasters represented by the former Railroad yardmasters of America.

Accordingly, do the parties agree that the reference to “pre-85” and “post-85” employees in this Agreement is intended to include all employees such as those referenced above?

A-1 The parties agree that this must be answered on a case-by-case basis in light of the parties’ mutual intentions and an evaluation of the relevant facts and circumstances.

Yardmasters - Document B

Article I - Wages

Q-1 If a yardmaster has a seniority date after June 15, 1987, but does have seniority in another craft represented by UTU prior to October 31, 1985, per Document "A", will he qualify for the \$1,200 Longevity Bonus?

A-1 Yes, if otherwise eligible under Article I, Section 1(b).

* * * * *

Article VI - Supplemental Sickness

Q-1 Do the amendments in Article VI affect Sickness Plans on carriers that are covered by the National Agreement but not party to the October 31, 1978 Supplemental Sickness Benefit Agreement?

A-1 No.

* * * * *

Article VIII - Vacations

Q-1 In a vacation step up year, does a yardmaster receive compensation for the additional week in that year if the week is taken after his/her anniversary date?

A-1 Only if provided for under existing agreements.

Remote Control Agreement

Q-1 Will the 46 minute payment for remote control operation continue and be subject to all future general wage increases and COLA's?

A-1 Yes, because such increases are automatically built into the 46 minutes.

* * * * *

Q-2 May the carrier offer engine service employees up to 50% of any RCL buyouts and reserve board positions, etc.?

A-2 Yes.

* * * * *

Q-3 May those engineers who accept an RCL buyout or reserve board position, etc. belong to either BLE or UTU?

A-3 Yes, they may belong to either organization.

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2002

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN) -- PASSENGER SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	
	DAILY RATES	MILEAGE RATES
LESS THAN 80,000	\$147.51	110.01 ¢
80,000 AND LESS THAN 100,000	\$147.51	110.01 ¢
100,000 AND LESS THAN 140,000	\$147.60	110.10 ¢
140,000 AND LESS THAN 170,000	\$147.68	110.18 ¢
170,000 AND LESS THAN 200,000	\$147.77	110.27 ¢
200,000 AND LESS THAN 250,000	\$147.86	110.36 ¢
250,000 AND LESS THAN 300,000	\$147.94	110.44 ¢
300,000 AND LESS THAN 350,000	\$148.03	110.53 ¢
350,000 AND LESS THAN 400,000	\$148.11	110.61 ¢
400,000 AND LESS THAN 450,000	\$148.20	110.70 ¢
450,000 AND LESS THAN 500,000	\$148.29	110.79 ¢
500,000 AND LESS THAN 550,000	\$148.37	110.87 ¢
550,000 AND LESS THAN 600,000	\$148.46	110.96 ¢
600,000 AND LESS THAN 650,000	\$148.54	111.04 ¢
650,000 AND LESS THAN 700,000	\$148.63	111.13 ¢
700,000 AND LESS THAN 750,000	\$148.71	111.21 ¢
750,000 AND LESS THAN 800,000	\$148.80	111.30 ¢
800,000 AND LESS THAN 850,000	\$148.88	111.38 ¢
850,000 AND LESS THAN 900,000	\$148.97	111.47 ¢
900,000 AND LESS THAN 950,000	\$149.05	111.55 ¢
950,000 AND LESS THAN 1,000,000	\$149.14	111.64 ¢
1,000,000 POUNDS AND OVER:		
FOR EACH ADDITIONAL 50,000 POUNDS		
OR FRACTION THEREOF - ADD ALTERNATELY:		
	\$0.08	0.08 ¢
	& \$0.09	0.09 ¢
MOTOR OR ELECTRIC CARS IN MULTIPLE OR SINGLE UNIT	\$147.77	110.27 ¢
DAILY EARNINGS MINIMUM	\$149.03	

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED,
A UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY AND 6¢ PER MILE
FOR MILES IN EXCESS OF THE BASIC DAY WILL BE ADDED TO THE
ABOVE RATES (SUCH DIFFERENTIAL TO BE APPLIED IN SAME MANNER
AS THE LOCAL FREIGHT DIFFERENTIAL).

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2002

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN)-- THROUGH FREIGHT SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	DAILY RATES	MILEAGE RATES
LESS THAN 140,000		\$158.72	118.01 ¢
140,000 AND LESS THAN 200,000		\$159.15	118.44 ¢
200,000 AND LESS THAN 250,000		\$159.32	118.61 ¢
250,000 AND LESS THAN 300,000		\$159.47	118.76 ¢
300,000 AND LESS THAN 350,000		\$159.62	118.91 ¢
350,000 AND LESS THAN 400,000		\$159.83	119.12 ¢
400,000 AND LESS THAN 450,000		\$160.04	119.33 ¢
450,000 AND LESS THAN 500,000		\$160.25	119.54 ¢
500,000 AND LESS THAN 550,000		\$160.46	119.75 ¢
550,000 AND LESS THAN 600,000		\$160.64	119.93 ¢
600,000 AND LESS THAN 650,000		\$160.82	120.11 ¢
650,000 AND LESS THAN 700,000		\$161.00	120.29 ¢
700,000 AND LESS THAN 750,000		\$161.18	120.47 ¢
750,000 AND LESS THAN 800,000		\$161.36	120.65 ¢
800,000 AND LESS THAN 850,000		\$161.54	120.83 ¢
850,000 AND LESS THAN 900,000		\$161.72	121.01 ¢
900,000 AND LESS THAN 950,000		\$161.90	121.19 ¢
950,000 AND LESS THAN 1,000,000		\$162.08	121.37 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:		\$0.18	0.18 ¢
DAILY EARNINGS MINIMUM		\$160.23	
ARTICLE III(B) OF AGREEMENT OF OCTOBER 14, 1955			

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED,
A UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY AND 6¢ PER MILE
FOR MILES IN EXCESS OF THE BASIC DAY WILL BE ADDED TO THE
ABOVE RATES (IN ADDITION TO THE LOCAL FREIGHT DIFFERENTIAL
IF APPLICABLE).

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2002

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN)-- YARD SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY RATES	
	6 OR 7 DAY WORK WEEK	5 DAY WORK WEEK
LESS THAN 500,000	\$154.98	\$169.04
500,000 AND LESS THAN 550,000	\$155.19	\$169.29
550,000 AND LESS THAN 600,000	\$155.37	\$169.51
600,000 AND LESS THAN 650,000	\$155.55	\$169.72
650,000 AND LESS THAN 700,000	\$155.73	\$169.94
700,000 AND LESS THAN 750,000	\$155.91	\$170.16
750,000 AND LESS THAN 800,000	\$156.09	\$170.37
800,000 AND LESS THAN 850,000	\$156.27	\$170.59
850,000 AND LESS THAN 900,000	\$156.45	\$170.80
900,000 AND LESS THAN 950,000	\$156.63	\$171.02
950,000 AND LESS THAN 1,000,000	\$156.81	\$171.24
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.18	\$0.215

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED, A
UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY WILL BE ADDED
TO THE ABOVE RATES.

B-3 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2002

UTU

LOCOMOTIVE FIREMEN (HELPERS) -- PASSENGER SERVICE

WEIGHT ON DRIVERS (POUNDS)		STANDARD BASIC DAILY AND MILEAGE RATES	
		DAILY RATES	MILEAGE RATES
	LESS THAN 80,000	\$138.11	103.76 ¢
80,000	AND LESS THAN 100,000	\$138.20	103.85 ¢
100,000	AND LESS THAN 140,000	\$138.28	103.93 ¢
140,000	AND LESS THAN 170,000	\$138.46	104.11 ¢
170,000	AND LESS THAN 200,000	\$138.54	104.19 ¢
200,000	AND LESS THAN 250,000	\$138.63	104.28 ¢
250,000	AND LESS THAN 300,000	\$138.63	104.28 ¢
300,000	AND LESS THAN 350,000	\$138.71	104.36 ¢
350,000	AND LESS THAN 400,000	\$138.80	104.45 ¢
400,000	AND LESS THAN 450,000	\$138.89	104.54 ¢
450,000	AND LESS THAN 500,000	\$138.97	104.62 ¢
500,000	AND LESS THAN 550,000	\$139.06	104.71 ¢
550,000	AND LESS THAN 600,000	\$139.14	104.79 ¢
600,000	AND LESS THAN 650,000	\$139.22	104.87 ¢
650,000	AND LESS THAN 700,000	\$139.30	104.95 ¢
700,000	AND LESS THAN 750,000	\$139.38	105.03 ¢
750,000	AND LESS THAN 800,000	\$139.46	105.11 ¢
800,000	AND LESS THAN 850,000	\$139.54	105.19 ¢
850,000	AND LESS THAN 900,000	\$139.62	105.27 ¢
900,000	AND LESS THAN 950,000	\$139.70	105.35 ¢
950,000	AND LESS THAN 1,000,000	\$139.78	105.43 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:		\$0.08	0.08 ¢
DAILY EARNINGS MINIMUM		\$139.45	

B-4 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2002

UTU

LOCOMOTIVE FIREMEN (HELPERS)-- THROUGH FREIGHT SERVICE

WEIGHT ON DRIVERS (POUNDS)		STANDARD BASIC DAILY AND MILEAGE RATES	
		DAILY RATES	MILEAGE RATES
LESS THAN	140,000	\$145.45	108.87 ¢
140,000 AND LESS THAN	200,000	\$145.80	109.22 ¢
200,000 AND LESS THAN	250,000	\$145.97	109.39 ¢
250,000 AND LESS THAN	300,000	\$146.14	109.56 ¢
300,000 AND LESS THAN	350,000	\$146.41	109.83 ¢
350,000 AND LESS THAN	400,000	\$146.49	109.91 ¢
400,000 AND LESS THAN	450,000	\$146.65	110.07 ¢
450,000 AND LESS THAN	500,000	\$146.81	110.23 ¢
500,000 AND LESS THAN	550,000	\$146.97	110.39 ¢
550,000 AND LESS THAN	600,000	\$147.13	110.55 ¢
600,000 AND LESS THAN	650,000	\$147.29	110.71 ¢
650,000 AND LESS THAN	700,000	\$147.45	110.87 ¢
700,000 AND LESS THAN	750,000	\$147.61	111.03 ¢
750,000 AND LESS THAN	800,000	\$147.77	111.19 ¢
800,000 AND LESS THAN	850,000	\$147.93	111.35 ¢
850,000 AND LESS THAN	900,000	\$148.09	111.51 ¢
900,000 AND LESS THAN	950,000	\$148.25	111.67 ¢
950,000 AND LESS THAN	1,000,000	\$148.41	111.83 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD		\$0.16	0.16 ¢
DAILY EARNINGS MINIMUM		\$146.87	
ARTICLE III(B) OF AGREEMENT OCT. 27.1955			

LOCOMOTIVE FIREMEN (HELPERS)-- YARD SERVICE,
AND HOSTLER AND HOSTLER HELPERS

WEIGHT ON DRIVERS (POUNDS)		STANDARD BASIC DAILY RATES	
		6 OR 7 DAY WORK WEEK	5 DAY WORK WEEK
LESS THAN	500,000	\$144.49	\$154.88
500,000 AND LESS THAN	550,000	\$144.65	\$155.07
550,000 AND LESS THAN	600,000	\$144.81	\$155.26
600,000 AND LESS THAN	650,000	\$144.97	\$155.45
650,000 AND LESS THAN	700,000	\$145.13	\$155.64
700,000 AND LESS THAN	750,000	\$145.29	\$155.84
750,000 AND LESS THAN	800,000	\$145.45	\$156.03
800,000 AND LESS THAN	850,000	\$145.61	\$156.22
850,000 AND LESS THAN	900,000	\$145.77	\$156.41
900,000 AND LESS THAN	950,000	\$145.93	\$156.60
950,000 AND LESS THAN	1,000,000	\$146.09	\$156.80
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:		\$0.16	\$0.19
<u>HOSTLING SERVICE</u>			
OUTSIDE HOSTLER		\$144.01	\$154.47
INSIDE HOSTLER		\$141.61	\$151.52
OUTSIDE HOSTLER HELPER		\$139.42	\$148.72

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2002

UTU

LOCOMOTIVE FIREMEN IN SHORT LOCAL FREIGHT SERVICE
ON RUNS OF 100 MILES OR LESS
WHICH ARE THEREFORE PAID ON A DAILY BASIS WITHOUT
A MILEAGE COMPONENT

RATES ARE CALCULATED BY SUBTRACTING THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF
43 CENTS PER BASIC DAY FROM THE SHORT LOCAL STANDARD BASIC DAILY RATES OF PAY
ESTABLISHED UNDER ARTICLE II(C) OF THE SEPTEMBER 14, 1968 AGREEMENT, ADDING ALL
SUBSEQUENT GENERAL WAGE INCREASES AND COST-OF-LIVING ADJUSTMENTS, AND THEN
ADDING THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF 43 CENTS PER BASIC DAY.

WEIGHT ON DRIVERS (POUNDS)	STANDARD DAILY RATES
LESS THAN 140,000	\$147.12
140,000 AND LESS THAN 200,000	\$147.47
200,000 AND LESS THAN 250,000	\$147.64
250,000 AND LESS THAN 300,000	\$147.81
300,000 AND LESS THAN 350,000	\$148.08
350,000 AND LESS THAN 400,000	\$148.16
400,000 AND LESS THAN 450,000	\$148.32
450,000 AND LESS THAN 500,000	\$148.48
500,000 AND LESS THAN 550,000	\$148.64
550,000 AND LESS THAN 600,000	\$148.80
600,000 AND LESS THAN 650,000	\$148.96
650,000 AND LESS THAN 700,000	\$149.12
700,000 AND LESS THAN 750,000	\$149.28
750,000 AND LESS THAN 800,000	\$149.44
800,000 AND LESS THAN 850,000	\$149.60
850,000 AND LESS THAN 900,000	\$149.76
900,000 AND LESS THAN 950,000	\$149.92
950,000 AND LESS THAN 1,000,000	\$150.08
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.16

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2002

UTU

CONDUCTORS AND TRAINMEN - PASSENGER AND THROUGH FREIGHT SERVICE

	DAILY RATES		MILEAGE RATES	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS	BRT	ORC&B-ALL REGIONS	BRT
	BRT-EAST SOUTHEAST	WESTERN REGION	BRT-EAST SOUTHEAST	WESTERN REGION
FOR MILES IN EXCESS OF BASIC DAY				
<u>PASSENGER CONDUCTORS AND TRAINMEN</u>				
CONDUCTORS	\$148.05	\$147.96	73.83 ¢	73.76 ¢
ASST CONDUCTORS-TICKET COLLECTOR:	\$139.56	\$139.41	70.11 ¢	70.01 ¢
BRAKEMEN AND FLAGMEN	\$136.59	\$136.41	68.56 ¢	68.50 ¢
TRAIN BAGGAGEMEN	\$137.21	\$137.03	68.92 ¢	68.83 ¢

FOR MILES IN EXCESS OF BASIC DAY				
<u>THROUGH FREIGHT CONDUCTORS</u>				
BASIC RATES	\$145.36	\$145.23	108.82 ¢	108.64 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESS THAN 81 CARS	\$145.71	\$145.58	109.17 ¢	108.99 ¢
81 TO 105 CARS	\$146.36	\$146.23	109.82 ¢	109.64 ¢
106 TO 125 CARS	\$146.76	\$146.63	110.22 ¢	110.04 ¢
126 TO 145 CARS	\$147.01	\$146.88	110.47 ¢	110.29 ¢
146 TO 165 CARS	\$147.11	\$146.98	110.57 ¢	110.39 ¢
166 CARS AND OVER				

FOR MILES IN EXCESS OF BASIC DAY				
<u>THROUGH FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$136.38	\$136.23	102.73 ¢	102.60 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESS THAN 81 CARS	\$136.73	\$136.58	103.08 ¢	102.95 ¢
81 TO 105 CARS	\$137.38	\$137.23	103.73 ¢	103.60 ¢
106 TO 125 CARS	\$137.78	\$137.63	104.13 ¢	104.00 ¢
126 TO 145 CARS	\$138.03	\$137.88	104.38 ¢	104.25 ¢
146 TO 165 CARS	\$138.13	\$137.98	104.48 ¢	104.35 ¢
166 CARS AND OVER			**	

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

** ADD 0.2 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2002

UTU

CONDUCTORS AND TRAINMEN - LOCAL FREIGHT SERVICE AND YARD SERVICE

	DAILY RATES		MILEAGE RATES FOR MILES IN EXCESS OF 100	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION
<u>LOCAL FREIGHT CONDUCTORS</u>				
BASIC RATES	\$145.92	\$145.79	111.36 ¢	111.18 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 16, 1955:				
LESSTHAN 81 CARS	\$146.27	\$146.14	111.71 ¢	111.53 ¢
81 TO 105 CARS	\$146.92	\$146.79	112.36 ¢	112.18 ¢
106 TO 125 CARS	\$147.32	\$147.19	112.76 ¢	112.58 ¢
126 TO 145 CARS	\$147.57	\$147.44	113.01 ¢	112.83 ¢
146 TO 165 CARS	\$147.67	\$147.54	113.11 ¢	112.93 ¢
166 CARS AND OVER				

<u>LOCAL FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$136.81	\$136.66	105.15 ¢	105.01 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26,1955:				
LESSTHAN 81 CARS	\$137.16	\$137.01	105.50 ¢	105.36 ¢
81 TO 105 CARS	\$137.81	\$137.66	106.15 ¢	106.01 ¢
106 TO 125 CARS	\$138.21	\$138.06	106.55 ¢	106.41 ¢
126 TO 145 CARS	\$138.46	\$138.31	106.80 ¢	106.66 ¢
146 TO 165 CARS	\$138.56	\$138.41	106.90 ¢	106.76 ¢
166 CARS AND OVER				

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

** ADD 0.2 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

MINIMUM DAILY EARNINGS:

CONDUCTORS	\$146.62	\$146.48
BRAKEMEN-FLAGMEN	\$137.51	\$137.36

ESTABLISHED BY ARTICLE II(B) OF ORC&B AGREEMENT OF DECEMBER 21,1955,
AND BY ARTICLE II(B) OF BRT AGREEMENT OF OCTOBER 4,1955, SUPPLEMENTED
DECEMBER 21,1955.

FIVE DAY YARD SERVICE

OCCUPATION	DAILY RATE
YARD CONDUCTORS (FOREMEN)	\$162.94
YARD BRAKEMEN (HELPERS)	\$156.29
SWITCHTENDERS	\$149.39

B-8 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2002

RESULTING FROM THE APPLICATION OF A 4 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2002

UTU

FREIGHT CONDUCTORS AND TRAINMEN WITHOUT A MILEAGE
COMPONENT IN THEIR ASSIGNMENTS

	STANDARD DAILY RATES			
	THROUGH FREIGHT		SHORT LOCAL	
	SERVICE A/ (without a mileage component)		FREIGHT SERVICE B/	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS; BRT- BRT-EAST, SOUTHEAST	BRT- WESTERN REGION	ORC&B-ALL REGIONS; BRT- BRT-EAST, SOUTHEAST	BRT- WESTERN REGION
<u>FREIGHT CONDUCTORS</u>				
BASIC RATES	\$147.70	\$147.61	\$149.52	\$149.37
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESS THAN 81 CARS	\$148.05	\$147.96	\$149.87	\$149.72
81 TO 105 CARS	\$148.70	\$148.61	\$150.52	\$150.37
106 TO 125 CARS	\$149.10	\$149.01	\$150.92	\$150.77
126 TO 145 CARS	\$149.35	\$149.26	\$151.17	\$151.02
146 TO 165 CARS	\$149.45	\$149.36	\$151.27	\$151.12
166 CARS AND OVER	*		*	*

<u>FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$138.72	\$138.60	\$140.39	\$140.27
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESS THAN 81 CARS	\$139.07	\$138.95	\$140.74	\$140.62
81 TO 105 CARS	\$139.72	\$139.60	\$141.39	\$141.27
106 TO 125 CARS	\$140.12	\$140.00	\$141.79	\$141.67
126 TO 145 CARS	\$140.37	\$140.25	\$142.04	\$141.92
146 TO 165 CARS	\$140.47	\$140.35	\$142.14	\$142.02
166 CARS AND OVER	*		*	*

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

A/ APPLICABLE TO FREIGHT CONDUCTORS AND TRAINMEN PAID THROUGH FREIGHT RATES WHO ARE WITHOUT A MILEAGE COMPONENT IN THEIR ASSIGNMENTS AND ARE THEREFORE PAID ON A DAILY BASIS. RATES PRODUCED BY APPLICATION OF THE SPECIAL ADJUSTMENT OF \$1.00 PER DAY UNDER ARTICLE I, SECTION 7 OF THE JANUARY 27, 1972 AGREEMENT AND THE APPLICABLE COST-OF-LIVING ALLOWANCE TO STANDARD BASIC THROUGH FREIGHT RATES OF PAY.

BI APPLICABLE WHERE LOCAL FREIGHT RATES ARE PAID TO CONDUCTORS AND TRAINMEN IN LOCAL FREIGHT SERVICE, OR ON ROAD SWITCHERS, ROUSTABOUT RUNS, MINE RUNS OR IN OTHER MISCELLANEOUS SERVICE, ON RUNS OF 100 MILES OR LESS WHICH ARE THEREFORE PAID ON A DAILY BASIS WITHOUT A MILEAGE COMPONENT. RATES PRODUCED BY APPLICATION OF THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF 56 CENTS PER BASIC DAY FOR CONDUCTORS AND 43 CENTS PER BASIC DAY FOR BRAKEMEN AND FLAGMEN, THE SPECIAL INCREASE OF \$.40 PER DAY UNDER ART. II, SEC. 1(C) OF THE MARCH 19, 1969 AGREEMENT, ARTICLE II(C) OF THE JULY 17, 1968 AGREEMENT AND THE SPECIAL ADJUSTMENT OF \$1.00 PER DAY UNDER ARTICLE I, SECTION 7 OF THE JANUARY 27, 1972 AGREEMENT AND THE APPLICABLE COST-OF-LIVING ALLOWANCE TO STANDARD BASIC THROUGH FREIGHT RATES OF PAY.

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2003

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN) -- PASSENGER SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	DAILY RATES	MILEAGE RATES
LESS THAN 80,000		\$151.22	112.79 ¢
80,000 AND LESS THAN 100,000		\$151.22	112.79 ¢
100,000 AND LESS THAN 140,000		\$151.31	112.88 ¢
140,000 AND LESS THAN 170,000		\$151.39	112.96 ¢
170,000 AND LESS THAN 200,000		\$151.48	113.05 ¢
200,000 AND LESS THAN 250,000		\$151.57	113.14 ¢
250,000 AND LESS THAN 300,000		\$151.65	113.22 ¢
300,000 AND LESS THAN 350,000		\$151.74	113.31 ¢
350,000 AND LESS THAN 400,000		\$151.82	113.39 ¢
400,000 AND LESS THAN 450,000		\$151.91	113.48 ¢
450,000 AND LESS THAN 500,000		\$152.00	113.57 ¢
500,000 AND LESS THAN 550,000		\$152.08	113.65 ¢
550,000 AND LESS THAN 600,000		\$152.17	113.74 ¢
600,000 AND LESS THAN 650,000		\$152.25	113.82 ¢
650,000 AND LESS THAN 700,000		\$152.34	113.91 ¢
700,000 AND LESS THAN 750,000		\$152.42	113.99 ¢
750,000 AND LESS THAN 800,000		\$152.51	114.08 ¢
800,000 AND LESS THAN 850,000		\$152.59	114.16 ¢
850,000 AND LESS THAN 900,000		\$152.68	114.25 ¢
900,000 AND LESS THAN 950,000		\$152.76	114.33 ¢
950,000 AND LESS THAN 1,000,000		\$152.85	114.42 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD ALTERNATELY:		\$0.08 & \$0.09	0.08 ¢ 0.09 ¢
MOTOR OR ELECTRIC CARS IN MULTIPLE OR SINGLE UNIT		\$151.48	113.05 ¢
DAILY EARNINGS MINIMUM		\$152.74	

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED,
A UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY AND 6¢ PER MILE
FOR MILES IN EXCESS OF THE BASIC DAY WILL BE ADDED TO THE
ABOVE RATES (SUCH DIFFERENTIAL TO BE APPLIED IN SAME MANNER
AS THE LOCAL FREIGHT DIFFERENTIAL).

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY ■ 2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2003

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN) -- THROUGH FREIGHT SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	
	DAILY RATES	MILEAGE RATES
LESS THAN 140,000	\$162.77	121.04 ¢
140,000 AND LESS THAN 200,000	\$163.20	121.47 ¢
200,000 AND LESS THAN 250,000	\$163.37	121.64 ¢
250,000 AND LESS THAN 300,000	\$163.52	121.79 ¢
300,000 AND LESS THAN 350,000	\$163.67	121.94 ¢
350,000 AND LESS THAN 400,000	\$163.88	122.15 ¢
400,000 AND LESS THAN 450,000	\$164.09	122.36 ¢
450,000 AND LESS THAN 500,000	\$164.30	122.57 ¢
500,000 AND LESS THAN 550,000	\$164.51	122.78 ¢
550,000 AND LESS THAN 600,000	\$164.69	122.96 ¢
600,000 AND LESS THAN 650,000	\$164.87	123.14 ¢
650,000 AND LESS THAN 700,000	\$165.05	123.32 ¢
700,000 AND LESS THAN 750,000	\$165.23	123.50 ¢
750,000 AND LESS THAN 800,000	\$165.41	123.68 ¢
800,000 AND LESS THAN 850,000	\$165.59	123.86 ¢
850,000 AND LESS THAN 900,000	\$165.77	124.04 ¢
900,000 AND LESS THAN 950,000	\$165.95	124.22 ¢
950,000 AND LESS THAN 1,000,000	\$166.13	124.40 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.18	0.18 ¢
DAILY EARNINGS MINIMUM ARTICLE III(B) OF AGREEMENT OF OCTOBER 14,1955	\$164.28	

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED,
A UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY AND 6¢ PER MILE
FOR MILES IN EXCESS OF THE BASIC DAY WILL BE ADDED TO THE
ABOVE RATES (IN ADDITION TO THE LOCAL FREIGHT DIFFERENTIAL
IF APPLICABLE).

B-2 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2003

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN)-- YARD SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY RATES	
	6 OR 7 DAY WORK WEEK	5 DAY WORK WEEK
LESS THAN 500,000	\$158.85	\$173.27
500,000 AND LESS THAN 550,000	\$159.06	\$173.52
550,000 AND LESS THAN 600,000	\$159.24	\$173.74
600,000 AND LESS THAN 650,000	\$159.42	\$173.95
650,000 AND LESS THAN 700,000	\$159.60	\$174.17
700,000 AND LESS THAN 750,000	\$159.78	\$174.39
750,000 AND LESS THAN 800,000	\$159.96	\$174.60
800,000 AND LESS THAN 850,000	\$160.14	\$174.82
850,000 AND LESS THAN 900,000	\$160.32	\$175.03
900,000 AND LESS THAN 950,000	\$160.50	\$175.25
950,000 AND LESS THAN 1,000,000	\$160.68	\$175.47
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.18	\$0.215

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED, A
UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY WILL BE ADDED
TO THE ABOVE RATES.

B-3 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2003

UTU

LOCOMOTIVE FIREMEN (HELPERS) -- PASSENGER SERVICE

WEIGHT ON DRIVERS (POUNDS)		STANDARD BASIC DAILY AND MILEAGE RATES	
		DAILY RATES	MILEAGE RATES
LESS THAN	80,000	\$141.59	106.38 ¢
80,000 AND LESS THAN	100,000	\$141.68	106.47 ¢
100,000 AND LESS THAN	140,000	\$141.76	106.55 ¢
140,000 AND LESS THAN	170,000	\$141.94	106.73 ¢
170,000 AND LESS THAN	200,000	\$142.02	106.81 ¢
200,000 AND LESS THAN	250,000	\$142.11	106.90 ¢
250,000 AND LESS THAN	300,000	\$142.11	106.90 ¢
300,000 AND LESS THAN	350,000	\$142.19	106.98 ¢
350,000 AND LESS THAN	400,000	\$142.28	107.07 ¢
400,000 AND LESS THAN	450,000	\$142.37	107.16 ¢
450,000 AND LESS THAN	500,000	\$142.45	107.24 ¢
500,000 AND LESS THAN	550,000	\$142.54	107.33 ¢
550,000 AND LESS THAN	600,000	\$142.62	107.41 ¢
600,000 AND LESS THAN	650,000	\$142.70	107.49 ¢
650,000 AND LESS THAN	700,000	\$142.78	107.57 ¢
700,000 AND LESS THAN	750,000	\$142.86	107.65 ¢
750,000 AND LESS THAN	800,000	\$142.94	107.73 ¢
800,000 AND LESS THAN	850,000	\$143.02	107.81 ¢
850,000 AND LESS THAN	900,000	\$143.10	107.89 ¢
900,000 AND LESS THAN	950,000	\$143.18	107.97 ¢
950,000 AND LESS THAN	1,000,000	\$143.26	108.05 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:		\$0.08	0.08 ¢
DAILY EARNINGS MINIMUM		\$142.93	

B-4 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2003

UTU

LOCOMOTIVE FIREMEN (HELPERS) -- THROUGH FREIGHT SERVICE

WEIGHT ON DRIVERS (POUNDS)		STANDARD BASIC DAILY AND MILEAGE RATES	
		DAILY RATES	MILEAGE RATES
LESS THAN	140,000	\$149.16	111.67 ¢
140,000 AND LESS THAN	200,000	\$149.51	112.02 ¢
200,000 AND LESS THAN	250,000	\$149.68	112.19 ¢
250,000 AND LESS THAN	300,000	\$149.85	112.36 ¢
300,000 AND LESS THAN	350,000	\$150.12	112.63 ¢
350,000 AND LESS THAN	400,000	\$150.20	112.71 ¢
400,000 AND LESS THAN	450,000	\$150.36	112.87 ¢
450,000 AND LESS THAN	500,000	\$150.52	113.03 ¢
500,000 AND LESS THAN	550,000	\$150.68	113.19 ¢
550,000 AND LESS THAN	600,000	\$150.84	113.35 ¢
600,000 AND LESS THAN	650,000	\$151.00	113.51 ¢
650,000 AND LESS THAN	700,000	\$151.16	113.67 ¢
700,000 AND LESS THAN	750,000	\$151.32	113.83 ¢
750,000 AND LESS THAN	800,000	\$151.48	113.99 ¢
800,000 AND LESS THAN	850,000	\$151.64	114.15 ¢
850,000 AND LESS THAN	900,000	\$151.80	114.31 ¢
900,000 AND LESS THAN	950,000	\$151.96	114.47 ¢
950,000 AND LESS THAN	1,000,000	\$152.12	114.63 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD		\$0.16	0.16 ¢
DAILY EARNINGS MINIMUM		\$150.58	
ARTICLE III(B) OF AGREEMENT OCT. 27, 1955			

LOCOMOTIVE FIREMEN (HELPERS) -- YARD SERVICE,
AND HOSTLER AND HOSTLER HELPERS

YARD SERVICE WEIGHT ON DRIVERS (POUNDS)		STANDARD BASIC DAILY RATES	
		6 OR 7 DAY WORK WEEK	5 DAY WORK WEEK
LESS THAN	500,000	\$148.10	\$158.75
500,000 AND LESS THAN	550,000	\$148.26	\$158.94
550,000 AND LESS THAN	600,000	\$148.42	\$159.13
600,000 AND LESS THAN	650,000	\$148.58	\$159.32
650,000 AND LESS THAN	700,000	\$148.74	\$159.51
700,000 AND LESS THAN	750,000	\$148.90	\$159.71
750,000 AND LESS THAN	800,000	\$149.06	\$159.90
800,000 AND LESS THAN	850,000	\$149.22	\$160.09
850,000 AND LESS THAN	900,000	\$149.38	\$160.28
900,000 AND LESS THAN	950,000	\$149.54	\$160.47
950,000 AND LESS THAN	1,000,000	\$149.70	\$160.67
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:		\$0.16	\$0.19
<u>HOSTLING SERVICE</u>			
OUTSIDE HOSTLER		\$147.61	\$158.33
INSIDE HOSTLER		\$145.15	\$155.31
OUTSIDE HOSTLER HELPER		\$142.91	\$152.44

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2003

UTU

LOCOMOTIVE FIREMEN IN SHORT LOCAL FREIGHT SERVICE
ON RUNS OF 100 MILES OR LESS
WHICH ARE THEREFORE PAID ON A DAILY BASIS WITHOUT
A MILEAGE COMPONENT

RATES ARE CALCULATED BY SUBTRACTING THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF
43 CENTS PER BASIC DAY FROM THE SHORT LOCAL STANDARD BASIC DAILY RATES OF PAY
ESTABLISHED UNDER ARTICLE II(C) OF THE SEPTEMBER 14,1968 AGREEMENT, ADDING ALL
SUBSEQUENT GENERAL WAGE INCREASES AND COST-OF-LIVING ADJUSTMENTS, AND THEN
ADDING THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF 43 CENTS PER BASIC DAY.

WEIGHT ON DRIVERS (POUNDS)	STANDARD DAILY RATES
LESS THAN 140,000	\$150.86
140,000 AND LESS THAN 200,000	\$151.21
200,000 AND LESS THAN 250,000	\$151.38
250,000 AND LESS THAN 300,000	\$151.55
300,000 AND LESS THAN 350,000	\$151.82
350,000 AND LESS THAN 400,000	\$151.90
400,000 AND LESS THAN 450,000	\$152.06
450,000 AND LESS THAN 500,000	\$152.22
500,000 AND LESS THAN 550,000	\$152.38
550,000 AND LESS THAN 600,000	\$152.54
600,000 AND LESS THAN 650,000	\$152.70
650,000 AND LESS THAN 700,000	\$152.86
700,000 AND LESS THAN 750,000	\$153.02
750,000 AND LESS THAN 800,000	\$153.18
800,000 AND LESS THAN 850,000	\$153.34
850,000 AND LESS THAN 900,000	\$153.50
900,000 AND LESS THAN 950,000	\$153.66
950,000 AND LESS THAN 1,000,000	\$153.82
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.16

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2003

UTU

CONDUCTORS AND TRAINMEN - PASSENGER AND THROUGH FREIGHT SERVICE

	DAILY RATES		MILEAGE RATES	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS	BRT	ORC&B-ALL REGIONS	BRT
	BRT-EAST SOUTHEAST	WESTERN REGION	BRT-EAST SOUTHEAST	WESTERN REGION
FOR MILES IN EXCESS OF BASIC DAY				
<u>PASSENGER CONDUCTORS AND TRAINMEN</u>				
CONDUCTORS	\$151.75	\$151.66	75.68 ¢	75.60 ¢
ASST CONDUCTORS-TICKET COLLECTOR!	\$143.05	\$142.90	71.86 ¢	71.76 ¢
BRAKEMEN AND FLAGMEN	\$140.00	\$139.82	70.27 ¢	70.21 ¢
TRAIN BAGGAGEMEN	\$140.64	\$140.46	70.64 ¢	70.55 ¢

					FOR MILES IN EXCESS OF BASIC DAY
<u>THROUGH FREIGHT CONDUCTORS</u>					
BASIC RATES	\$148.99	\$148.86	111.54 ¢	111.36 ¢	
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:					
LESSTHAN 81 CARS	\$149.34	\$149.21	111.89 ¢	111.71 ¢	
81 TO 105 CARS	\$149.99	\$149.86	112.54 ¢	112.36 ¢	
106 TO 125 CARS	\$150.39	\$150.26	112.94 ¢	112.76 ¢	
126 TO 145 CARS	\$150.64	\$150.51	113.19 ¢	113.01 ¢	
146 TO 165 CARS	\$150.74	\$150.61	113.29 ¢	113.11 ¢	
166 CARS AND OVER					

					FOR MILES IN EXCESS OF BASIC DAY
<u>THROUGH FREIGHT BRAKEMEN AND FLAGMEN</u>					
BASIC RATES	\$139.79	\$139.64	105.30 ¢	105.17 ¢	
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:					
LESSTHAN 81 CARS	\$140.14	\$139.99	105.65 ¢	105.52 ¢	
81 TO 105 CARS	\$140.79	\$140.64	106.30 ¢	106.17 ¢	
106 TO 125 CARS	\$141.19	\$141.04	106.70 ¢	106.57 ¢	
126 TO 145 CARS	\$141.44	\$141.29	106.95 ¢	106.82 ¢	
146 TO 165 CARS	\$141.54	\$141.39	107.05 ¢	106.92 ¢	
166 CARS AND OVER		*			

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF
** ADD 0.2 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2003

UTU

CONDUCTORS AND TRAINMEN - LOCAL FREIGHT SERVICE AND YARD SERVICE

	DAILY RATES		MILEAGE RATES FOR MILES IN EXCESS OF 100	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION
<u>LOCAL FREIGHT CONDUCTORS</u>				
BASIC RATES	\$149.55	\$149.42	114.13 ¢	113.95 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 16, 1955:				
LESSTHAN 81 CARS	\$149.90	\$149.77	114.48 ¢	114.30 ¢
81 TO 105 CARS	\$150.55	\$150.42	115.13 ¢	114.95 ¢
106 TO 125 CARS	\$150.95	\$150.82	115.53 ¢	115.35 ¢
126 TO 145 CARS	\$151.20	\$151.07	115.78 ¢	115.60 ¢
146 TO 165 CARS	\$151.30	\$151.17	115.88 ¢	115.70 ¢
166 CARS AND OVER	*			

<u>LOCAL FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$140.22	\$140.07	107.77 ¢	107.62 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESSTHAN 81 CARS	\$140.57	\$140.42	108.12 ¢	107.97 ¢
81 TO 105 CARS	\$141.22	\$141.07	108.77 ¢	108.62 ¢
106 TO 125 CARS	\$141.62	\$141.47	109.17 ¢	109.02 ¢
126 TO 145 CARS	\$141.87	\$141.72	109.42 ¢	109.27 ¢
146 TO 165 CARS	\$141.97	\$141.82	109.52 ¢	109.37 ¢
166 CARS AND OVER	*	*		

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF
** ADD 0.2 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

MINIMUM DAILY EARNINGS:

CONDUCTORS	\$150.25	\$150.11
BRAKEMEN-FLAGMEN	\$140.92	\$140.77

ESTABLISHED BY ARTICLE II(B) OF ORC&B AGREEMENT OF DECEMBER 21,1955,
AND BY ARTICLE II(B) OF BRT AGREEMENT OF OCTOBER 4,1955, SUPPLEMENTED
DECEMBER 21,1955.

FIVE DAY YARD SERVICE

OCCUPATION	DAILY RATE
YARD CONDUCTORS (FOREMEN)	\$167.01
YARD BRAKEMEN (HELPERS)	\$160.20
SWITCHTENDERS	\$153.12

B-8 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2003

RESULTING FROM THE APPLICATION OF A 2.5 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2003

UTU

FREIGHT CONDUCTORS AND TRAINMEN WITHOUT A MILEAGE
COMPONENT IN THEIR ASSIGNMENTS

	STANDARD DAILY RATES			
	THROUGH FREIGHT SERVICE A/ (without a mileage component)	SHORT LOCAL FREIGHT SERVICE B/ (without a mileage component)		
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION
<u>FREIGHT CONDUCTORS</u>				
BASIC RATES	\$151.39	\$151.30	\$153.24	\$153.09
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESSTHAN 81 CARS	\$151.74	\$151.65	\$153.59	\$153.44
81 TO 105 CARS	\$152.39	\$152.30	\$154.24	\$154.09
106 TO 125 CARS	\$152.79	\$152.70	\$154.64	\$154.49
126 TO 145 CARS	\$153.04	\$152.95	\$154.89	\$154.74
146 TO 165 CARS	\$153.14	\$153.05	\$154.99	\$154.84
166 CARS AND OVER				*

<u>FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$142.19	\$142.07	\$143.89	\$143.77
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESSTHAN 81 CARS	\$142.54	\$142.42	\$144.24	\$144.12
81 TO 105 CARS	\$143.19	\$143.07	\$144.89	\$144.77
106 TO 125 CARS	\$143.59	\$143.47	\$145.29	\$145.17
126 TO 145 CARS	\$143.84	\$143.72	\$145.54	\$145.42
146 TO 165 CARS	\$143.94	\$143.82	\$145.64	\$145.52
166 CARS AND OVER				*

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

A/ APPLICABLE TO FREIGHT CONDUCTORS AND TRAINMEN PAID THROUGH FREIGHT RATES WHO ARE WITHOUT A MILEAGE COMPONENT IN THEIR ASSIGNMENTS AND ARE THEREFORE PAID ON A DAILY BASIS. RATES PRODUCED BY APPLICATION OF THE SPECIAL ADJUSTMENT OF \$1.00 PER DAY UNDER ARTICLE I, SECTION 7 OF THE JANUARY 27, 1972 AGREEMENT AND THE APPLICABLE COST-OF-LIVING ALLOWANCE TO STANDARD BASIC THROUGH FREIGHT RATES OF PAY.

B/ APPLICABLE WHERE LOCAL FREIGHT RATES ARE PAID TO CONDUCTORS AND TRAINMEN IN LOCAL FREIGHT SERVICE, OR ON ROAD SWITCHERS, ROUSTABOUT RUNS, MINE RUNS OR IN OTHER MISCELLANEOUS SERVICE, ON RUNS OF 100 MILES OR LESS WHICH ARE THEREFORE PAID ON A DAILY BASIS WITHOUT A MILEAGE COMPONENT. RATES PRODUCED BY APPLICATION OF THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF 56 CENTS PER BASIC DAY FOR CONDUCTORS AND 43 CENTS PER BASIC DAY FOR BRAKEMEN AND FLAGMEN, THE SPECIAL INCREASE OF \$.40 PER DAY UNDER ART. II, SEC. 1(C) OF THE MARCH 19, 1969 AGREEMENT, ARTICLE II(C) OF THE JULY 17, 1968 AGREEMENT AND THE SPECIAL ADJUSTMENT OF \$1.00 PER DAY UNDER ARTICLE I, SECTION 7 OF THE JANUARY 27, 1972 AGREEMENT AND THE APPLICABLE COST-OF-LIVING ALLOWANCE TO STANDARD BASIC THROUGH FREIGHT RATES OF PAY.

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2004

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN) -- PASSENGER SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	
	DAILY RATES	MILEAGE RATES
LESS THAN 80,000	\$155.79	116.20 ¢
80,000 AND LESS THAN 100,000	\$155.79	116.20 ¢
100,000 AND LESS THAN 140,000	\$155.88	116.29 ¢
140,000 AND LESS THAN 170,000	\$155.96	116.37 ¢
170,000 AND LESS THAN 200,000	\$156.05	116.46 ¢
200,000 AND LESS THAN 250,000	\$156.14	116.55 ¢
250,000 AND LESS THAN 300,000	\$156.22	116.63 ¢
300,000 AND LESS THAN 350,000	\$156.31	116.72 ¢
350,000 AND LESS THAN 400,000	\$156.39	116.80 ¢
400,000 AND LESS THAN 450,000	\$156.48	116.89 ¢
450,000 AND LESS THAN 500,000	\$156.57	116.98 ¢
500,000 AND LESS THAN 550,000	\$156.65	117.06 ¢
550,000 AND LESS THAN 600,000	\$156.74	117.15 ¢
600,000 AND LESS THAN 650,000	\$156.82	117.23 ¢
650,000 AND LESS THAN 700,000	\$156.91	117.32 ¢
700,000 AND LESS THAN 750,000	\$156.99	117.40 ¢
750,000 AND LESS THAN 800,000	\$157.08	117.49 ¢
800,000 AND LESS THAN 850,000	\$157.16	117.57 ¢
850,000 AND LESS THAN 900,000	\$157.25	117.66 ¢
900,000 AND LESS THAN 950,000	\$157.33	117.74 ¢
950,000 AND LESS THAN 1,000,000	\$157.42	117.83 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD ALTERNATELY:	\$0.08 & \$0.09	0.08 ¢ 0.09 ¢
MOTOR OR ELECTRIC CARS IN MULTIPLE OR SINGLE UNIT	\$156.05	116.46 ¢
DAILY EARNINGS MINIMUM	\$157.31	

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED,
A UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY AND 6¢ PER MILE
FOR MILES IN EXCESS OF THE BASIC DAY WILL BE ADDED TO THE
ABOVE RATES (SUCH DIFFERENTIAL TO BE APPLIED IN SAME MANNER
AS THE LOCAL FREIGHT DIFFERENTIAL).

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY I, 2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2004

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN) -- THROUGH FREIGHT SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	
	DAILY RATES	MILEAGE RATES
LESS THAN 140,000	\$167.75	124.77 ¢
140,000 AND LESS THAN 200,000	\$168.18	125.20 ¢
200,000 AND LESS THAN 250,000	\$168.35	125.37 ¢
250,000 AND LESS THAN 300,000	\$168.50	125.52 ¢
300,000 AND LESS THAN 350,000	\$168.65	125.67 ¢
350,000 AND LESS THAN 400,000	\$168.86	125.88 ¢
400,000 AND LESS THAN 450,000	\$169.07	126.09 ¢
450,000 AND LESS THAN 500,000	\$169.28	126.30 ¢
500,000 AND LESS THAN 550,000	\$169.49	126.51 ¢
550,000 AND LESS THAN 600,000	\$169.67	126.69 ¢
600,000 AND LESS THAN 650,000	\$169.85	126.87 ¢
650,000 AND LESS THAN 700,000	\$170.03	127.05 ¢
700,000 AND LESS THAN 750,000	\$170.21	127.23 ¢
750,000 AND LESS THAN 800,000	\$170.39	127.41 ¢
800,000 AND LESS THAN 850,000	\$170.57	127.59 ¢
850,000 AND LESS THAN 900,000	\$170.75	127.77 ¢
900,000 AND LESS THAN 950,000	\$170.93	127.95 ¢
950,000 AND LESS THAN 1,000,000	\$171.11	128.13 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.18	0.18 ¢
DAILY EARNINGS MINIMUM ARTICLE III(B) OF AGREEMENT OF OCTOBER 14, 1955	\$169.26	

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED,
A UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY AND 6¢ PER MILE
FOR MILES IN EXCESS OF THE BASIC DAY WILL BE ADDED TO THE
ABOVE RATES (IN ADDITION TO THE LOCAL FREIGHT DIFFERENTIAL
IF APPLICABLE).

B-2 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2004

UTU

LOCOMOTIVE ENGINEERS (MOTORMEN)-- YARD SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY RATES	
	'6 OR 7 DAY WORK WEEK	5 DAY WORK WEEK
LESS THAN 500,000	\$163.62	\$178.47
500,000 AND LESS THAN 550,000	\$163.83	\$178.72
550,000 AND LESS THAN 600,000	\$164.01	\$178.94
600,000 AND LESS THAN 650,000	\$164.19	\$179.15
650,000 AND LESS THAN 700,000	\$164.37	\$179.37
700,000 AND LESS THAN 750,000	\$164.55	\$179.59
750,000 AND LESS THAN 800,000	\$164.73	\$179.80
800,000 AND LESS THAN 850,000	\$164.91	\$180.02
850,000 AND LESS THAN 900,000	\$165.09	\$180.23
900,000 AND LESS THAN 950,000	\$165.27	\$180.45
950,000 AND LESS THAN 1,000,000	\$165.45	\$180.67
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.18	\$0.215

DIFFERENTIAL FOR ENGINEERS WORKING WITHOUT FIREMEN:
ON LOCOMOTIVES ON WHICH UNDER THE FORMER NATIONAL DIESEL
AGREEMENT OF 1950 FIREMEN WOULD HAVE BEEN REQUIRED, A
UNIFORM DIFFERENTIAL OF \$6.00 PER BASIC DAY WILL BE ADDED
TO THE ABOVE RATES.

B-3 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2004

UTU

LOCOMOTIVE FIREMEN (HELPERS) -- PASSENGER SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	DAILY RATES	MILEAGE RATES
LESS THAN 80,000		\$145.87	109.60 ¢
80,000 AND LESS THAN 100,000		\$145.96	109.69 ¢
100,000 AND LESS THAN 140,000		\$146.04	109.77 ¢
140,000 AND LESS THAN 170,000		\$146.22	109.95 ¢
170,000 AND LESS THAN 200,000		\$146.30	110.03 ¢
200,000 AND LESS THAN 250,000		\$146.39	110.12 ¢
250,000 AND LESS THAN 300,000		\$146.39	110.12 ¢
300,000 AND LESS THAN 350,000		\$146.47	110.20 ¢
350,000 AND LESS THAN 400,000		\$146.56	110.29 ¢
400,000 AND LESS THAN 450,000		\$146.65	110.38 ¢
450,000 AND LESS THAN 500,000		\$146.73	110.46 ¢
500,000 AND LESS THAN 550,000		\$146.82	110.55 ¢
550,000 AND LESS THAN 600,000		\$146.90	110.63 ¢
600,000 AND LESS THAN 650,000		\$146.98	110.71 ¢
650,000 AND LESS THAN 700,000		\$147.06	110.79 ¢
700,000 AND LESS THAN 750,000		\$147.14	110.87 ¢
750,000 AND LESS THAN 800,000		\$147.22	110.95 ¢
800,000 AND LESS THAN 850,000		\$147.30	111.03 ¢
850,000 AND LESS THAN 900,000		\$147.38	111.11 ¢
900,000 AND LESS THAN 950,000		\$147.46	111.19 ¢
950,000 AND LESS THAN 1,000,000		\$147.54	111.27 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:		\$0.08	0.08 ¢
DAILY EARNINGS MINIMUM		\$147.21	

B-4 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2004

UTU

LOCOMOTIVE FIREMEN (HELPERS)-- THROUGH FREIGHT SERVICE

WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY AND MILEAGE RATES	
	DAILY RATES	MILEAGE RATES
LESS THAN 140,000	\$153.72	115.11 ¢
140,000 AND LESS THAN 200,000	\$154.07	115.46 ¢
200,000 AND LESS THAN 250,000	\$154.24	115.63 ¢
250,000 AND LESS THAN 300,000	\$154.41	115.80 ¢
300,000 AND LESS THAN 350,000	\$154.68	116.07 ¢
350,000 AND LESS THAN 400,000	\$154.76	116.15 ¢
400,000 AND LESS THAN 450,000	\$154.92	116.31 ¢
450,000 AND LESS THAN 500,000	\$155.08	116.47 ¢
500,000 AND LESS THAN 550,000	\$155.24	116.63 ¢
550,000 AND LESS THAN 600,000	\$155.40	116.79 ¢
600,000 AND LESS THAN 650,000	\$155.56	116.95 ¢
650,000 AND LESS THAN 700,000	\$155.72	117.11 ¢
700,000 AND LESS THAN 750,000	\$155.88	117.27 ¢
750,000 AND LESS THAN 800,000	\$156.04	117.43 ¢
800,000 AND LESS THAN 850,000	\$156.20	117.59 ¢
850,000 AND LESS THAN 900,000	\$156.36	117.75 ¢
900,000 AND LESS THAN 950,000	\$156.52	117.91 ¢
950,000 AND LESS THAN 1,000,000	\$156.68	118.07 ¢
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD	\$0.16	0.16 ¢
DAILY EARNINGS MINIMUM	\$155.14	
ARTICLE III(B) OF AGREEMENT OCT. 27, 1955		

LOCOMOTIVE FIREMEN (HELPERS) -- YARD SERVICE,
AND HOSTLER AND HOSTLER HELPERS

YARD SERVICE WEIGHT ON DRIVERS (POUNDS)	STANDARD BASIC DAILY RATES	
	6 OR 7 DAY WORK WEEK	5 DAY WORK WEEK
LESS THAN 500,000	\$152.54	\$163.51
500,000 AND LESS THAN 550,000	\$152.70	\$163.70
550,000 AND LESS THAN 600,000	\$152.86	\$163.89
600,000 AND LESS THAN 650,000	\$153.02	\$164.08
650,000 AND LESS THAN 700,000	\$153.18	\$164.27
700,000 AND LESS THAN 750,000	\$153.34	\$164.47
750,000 AND LESS THAN 800,000	\$153.50	\$164.66
800,000 AND LESS THAN 850,000	\$153.66	\$164.85
850,000 AND LESS THAN 900,000	\$153.82	\$165.04
900,000 AND LESS THAN 950,000	\$153.98	\$165.23
950,000 AND LESS THAN 1,000,000	\$154.14	\$165.43
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.16	\$0.19
<u>HOSTLING SERVICE</u>		
OUTSIDE HOSTLER	\$152.04	\$163.08
INSIDE HOSTLER	\$149.50	\$159.97
OUTSIDE HOSTLER HELPER	\$147.20	\$157.01

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2004

UTU

LOCOMOTIVE FIREMEN IN SHORT LOCAL FREIGHT SERVICE
ON RUNS OF 100 MILES OR LESS
WHICH ARE THEREFORE PAID ON A DAILY BASIS WITHOUT
A MILEAGE COMPONENT

RATES ARE CALCULATED BY SUBTRACTING THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF 43 CENTS PER BASIC DAY FROM THE SHORT LOCAL STANDARD BASIC DAILY RATES OF PAY ESTABLISHED UNDER ARTICLE II(C) OF THE SEPTEMBER 14, 1968 AGREEMENT, ADDING ALL SUBSEQUENT GENERAL WAGE INCREASES AND COST-OF-LIVING ADJUSTMENTS, AND THEN ADDING THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF 43 CENTS PER BASIC DAY.

WEIGHT ON DRIVERS (POUNDS)	STANDARD DAILY RATES
LESS THAN 140,000	\$755.46
140,000 AND LESS THAN 200,000	\$155.81
200,000 AND LESS THAN 250,000	\$155.98
250,000 AND LESS THAN 300,000	\$156.15
300,000 AND LESS THAN 350,000	\$156.42
350,000 AND LESS THAN 400,000	\$156.50
400,000 AND LESS THAN 450,000	\$156.66
450,000 AND LESS THAN 500,000	\$156.82
500,000 AND LESS THAN 550,000	\$156.98
550,000 AND LESS THAN 600,000	\$157.14
600,000 AND LESS THAN 650,000	\$157.30
650,000 AND LESS THAN 700,000	\$157.46
700,000 AND LESS THAN 750,000	\$157.62
750,000 AND LESS THAN 800,000	\$157.78
800,000 AND LESS THAN 850,000	\$157.94
850,000 AND LESS THAN 900,000	\$158.10
900,000 AND LESS THAN 950,000	\$158.26
950,000 AND LESS THAN 1,000,000	\$158.42
1,000,000 POUNDS AND OVER: FOR EACH ADDITIONAL 50,000 POUNDS OR FRACTION THEREOF - ADD:	\$0.16

B-6 (UTU) NRLC

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30, 2004

UTU

CONDUCTORS AND TRAINMEN - PASSENGER AND THROUGH FREIGHT SERVICE

	DAILY RATES		MILEAGE RATES	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL		ORC&B-ALL	
	REGIONS	BRT	REGIONS	BRT
BRT-EAST	WESTERN	BRT-EAST	WESTERN	
SOUTHEAST	REGION	SOUTHEAST	REGION	
FOR MILES IN EXCESS OF BASIC DAY				
<u>PASSENGER CONDUCTORS AND TRAINMEN</u>				
CONDUCTORS	\$156.30	\$156.21	77.95 ¢	77.87 ¢
ASST CONDUCTORS-TICKET COLLECTOR!	\$147.34	\$147.19	74.02 ¢	73.91 ¢
BRAKEMEN AND FLAGMEN	\$144.20	\$144.01	72.38 ¢	72.32 ¢
TRAIN BAGGAGEMEN	\$144.86	\$144.67	72.76 ¢	72.67 ¢

FOR MILES IN EXCESS OF BASIC DAY				
<u>THROUGH FREIGHT CONDUCTORS</u>				
BASIC RATES	\$153.46	\$153.33	114.89 ¢	114.70 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESSTHAN 81 CARS	\$153.81	\$153.68	115.24 ¢	115.05 ¢
81 TO 105 CARS	\$154.46	\$154.33	115.89 ¢	115.70 ¢
106 TO 125 CARS	\$154.86	\$154.73	116.29 ¢	116.10 ¢
126 TO 145 CARS	\$155.11	\$154.98	116.54 ¢	116.35 ¢
146 TO 165 CARS	\$155.21	\$155.08	116.64 ¢	116.45 ¢
166 CARS AND OVER				

FOR MILES IN EXCESS OF BASIC DAY				
<u>THROUGH FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$143.98	\$143.83	108.46 ¢	108.33 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESSTHAN 81 CARS	\$144.33	\$144.18	108.81 ¢	108.68 ¢
81 TO 105 CARS	\$144.98	\$144.83	109.46 ¢	109.33 ¢
106 TO 125 CARS	\$145.38	\$145.23	109.86 ¢	109.73 ¢
126 TO 145 CARS	\$145.63	\$145.48	110.11 ¢	109.98 ¢
146 TO 165 CARS	\$145.73	\$145.58	110.21 ¢	110.08 ¢
166 CARS AND OVER				

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

** ADD 0.2 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1, 2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2004

UTU

CONDUCTORS AND TRAINMEN - LOCAL FREIGHT SERVICE AND YARD SERVICE

	DAILY RATES		MILEAGE RATES FOR MILES IN EXCESS OF 100	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION	ORC&B-ALL REGIONS; BRT-EAST, SOUTHEAST	BRT- WESTERN REGION
<u>LOCAL FREIGHT CONDUCTORS</u>				
BASIC RATES	\$154.02	\$153.89	117.54 ¢	117.35 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 16, 1955:				
LESSTHAN 81 CARS	\$154.37	\$154.24	117.89 ¢	117.70 ¢
81 TO 105 CARS	\$155.02	\$154.89	118.54 ¢	118.35 ¢
106 TO 125 CARS	\$155.42	\$155.29	118.94 ¢	118.75 ¢
126 TO 145 CARS	\$155.67	\$155.54	119.19 ¢	119.00 ¢
146 TO 165 CARS	\$155.77	\$155.64	119.29 ¢	119.10 ¢
166 CARS AND OVER			119.29 ¢	119.10 ¢

<u>LOCAL FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$144.41	\$144.26	110.99 ¢	110.84 ¢
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26, 1955:				
LESSTHAN 81 CARS	\$144.76	\$144.61	111.34 ¢	111.19 ¢
81 TO 105 CARS	\$145.41	\$145.26	111.99 ¢	111.84 ¢
106 TO 125 CARS	\$145.81	\$145.66	112.39 ¢	112.24 ¢
126 TO 145 CARS	\$146.06	\$145.91	112.64 ¢	112.49 ¢
146 TO 165 CARS	\$146.16	\$146.01	112.74 ¢	112.59 ¢
166 CARS AND OVER			112.74 ¢	112.59 ¢

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF
** ADD 0.2 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

MINIMUM DAILY EARNINGS:

CONDUCTORS	\$154.72	\$154.58
BRAKEMEN-FLAGMEN	\$145.11	\$144.96

ESTABLISHED BY ARTICLE II(B) OF ORC&B AGREEMENT OF DECEMBER 21, 1955,
AND BY ARTICLE II(B) OF BRT AGREEMENT OF OCTOBER 4, 1955, SUPPLEMENTED
DECEMBER 21, 1955.

FIVE DAY YARD SERVICE

OCCUPATION	DAILY RATE
YARD CONDUCTORS (FOREMEN)	\$172.02
YARD BRAKEMEN (HELPERS)	\$165.01
SWITCHTENDERS	\$157.71

STANDARD DAILY AND MILEAGE RATES OF PAY
AS OF JULY 1,2004

RESULTING FROM THE APPLICATION OF A 3 PERCENT INCREASE TO THE
STANDARD BASIC RATES OF PAY WHICH WERE IN EFFECT JUNE 30,2004

UTU

FREIGHT CONDUCTORS AND TRAINMEN WITHOUT A MILEAGE
COMPONENT IN THEIR ASSIGNMENTS

	STANDARD DAILY RATES			
	THROUGH FREIGHT		SHORT LOCAL	
	SERVICE A/ (without a mileage component)		FREIGHT SERVICE B/ (without a mileage component)	
	UNDER AGREEMENTS HELD BY FORMER:			
	ORC&B-ALL REGIONS; BRT- WESTERN REGION	ORC&B-ALL REGIONS; BRT- EAST, SOUTHEAST REGION	BRT- WESTERN REGION	BRT- EAST, WESTERN REGION
<u>FREIGHT CONDUCTORS</u>				
BASIC RATES	\$155.93	\$155.84	\$157.82	\$157.67
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26,1955:				
LESSTHAN 81 CARS	\$156.28	\$156.19	\$158.17	\$158.02
81 TO 105 CARS	\$156.93	\$156.84	\$158.82	\$158.67
106 TO 125 CARS	\$157.33	\$157.24	\$159.22	\$159.07
126 TO 145 CARS	\$157.58	\$157.49	\$159.47	\$159.32
146 TO 165 CARS	\$157.68	\$157.59	\$159.57	\$159.42
166 CARS AND OVER				
<hr style="border-top: 1px dashed black;"/>				
<u>FREIGHT BRAKEMEN AND FLAGMEN</u>				
BASIC RATES	\$146.46	\$146.33	\$148.19	\$148.07
RATES INCLUDING CAR SCALE ADDITIVES PROVIDED BY THE AGREEMENT OF MAY 26,1955:				
LESSTHAN 81 CARS	\$146.81	\$146.68	\$148.54	\$148.42
81 TO 105 CARS	\$147.46	\$147.33	\$149.19	\$149.07
106 TO 125 CARS	\$147.86	\$147.73	\$149.59	\$149.47
126 TO 145 CARS	\$148.11	\$147.98	\$149.84	\$149.72
146 TO 165 CARS	\$148.21	\$148.08	\$149.94	\$149.82
166 CARS AND OVER				*

* ADD 20.0 CENTS FOR EACH ADDITIONAL BLOCK OF 20 CARS OR PORTION THEREOF

A/ APPLICABLE TO FREIGHT CONDUCTORS AND TRAINMEN PAID THROUGH FREIGHT RATES WHO ARE WITHOUT A MILEAGE COMPONENT IN THEIR ASSIGNMENTS AND ARE THEREFORE PAID ON A DAILY BASIS. RATES PRODUCED BY APPLICATION OF THE SPECIAL ADJUSTMENT OF \$1.00 PER DAY UNDER ARTICLE I, SECTION 7 OF THE JANUARY 27,1972 AGREEMENT AND THE APPLICABLE COST-OF-LIVING ALLOWANCE TO STANDARD BASIC THROUGH FREIGHT RATES OF PAY.

B/ APPLICABLE WHERE LOCAL FREIGHT RATES ARE PAID TO CONDUCTORS AND TRAINMEN IN LOCAL FREIGHT SERVICE, OR ON ROAD SWITCHERS, ROUSTABOUT RUNS, MINE RUNS OR IN OTHER MISCELLANEOUS SERVICE, ON RUNS OF 100 MILES OR LESS WHICH ARE THEREFORE PAID ON A DAILY BASIS WITHOUT A MILEAGE COMPONENT. RATES PRODUCED BY APPLICATION OF THE STANDARD LOCAL FREIGHT DIFFERENTIAL OF 56 CENTS PER BASIC DAY FOR CONDUCTORS AND 43 CENTS PER BASIC DAY FOR BRAKEMEN AND FLAGMEN, THE SPECIAL INCREASE OF \$.40 PER DAY UNDER ART. II, SEC. 1(C) OF THE MARCH 19, 1969 AGREEMENT, ARTICLE II(C) OF THE JULY 17, 1968 AGREEMENT AND THE SPECIAL ADJUSTMENT OF \$1.00 PER DAY UNDER ARTICLE I, SECTION 7 OF THE JANUARY 27,1972 AGREEMENT AND THE APPLICABLE COST-OF-LIVING ALLOWANCE TO STANDARD BASIC THROUGH FREIGHT RATES OF PAY.

August 20,2002

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44 107

Dear Mr. Boyd:

This confirms our understanding with respect to Documents “A” and “B” of the Agreement of this date.

Those Documents contain an identical Health and Welfare provision, which is set forth in each as Article IV. Section 2(c) of that Article provides in part for referral of the parties’ health and welfare issue to final and binding arbitration “no earlier than ninety (90) days after the effective date of this Agreement.” Article V - Pay System Simplification of Document “A” provides, in Section 9(g), for the implementation of Trip Rates for Through Freight runs/pools “no later than thirty (30) months after the date of this Agreement.. . .”

The parties recognize the significance and complexity of these matters and the desirability of utilizing all available time and resources to facilitate outcomes consistent with the letter and spirit of our Agreement. In light of the fact that many key participants on both sides are unavailable to commence these undertakings immediately, we have mutually agreed to treat September 1,2002 as the effective date of the Agreement for the purpose of commencement of the time periods in the provisions cited in the preceding paragraph.

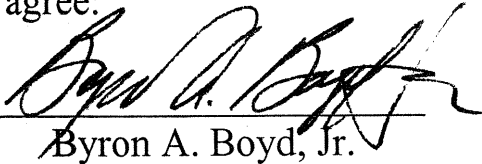
Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made this 6th day of November, 2003 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees (other than Yardmasters) of such carriers shown thereon and represented by the United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

SECTION 1 - PURPOSE

This Agreement is made pursuant to Article IV - Health and Welfare of the parties' August 20, 2002 Agreement - Document "A" ("2002 National Agreement") and is intended to be a full and final disposition of the parties' respective pending bargaining notices concerning health and welfare issues. Its terms are incorporated into and will be a part of the 2002 National Agreement as provided herein.

SECTION 2 - AMENDED EFFECTIVE DATE

For the purpose of defraying health and welfare costs, Section 4 - Third General Wage Increase of the 2002 National Agreement is amended to provide that the effective date of such General Wage Increase shall be December 1, 2004 instead of July 1, 2004.

SECTION 3 - COST-OF-LIVING ALLOWANCE AMENDMENTS

Part B of Article III - Cost-Of-Living Payments of the 2002 National Agreement is amended to read as follows:

“Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2005

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

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2005 based, subject to paragraph (b), on the CPI for March 2005 as compared with the CPI for September 2004. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (b)(iii), according to the formula set forth in paragraph (c).

<u>Measurement Periods</u>		
<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 2004	March 2005	July 1, 2005
March 2005	September 2005	January 1, 2006

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

(b) (i) Cap. In calculations under paragraph (c), the maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1, 2005	3% of September 2004 CPI
January 1, 2006	6% of September 2004 CPI, less the increase from September 2004 to March 2005

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

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

(iii) If the increase in the CPI from the base month of September 2004 to the measurement month of March 2005 exceeds 3% of the September 2004 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (c) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2005 during such measurement period.

(iv) Any increase in the CPI from the base month of September 2004 to the measurement month of September 2005 in excess of 6% of the September 2004 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

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

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

The cost-of-living allowance effective January 1, 2006 shall be the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (b), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be rolled in to basic rates of pay in effect on December 31, 2005 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period, but in no event shall basic rates of pay be reduced below the levels in effect on June 30, 2005. If the result of such division requires a subtraction from basic rates of pay in effect on December 31, 2005, the employee cost-sharing contribution amount in effect on that date pursuant to Article IV, Part B, Section 1(c) of this Agreement shall be adjusted effective January 1, 2006 as appropriate to reflect such subtraction. The same procedure shall be followed in applying subsequent adjustments.

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

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance payable to each employee effective July 1, 2005 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(b) The cost-of-living allowance payable to each employee effective January 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(c) The cost-of-living allowance payable to each employee effective July 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

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

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part B will be payable as provided in Section 2 and will be applied as follows:

(a) For other than dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Article I of this Agreement. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 6 of Article I.

(b) For dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of \$1.80 in the monthly rates of pay produced by application of Sections 6 and 7 of Article I.

Section 4 - Continuation of Part B

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

SECTION 4 - HEALTH AND WELFARE

Article IV - Health and Welfare of the 2002 National Agreement is amended to read as follows:

“ARTICLE IV - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Health and Welfare Plan

The National Railway Carriers and United Transportation Union Health and Welfare Plan and the Railroad Employees National Health and Welfare Plan (individually and collectively referred to in this Agreement, depending on the context, as “the Plan”), modified as provided in this Article with respect to employees represented by the organization and their eligible

dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Benefit Changes

(a) All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions, and exclusions. Existing Plan provisions not specifically amended by this Article shall continue in effect without change.

(b) The Plan's Comprehensive Health Care Benefit ("CHCB") is amended to include one routine physical examination (including diagnostic testing and immunizations in connection with such examination) each calendar year for covered employees and their eligible dependents. Such CHCB benefit shall cover 100% of the Eligible Expenses involved up to \$150, and 75% of such Eligible Expenses in excess of \$150.

(c) Routine childhood (up to age 18) immunizations, including boosters, for Diphtheria, Pertussis or Tetanus (DPT), measles, mumps, rubella, and polio shall be provided under the CHCB. This benefit is subject to the applicable deductible and percentage of Covered Expenses (Eligible Expenses) payable.

(d) In addition to the Plan's existing coverage for speech therapy, such therapy will be a Covered Expense (Covered Health Service) under the CHCB and the Plan's Managed Medical Care Program ("MMCP"), when given to children under three years of age as part of a treatment for infantile autism, development delay, cerebral palsy, hearing impairment, or major congenital anomalies that affect speech.

(e) Phenylketonurial blood tests ("PKU") will be a Covered Expense (Covered Health Service) under the MMCP and the CHCB when given to infants under the age of one in a hospital or on an out-patient basis.

(f) The MMCP will continue to require a co-payment with respect to the first office visit by a participant or beneficiary to her obstetrician or gynecologist for treatment of a pregnancy but will not require a co-payment with respect to any subsequent visit to that obstetrician or gynecologist for treatment of the same pregnancy.

(g) The MMCP will not require a co-payment on behalf of a participant or beneficiary with respect to any visit to a physician's office solely for the administration of an allergy shot.

(h) This Section shall become effective with respect to employees covered by this Agreement as soon as practicable.

Section 3 - Plan Design Changes To Contain Costs

(a) The parties to this Agreement, hereinafter referred to as the "parties," will promptly solicit bids from interested companies to provide those services to the Plan involving the MMCP that are currently provided by Aetna Inc. The parties will evaluate the bids received and the capabilities of the companies making those bids and will accept such of them (or enter into negotiations with the bidding company or companies) as the parties deem appropriate.

(b) The parties will promptly research the existence, costs, benefits and services provided, outcomes and other relevant statistics of regional health maintenance organizations, and shall make participation in such of those organizations as the parties deem appropriate available as an option to individuals covered by the Plan.

(c) With respect to geographic areas where the Plan's MMCP is not currently available but where companies capable of administering the MMCP provide such services, the parties will solicit proposals from such companies

to administer the MMCP, and will evaluate the proposals they receive and accept such of them (or enter into negotiations with the proposing company or Companies) as the parties deem appropriate.

(d) The parties will solicit proposals from pharmacy benefit managers who specialize in filling prescriptions for injectable medications (and any other medications on which the parties may agree) and will accept one or more of such proposals (or enter into negotiations with the proposing company or companies) as the parties deem appropriate.

(e) With respect to Plan participants and their beneficiaries who live in an area where they may choose between CHCB and MMCP coverage, the percentage of Covered Expenses (Eligible Expenses) payable by the Plan with respect to an individual covered under the CHCB will be 75% until the Out-of-Pocket Maximum is reached, but only 60% if a required notice to Medical Management (Care Coordination/Patient Management) is not given or if Medical Management (Care Coordination/Patient Management) determines that the service or supply involved is not Medically Appropriate.

(f) The Individual and Family Out-of-Network Deductibles under the Plan's MMCP will be increased to \$200 and \$600, respectively.

(g) The Plan's Prescription Drug Card Program co-payments per prescription are revised as follows: (i) Generic Drug - \$5.00; (ii) Brand Name Drug - \$10.00. The Plan's Mail Order Prescription Drug Program co-payment is revised as follows: (i) Generic Drug - \$10.00; (ii) Brand Name Drug - \$15.00.

(h) Plan coverage for an "Eligible Employee" and his/her "Eligible Dependents" will commence on the first day of the fourth calendar month after such employee first renders the "Requisite Amount of Compensated Service." For purposes of this subsection, the terms set forth in quotations shall be defined as provided in the current Plan booklet.

(i) The parties shall establish a new benefit package denominated as the Basic Health Care Benefit (“BHCB”) effective January 1, 2004 that will be administered by one or more vendors. Participation in that arrangement shall be made available as an option to individuals covered by the Plan. The plan design for the BHCB shall be as provided in Attachment A hereto.

(j) The parties will promptly research the costs, benefits, outcomes and other relevant aspects of consumer driven health care benefit arrangements offered by various vendors and shall make participation in such of those arrangements as the parties deem appropriate available, through a pilot program not exceeding two (2) years in duration, as an option to individuals covered by the Plan. If the parties agree, they may extend and expand such arrangements to other covered individuals.

(k) During a prescribed election period preceding January 1, 2004 and preceding each January 1 thereafter, employees may certify to the Plan or its designee in writing that they have health care coverage (which includes medical, prescription drug, and mental health substance abuse benefits) under another group health plan or health insurance policy that they identify by name and, where applicable, by group number, and for that reason they elect to forego coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. Such election is hereafter referred to as an “Opt-Out Election” and, where exercised, will eliminate an employer’s obligation to make a contribution to the Plan and/or dues offset payment to a Hospital Association for foreign-to-occupation health benefits for the employee and his dependents.

Each employee who makes an Opt-Out Election will be paid by his employer \$100 for each month that his employer is required to make a contribution to the Plan on his behalf for life insurance and accidental death and dismemberment benefits as a result of compensated service rendered, or vacation pay received, by the employee during the prior month; provided,

however, that the employee's Opt-Out Election is in effect for the entire month.

If an event described below in the final paragraph of this subsection (k) occurs subsequent to an employee's Opt-Out Election, the employee may, upon providing the Plan or its designee with proof satisfactory to it of the occurrence of such event, revoke his or her Opt-Out Election. An employee may also revoke his or her Opt-Out Election by providing the Plan or its designee with proof satisfactory to it that, after the employee made the Opt-Out Election, a person became a dependent of the employee through a marriage, birth, or adoption or placement for adoption. An employee who revokes an Opt-Out Election will, along with his or her dependents, be once again covered (effective the first day of the first month following such revocation that the employee and/or his dependents would have been covered but for the Opt-Out Election the employee had previously made) for foreign-to-occupation health benefits under the Plan or, in the case of an employee who is a member of a Hospital Association, by the Plan (for dependent coverage) and by the Hospital Association (for employee coverage). See Side Letter No. 8.

The following events are the events referred to in the immediately preceding paragraph:

- (i) the employee loses eligibility under, or there is a termination of employer contributions for, the other coverage that allowed the employee to make the Opt-Out Election, or
- (ii) if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

(1) The Plan design changes contained in this Section shall become effective as soon as practicable except as otherwise provided.

Part B - Employee Cost Sharing of Plan Cost Increases

Section 1 - Employee Cost-Sharing Contributions

(a) Effective November 1, 2003, each employee covered by this Agreement shall contribute \$119.61 per month to the Plan for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents.

(b) Effective July 1, 2004, the per month employee cost-sharing contribution amount set forth in subsection (a) shall be changed to \$100.00.

(c) Effective July 1, 2005, the per month employee cost-sharing contribution amount set forth in subsection (b) shall be increased by the lesser of (x) one-half of the increase, if any, in the carriers' 2005 monthly payment rate over such payment rate for 2004, and (y) one-half of the cost-of-living allowance effective July 1, 2005 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the average straight-time equivalent hours ("ASTE Hours") for calendar year 2003.

(d) Effective January 1, 2006, the per month employee cost-sharing contribution amount in effect on December 31, 2005 shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in the carriers' 2006 monthly payment rate over such payment rate for 2005, plus (ii) the amount (if any) by which the number described in part (x) of subsection (c) of this Section exceeds the product described in part (y) of such subsection (c), and (y) one-half of the cost-of-living allowance effective January 1, 2006 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(e) Effective July 1, 2006, the per month employee cost-sharing contribution amount in effect on June 30, 2006 shall be increased by the

lesser of (x) the amount (if any) by which the number described in part (x) of subsection (d) of this Section exceeds the product described in part (y) of such subsection (d), and (y) one-half of the cost-of-living allowance effective July 1, 2006 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(f) Effective January 1, 2007, the per month employee cost-sharing contribution amount in effect on December 31, 2006 shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in the carriers' 2007 monthly payment rate over such payment rate for 2006, plus (ii) the amount (if any) by which the number described in part (x) of subsection (e) of this Section exceeds the product described in part (y) of such subsection (e), and (y) one-half of the cost-of-living allowance effective January 1, 2007 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2005.

(g) The pattern specified in subsections (e), and (f) above shall be followed with respect to computation of adjustments to the amount of the employee cost sharing contribution in subsequent periods during which this Part is in effect.

(h) For purposes of subsections (c) through (f) above and subsection (j) below, the carriers' payment rate for any year shall mean twelve times the sum of what the carriers' payments to the Plan would have been, in the absence of any employee contributions to the Plan, for foreign-to-occupation health benefits under the Plan per month (in such year) per employee. The carriers' monthly payment rate for any year shall mean the carriers' payment rate for that year divided by 12. An "employee" for these purposes shall include any employee who has elected to opt-out of foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which he participates (except for employees who opt-out pursuant to item no. 2 of Side Letter No. 7).

Carrier payments to the Plan for these purposes shall be deemed to include amounts paid pursuant to Section 3(k) of Part A of this Article IV to employees who elected to opt-out of foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which they participate, but shall not be deemed to include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or provide for current Plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating carriers pursuant to Article III, Part A, Section 1 of the November 1, 1991 Implementing Document applicable to employees represented by the organization signatory hereto and the carriers represented by the National Carriers' Conference Committee.

(i) For the purpose of this Section, the ASTE Hours to be used shall be based on all such hours for individuals in operating employee crafts and classes represented by the United Transportation Union, and who are employed by Class One carriers that are participating in national bargaining in the round of negotiations that commenced January 1, 2000.

(j) If the per month employee cost-sharing contribution amount ("cost-sharing amount") is increased for the period July 2005 through December 2005 or any subsequent periods and if a lower payment rate is established for the calendar year that immediately follows, then the cost-sharing amount shall be adjusted as appropriate to reflect such decreased benefit costs. Such adjustment shall be made effective January 1 of the calendar year for which such payment rate decrease is applicable and in no event shall take into account any portion of a payment rate below the payment rate level established for calendar year 2004. The cost-sharing amount shall also be subject to adjustment as provided in Article III, Part B, Section 1(c) of this Agreement.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be on a pre-tax basis, and in that connection a Section 125 cafeteria plan will be established pursuant to this Agreement.

Section 3 - Employer Election

At the employer's election, employee cost-sharing contributions may be made for the employee by the employer. If that election is exercised, the employer shall then deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee."

SECTION 5 - SIDE LETTERS

The 2002 National Agreement is amended by adding Side Letter Nos. 4 through 10, attached hereto.

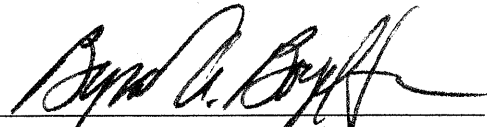
SIGNED AT WASHINGTON, D.C. THIS 6TH DAY OF NOVEMBER, 2003.

FOR THE PARTICIPATING
CARRIERS REPRESENTED BY
THE NATIONAL CARRIERS'
CONFERENCE COMMITTEE:

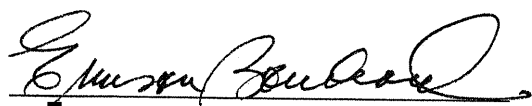


Robert F. Allen
Chairman

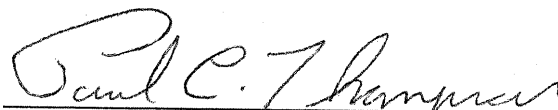
FOR THE EMPLOYEES
REPRESENTED BY THE
UNITED TRANSPORTATION
UNION:



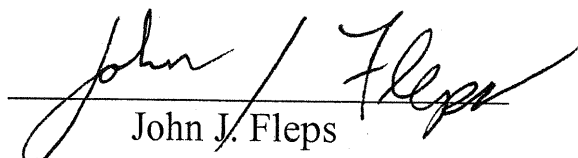
Byron A. Boyd, Jr.
President



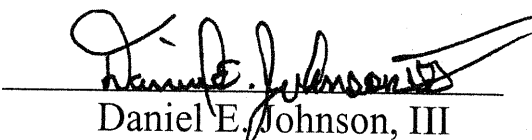
Emerson Bouchard
Kansas City Southern




Paul C. Thompson
Assistant President



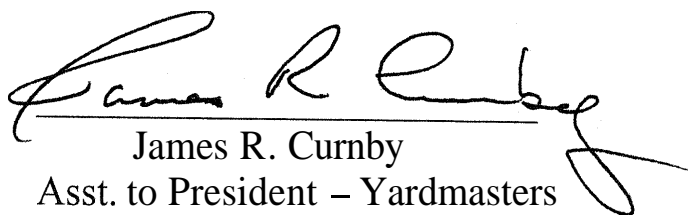
John J. Fleps
The Burlington Northern and
Santa Fe Railway Co.



Daniel E. Johnson, III
General Secretary and Treasurer



Mark R. MacMahon
Norfolk Southern Railway Co.



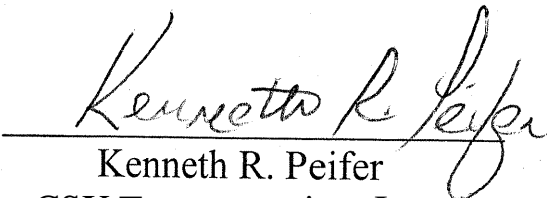
James R. Curnby
Asst. to President - Yardmasters



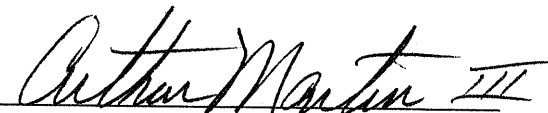
John J. Marchant
Union Pacific Railroad



Richard L. Marceau
Vice-president



Kenneth R. Peifer
CSX Transportation, Inc.



Arthur Martin, III
Vice-president



John T. Reed
General Chairperson, CSXT

November 6, 2003

#4

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

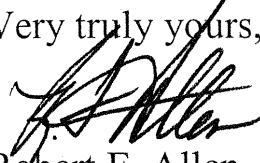
Dear Mr. Boyd:

This confirms our understanding with respect to Document "A" of the Agreement of this date (Agreement).

For the purpose of computation and application of the employee cost-sharing provisions contained in Article IV, Part B of the Agreement, for periods beginning on or after July 1, 2005, the payment rate used shall (i) be based on the costs of the National Railway Carriers and United Transportation Union Health and Welfare Plan ("NRC/UTU Plan"), and (ii) be established for a calendar year on or before December 31 of the immediately preceding year and may be changed during such calendar year only if additional contributions are needed to fund NRC/UTU Plan benefits and expenses that must be paid during such year.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6, 2003
#5

Mr. Byron **A.** Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44 107

Pear Mr. Boyd:

This confirms our understanding with respect to Document “A” of the Agreement of this date.

In any month beginning November 1, 2003 in which an active employee receives his or her FO healthcare benefits from a Hospital Association and not from the NRC/UTU Plan and makes a Plan contribution pursuant to Article IV, Part B, Section 1, then, at the carrier’s option, either:

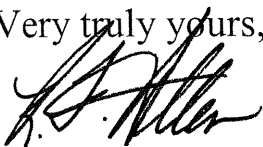
- (1) Such employee’s monthly “cost-sharing contribution amount” referred to in Article IV, Part § Section 1 shall be reduced by the Reduction Factor; or
- (2) The carrier shall pay the Hospital Association each month an amount equal to the Reduction Factor, provided that the Hospital Association that receives such payment has agreed to decrease the employee’s dues by the same amount.

For purposes of this Side Letter, the term “Reduction Factor” means with respect to any given month, the smallest of

- (i) the monthly dues amount in effect on January 1, 2003 that was established by the Hospital Association for payment by an active employee,
- (ii) the “cost-sharing contribution amount” for the month referred to in Article IV, Part B, Section 1, or
- (iii) the monthly dues amount established by the Hospital Association for payment by an active employee in that month.

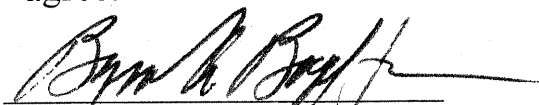
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6, 2003

#6

Mr. Byron **A.** Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107


Dear Mr. Boyd:

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

The provisions of Article IV, Part **A**, Section 3(k) (Opt-Outs) and Part B (Employee Cost Sharing of Plan Cost Increases) are not applicable to employees covered by the Agreement who reside in Canada ("Canadian Employees"), provided, however, that any local agreements that use the Plan "Payment Rate" to compute amounts payable to active Canadian Employees in connection with health care arrangements are amended as necessary to provide that, for such purposes, the Payment Rate shall be reduced by the Employee Cost-Sharing Contribution Amount in effect at the time pursuant to Article IV, Part B.


Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6, 2003

#7

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Article IV, Part A, Section 3(k) of Document "A" of the Agreement of this date (Agreement).

That provision provides employees with an option to opt out of coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. This will confirm our understanding with respect to the intended application of that provision.

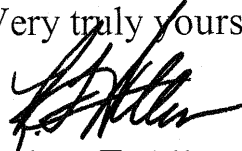
1. An employee who opts out will be opting out of FO health coverage only and (if he otherwise satisfies eligibility and coverage requirements) will continue to have on-duty injury coverage, coverage under the Dental and Vision Plans, and life and AD&D insurance coverage.

2. If a husband and wife are each covered by the Plan (or a Hospital Association) by virtue of railroad employment and either or both hold positions covered by this Agreement, a UTU-represented spouse may elect to opt out as provided in Section 3(k). If that election is made (and provided the other spouse remains so covered), (i) such UTU-represented spouse shall not receive the \$100/month payment provided in Section 3(k) and shall not

be required to make the employee cost-sharing contributions required under Article IV, Part B, and (ii) the Plan's coordination of benefits rules in effect on the date of this Agreement that are applied when a husband and wife are covered under the Plan both as an Eligible Employee and as an Eligible Dependent shall continue to be applicable.


Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6, 2003

#8

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to the opt-out provision, Article IV, Part A, Section 3(k) of Document "A" of the Agreement of this date (Agreement).

It is understood that for purposes of Section 9801(f) of the Internal Revenue Code, (i) any opt-out election shall be treated as a declination of coverage, or a failure to enroll, for foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which the employee making the election may participate, (ii) that the provisions of Section 9801(f) and the regulations thereunder shall govern how any individual covered by an election to opt-out may nonetheless become covered for foreign-to-occupation health benefits under the Plan or any Hospital Association plan prior to the next regular opt-out election period, (iii) that the terms of Article IV, Part A, Section 3(k) of our Agreement shall be interpreted and applied so as to be in compliance with Section 9801(f), and (iv) that the employer's payment of \$100 per month to an employee who has elected to opt-out shall cease immediately upon the employee and/or his dependents or any one of his dependents becoming covered, pursuant to Section 9801(f), for foreign-to-occupation health benefits under the Plan or any Hospital Association plan.

Furthermore, and notwithstanding the above, the parties recognize that an employee may lose coverage under the health plan or health insurance policy that he or she relied upon in electing to forego coverage for foreign-to-occupation health benefits under the Plan, and that such loss of coverage may be attributable to an event that is not listed in Section 9801(f) of the Internal Revenue Code and is beyond the control of the employee or of any member of his or her family. In such a case, and only to the extent permissible under Section 125 of the Internal Revenue Code: (a) the employee may ask his/her employer that his or her opt-out election be revoked; (b) the employer involved may in its discretion grant the request in the interest of fairness and equity; and (c) if the request is granted, the employee's opt-out election shall be treated as revoked as of the day the employer received the request.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr


November 6, 2003
#9

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

Article IV, Section 3 – Employer Election of Document “A” of the Agreement of this date provides in pertinent part that a carrier, at its election, may make cost-sharing contributions on an employee’s behalf and subsequently deduct the amount of such contributions from the employee’s wages as reimbursement. This will confirm that each of the carriers comprising the National Carriers’ Conference Committee will exercise that election with respect to the employees covered by this Agreement.

Very truly yours,



Robert F. Allen

November 6, 2003
#10

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107


Dear Mr. Boyd:

This confirms our understanding regarding Article IV, Part C of Document "A" of the Agreement of this date.

1. If a deduction from an employee's wages for his monthly cost-sharing contribution pursuant to Article IV, Part B is scheduled to be made at the same time as the payroll deduction for the employee's union dues, the union dues deduction may be made on a subsequent date mutually agreeable to the parties.
2. Each carrier shall examine the feasibility of including in the standard payroll documents provided to its employees information concerning the cost of the Plan and the employee's cost-sharing contributions. The results of that examination will be shared with the authorized organization representative and, if feasible, the parties shall use their best efforts to implement such arrangements.


Please acknowledge your agreement by signing your name in the space provide below.

Very truly yours,



Robert F. Allen

I agree:



Byron **A.** Boyd, Jr.

EXHIBIT A

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1999 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS WITH RESPECT TO HEALTH AND WELFARE ISSUES IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1999 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE UNITED TRANSPORTATION UNION WITH RESPECT TO SUCH ISSUES FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the United Transportation Union:

Alameda Belt Line

Alton & Southern Railway Company

The Belt Railway Company of Chicago

The Burlington Northern and Santa Fe Railway Company

Central California Traction Company

Columbia & Cowlitz Railway

Consolidated Rail Corporation

CSX Transportation, Inc.

Atlanta & West Point Railroad (former)

The Baltimore & Ohio Chicago Terminal Railroad Co.

The Baltimore and Ohio Railroad Company (former)

The Chesapeake and Ohio Railway Company (former)

CSXT Northern (former Conrail)

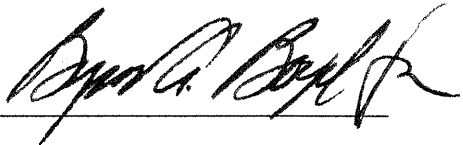
Gainesville Midland Railroad Company
 Louisville & Nashville Railroad Company (former)
 Nashville, Chattanooga & St. Louis Railway Co. (former)
 Seaboard Coast Line Railroad Company (former)
 Western Railway of Alabama
 Kansas City Southern
 Longview Switching Company
 Los Angeles Junction Railway Company
 Manufacturers Railway Company
 New Orleans Public Belt Railroad
 Norfolk & Portsmouth Belt Line Railroad Company
 Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Atlantic and East Carolina Railway Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Co.
 Georgia Southern and Florida Railway Company
 Tennessee, Alabama and Georgia Railway Company
 Tennessee Railway Company
 Northeast Illinois Regional Commuter Railroad Corp. (METRA)
 Northern Indiana Commuter Transportation District
 Oakland Terminal Railway
 Peoria and Pekin Union Railway Company
 Port Terminal Railroad Association
 Portland Terminal Railroad Company
 Terminal Railroad Association of St. Louis
 The Texas Mexican Railway Company*
 Union Pacific Railroad Company
 Utah Railway Company
 Wichita Terminal Association
 Winston Salem Southbound Railway Company

* UTU's representation of employees on this carrier terminated effective July 15,2002.

FOR THE CARRIERS:



FOR THE UNITED TRANSPORTATION UNION:



November 6,2003
Washington, D.C.

**NRC/UTU Plan Design
Basic PPO Design**

Attachment A

		Basic PPO	
		<i>In-network</i>	<i>Out-Network</i>
Medical / MHSA			
Annual Deductible			
individual		\$300	
family		\$900	
Office Visits, ER, Urgent Care		70%	50%
Coinsurance		70%	50%
Annual Out-of-pocket Max			
individual		\$2,500	
family		\$5,000	
Prescription Drugs			
Retail			
-- generic		70%"	50%
-- brand on formulary		65%*	50%
-- off formulary		60%*	50%
Mail Order			
-- generic		70%"	
-- brand on formulary		65%*	
-- off formulary		60%*	
Monthly Contributions			
Nov 2003-June 2004		\$0.00 (eff. 1/1/2004)	
July 2004-June 2005		\$0.00	

Note: Deductibles do not apply toward Annual Out-of-pocket Max

* Basic PPO prescription drug benefit has an annual out-of-pocket maximum of \$2,000 per individual and \$4,000 per family.

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made this 6th day of November, 2003 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Yardmasters Department, United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

SECTION 1 - PURPOSE

This Agreement is made pursuant to Article IV - Health and Welfare of the parties' August 20, 2002 Agreement - Document "B" ("2002 National Agreement") and is intended to be a full and final disposition of the parties' respective pending bargaining notices concerning health and welfare issues. Its terms are incorporated into and will be a part of the 2002 National Agreement as provided herein.

SECTION 2 - AMENDED EFFECTIVE DATE

For the purpose of defraying health and welfare costs, Section 4 - Third General Wage Increase of the 2002 National Agreement is amended to provide that the effective date of such General Wage Increase shall be December 1, 2004 instead of July 1, 2004.

SECTION 3 - COST-OF-LIVING ALLOWANCE AMENDMENTS

Part B of Article III - Cost-Of-Living Payments of the 2002 National Agreement is amended to read as follows:

“Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2005

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

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2005 based, subject to paragraph (b), on the CPI for March 2005 as compared with the CPI for September 2004. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (b)(iii), according to the formula set forth in paragraph (c).

<u>Measurement Periods</u>		
<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
September 2004	March 2005	July 1, 2005
March 2005	September 2005	January 1, 2006

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

(b) (i) Cap. In calculations under paragraph (c), the maximum increase in the CPI that shall be taken into account shall be as follows:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
July 1, 2005	3% of September 2004 CPI
January 1, 2006	6% of September 2004 CPI, less the increase from September 2004 to March 2005

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

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

(iii) If the increase in the CPI from the base month of September 2004 to the measurement month of March 2005 exceeds 3% of the September 2004 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (c) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2005 during such measurement period.

(iv) Any increase in the CPI from the base month of September 2004 to the measurement month of September 2005 in excess of 6% of the September 2004 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

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

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

The cost-of-living allowance effective January 1, 2006 shall be the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (b), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be rolled in to basic rates of pay in effect on December 31, 2005 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period, but in no event shall basic rates of pay be reduced below the levels in effect on June 30, 2005. If the result of such division requires a subtraction from basic rates of pay in effect on December 31, 2005, the employee cost-sharing contribution amount in effect on that date pursuant to Article IV, Part B, Section 1(c) of this Agreement shall be adjusted effective January 1, 2006 as appropriate to reflect such subtraction. The same procedure shall be followed in applying subsequent adjustments.

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

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance payable to each employee effective July 1, 2005 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(b) The cost-of-living allowance payable to each employee effective January 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(c) The cost-of-living allowance payable to each employee effective July 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

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

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part B will be payable as provided in Section 2 and will be applied as set forth

herein. Each one cent per hour of cost-of-living allowance will be applied to basic monthly rates of pay produced by application of the general wage increase provisions of Article I on each railroad in the same manner as used in applying the cost-of-living adjustment provisions of the June 15, 1987 National Agreement.

Section 4 - Continuation of Part B

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

SECTION 4 - HEALTH AND WELFARE

Article IV - Health and Welfare of the 2002 National Agreement is amended to read as follows:

“ARTICLE IV - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Health and Welfare Plan

The National Railway Carriers and United Transportation Union Health and Welfare Plan and the Railroad Employees National Health and Welfare Plan (individually and collectively referred to in this Agreement, depending on the context, as “the Plan”), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Benefit Changes

(a) All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions, and exclusions. Existing Plan provisions not specifically amended by this Article shall continue in effect without change.

(b) The Plan's Comprehensive Health Care Benefit ("CHCB") is amended to include one routine physical examination (including diagnostic testing and immunizations in connection with such examination) each calendar year for covered employees and their eligible dependents. Such CHCB benefit shall cover 100% of the Eligible Expenses involved up to \$150, and 75% of such Eligible Expenses in excess of \$150.

(c) Routine childhood (up to age 18) immunizations, including boosters, for Diphtheria, Pertussis or Tetanus (DPT), measles, mumps, rubella, and polio shall be provided under the CHCB. This benefit is subject to the applicable deductible and percentage of Covered Expenses (Eligible Expenses) payable.

(d) In addition to the Plan's existing coverage for speech therapy, such therapy will be a Covered Expense (Covered Health Service) under the CHCB and the Plan's Managed Medical Care Program ("MMCP"), when given to children under three years of age as part of a treatment for infantile autism, development delay, cerebral palsy, hearing impairment, or major congenital anomalies that affect speech.

(e) Phenylketonurial blood tests ("PKU") will be a Covered Expense (Covered Health Service) under the MMCP and the CHCB when given to infants under the age of one in a hospital or on an out-patient basis.

(f) The MMCP will continue to require a co-payment with respect to the first office visit by a participant or beneficiary to her obstetrician or gynecologist for treatment of a pregnancy but will not require a co-payment with respect to any subsequent visit to that obstetrician or gynecologist for treatment of the same pregnancy.

(g) The MMCP will not require a co-payment on behalf of a participant or beneficiary with respect to any visit to a physician's office solely for the administration of an allergy shot.

(h) This Section shall become effective with respect to employees covered by this Agreement as soon as practicable.

Section 3 - Plan Design Changes To Contain Costs

(a) The parties to this Agreement, hereinafter referred to as the "parties," will promptly solicit bids from interested companies to provide those services to the Plan involving the MMCP that are currently provided by Aetna Inc. The parties will evaluate the bids received and the capabilities of the companies making those bids and will accept such of them (or enter into negotiations with the bidding company or companies) as the parties deem appropriate.

(b) The parties will promptly research the existence, costs, benefits and services provided, outcomes and other relevant statistics of regional health maintenance organizations, and shall make participation in such of those organizations as the parties deem appropriate available as an option to individuals covered by the Plan.

(c) With respect to geographic areas where the Plan's MMCP is not currently available but where companies capable of administering the MMCP provide such services, the parties will solicit proposals from such companies

to administer the MMCP, and will evaluate the proposals they receive and accept such of them (or enter into negotiations with the proposing company or companies) as the parties deem appropriate.

(d) The parties will solicit proposals from pharmacy benefit managers who specialize in filling prescriptions for injectable medications (and any other medications on which the parties may agree) and will accept one or more of such proposals (or enter into negotiations with the proposing company or companies) as the parties deem appropriate.

(e) With respect to Plan participants and their beneficiaries who live in an area where they may choose between CHCB and MMCP coverage, the percentage of Covered Expenses (Eligible Expenses) payable by the Plan with respect to an individual covered under the CHCB will be 75% until the Out-of-Pocket Maximum is reached, but only 60% if a required notice to Medical Management (Care Coordination/Patient Management) is not given or if Medical Management (Care Coordination/Patient Management) determines that the service or supply involved is not Medically Appropriate.

(f) The Individual and Family Out-of-Network Deductibles under the Plan's MMCP will be increased to \$200 and \$600, respectively,

(g) The Plan's Prescription Drug Card Program co-payments per prescription are revised as follows: (i) Generic Drug - \$5.00; (ii) Brand Name Drug - \$10.00. The Plan's Mail Order Prescription Drug Program co-payment is revised as follows: (i) Generic Drug - \$10.00; (ii) Brand Name Drug - \$15.00.

(h) Plan coverage for an "Eligible Employee" and his/her "Eligible Dependents" will commence on the first day of the fourth calendar month after such employee first renders the "Requisite Amount of Compensated Service." For purposes of this subsection, the terms set forth in quotations shall be defined as provided in the current Plan booklet.

(i) The parties shall establish a new benefit package denominated as the Basic Wealth Care Benefit (“BHCB”) effective January 1, 2004 that will be administered by one or more vendors. Participation in that arrangement shall be made available as an option to individuals covered by the Plan. The plan design for the BHCB shall be as provided in Attachment **A** hereto.

(j) The parties will promptly research the costs, benefits, outcomes and other relevant aspects of consumer driven health care benefit arrangements offered by various vendors and shall make participation in such of those arrangements as the parties deem appropriate available, through a pilot program not exceeding two (2) years in duration, as an option to individuals covered by the Plan. If the parties agree, they may extend and expand such arrangements to other covered individuals.

(k) During a prescribed election period preceding January 1, 2004 and preceding each January 1 thereafter, employees may certify to the Plan or its designee in writing that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group health plan or health insurance policy that they identify by name and, where applicable, by group number, and for that reason they elect to forego coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. Such election is hereafter referred to as an “Opt-Out Election” and, where exercised, will eliminate an employer’s obligation to make a contribution to the Plan and/or dues offset payment to a Hospital Association for foreign-to-occupation health benefits for the employee and his dependents.

Each employee who makes an Opt-Out Election will be paid by his employer \$100 for each month that his employer is required to make a contribution to the Plan on his behalf for life insurance and accidental death and dismemberment benefits as a result of compensated service rendered, or vacation pay received, by the employee during the prior month; provided,

however, that the employee's Opt-Out Election is in effect for the entire month.

If an event described below in the final paragraph of this subsection (k) occurs subsequent to an employee's Opt-Out Election, the employee may, upon providing the Plan or its designee with proof satisfactory to it of the occurrence of such event, revoke his or her Opt-Out Election. An employee may also revoke his or her Opt-Out Election by providing the Plan or its designee with proof satisfactory to it that, after the employee made the Opt-Out Election, a person became a dependent of the employee through a marriage, birth, or adoption or placement for adoption. An employee who revokes an Opt-Out Election will, along with his or her dependents, be once again covered (effective the first day of the first month following such revocation that the employee and/or his dependents would have been covered but for the Opt-Out Election the employee had previously made) for foreign-to-occupation health benefits under the Plan or, in the case of an employee who is a member of a Hospital Association, by the Plan (for dependent coverage) and by the Hospital Association (for employee coverage). See Side Letter No. 9.

The following events are the events referred to in the immediately preceding paragraph:

- (i) the employee loses eligibility under, or there is a termination of employer contributions for, the other coverage that allowed the employee to make the Opt-Out Election, or
- (ii) if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

(l) The Plan design changes contained in this Section shall become effective as soon as practicable except as otherwise provided.

Part B - Employee Cost Sharing of Plan Cost Increases

Section 1 - Employee Cost-Sharing Contributions

(a) Effective November 1, 2003, each employee covered by this Agreement shall contribute \$119.61 per month to the Plan for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents.

(b) Effective July 1, 2004, the per month employee cost-sharing contribution amount set forth in subsection (a) shall be changed to \$100.00.

(c) Effective July 1, 2005, the per month employee cost-sharing contribution amount set forth in subsection (b) shall be increased by the lesser of (x) one-half of the increase, if any, in the carriers' 2005 monthly payment rate over such payment rate for 2004, and (y) one-half of the cost-of-living allowance effective July 1, 2005 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the average straight-time equivalent hours ("ASTE Hours") for calendar year 2003.

(d) Effective January 1, 2006, the per month employee cost-sharing contribution amount in effect on December 31, 2005 shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in the carriers' 2006 monthly payment rate over such payment rate for 2005, plus (ii) the amount (if any) by which the number described in part (x) of subsection (c) of this Section exceeds the product described in part (y) of such subsection (c), and (y) one-half of the cost-of-living allowance effective January 1, 2006 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(e) Effective July 1, 2006, the per month employee cost-sharing contribution amount in effect on June 30, 2006 shall be increased by the

lesser of (x) the amount (if any) by which the number described in part (x) of subsection (d) of this Section exceeds the product described in part (y) of such subsection (d), and (y) one-half of the cost-of-living allowance effective July 1, 2006 pursuant to Article 111, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(f) Effective January 1, 2007, the per month employee cost-sharing contribution amount in effect on December 31, 2006 shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in the carriers' 2007 monthly payment rate over such payment rate for 2006, plus (ii) the amount (if any) by which the number described in part (x) of subsection (e) of this Section exceeds the product described in part (y) of such subsection (e), and (y) one-half of the cost-of-living allowance effective January 1, 2007 pursuant to Article 111, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2005.

(g) The pattern specified in subsections (e), and (f) above shall be followed with respect to computation of adjustments to the amount of the employee cost sharing contribution in subsequent periods during which this Part is in effect.

(h) For purposes of subsections (c) through (f) above and subsection (j) below, the carriers' payment rate for any year shall mean twelve times the sum of what the carriers' payments to the Plan would have been, in the absence of any employee contributions to the Plan, for foreign-to-occupation health benefits under the Plan per month (in such year) per employee. The carriers' monthly payment rate for any year shall mean the carriers' payment rate for that year divided by 12. An "employee" for these purposes shall include any employee who has elected to opt-out of foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which he participates (except for employees who opt-out pursuant to item no. 2 of Side Letter No. 8).

Carrier payments to the Plan for these purposes shall be deemed to include amounts paid pursuant to Section 3(k) of Part A of this Article IV to employees who elected to opt-out of foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which they participate, but shall not be deemed to include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or provide for current Plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating carriers pursuant to Article III, Part A, Section 1 of the November 1, 1991 Implementing Document applicable to employees represented by the organization signatory hereto and the carriers represented by the National Carriers' Conference Committee.

(i) For the purpose of this Section, the ASTE Hours to be used shall be based on all such hours for individuals in yardmaster crafts and classes represented by the United Transportation Union, and who are employed by Class One carriers that are participating in national bargaining in the round of negotiations that commenced January 1, 2000.

(j) If the per month employee cost-sharing contribution amount ("cost-sharing amount") is increased for the period July 2005 through December 2005 or any subsequent periods and if a lower payment rate is established for the calendar year that immediately follows, then the cost-sharing amount shall be adjusted as appropriate to reflect such decreased benefit costs. Such adjustment shall be made effective January 1 of the calendar year for which such payment rate decrease is applicable and in no event shall take into account any portion of a payment rate below the payment rate level established for calendar year 2004. The cost-sharing amount shall also be subject to adjustment as provided in Article III, Part B, Section 1(c) of this Agreement.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be on a pre-tax basis, and in that connection a Section 125 cafeteria plan will be established pursuant to this Agreement.

Section 3 - Employer Election

At the employer's election, employee cost-sharing contributions may be made for the employee by the employer. If that election is exercised, the employer shall then deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee."

SECTION 5 - SIDE LETTERS

The 2002 National Agreement is amended by adding Side Letter Nos. 5 through 11, attached hereto.

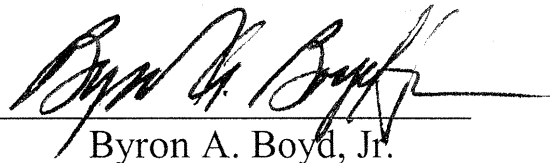
SIGNED AT WASHINGTON, D.C. THIS 6TH DAY OF NOVEMBER, 2003.

FOR THE PARTICIPATING
CARRIERS REPRESENTED BY
THE NATIONAL CARRIERS'
CONFERENCE COMMITTEE:



Robert F. Allen
Chairman

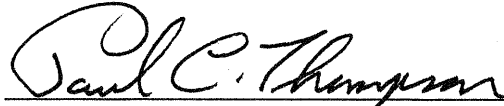
FOR THE EMPLOYEES
REPRESENTED BY THE
YARDMASTERS DEPART-
MENT, UNITED TRANSPOR-
TATION UNION:



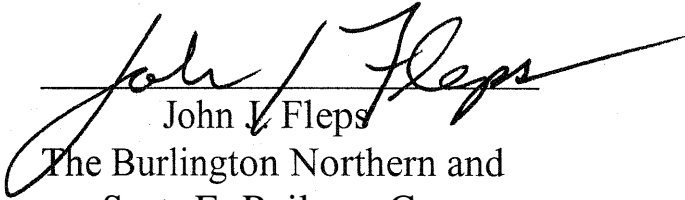
Byron A. Boyd, Jr.
President



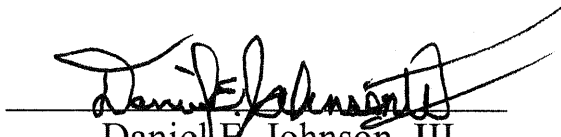
Emerson Bouchard
Kansas City Southern



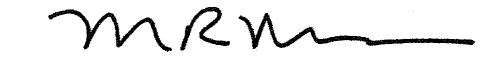
Paul C. Thompson
Assistant President



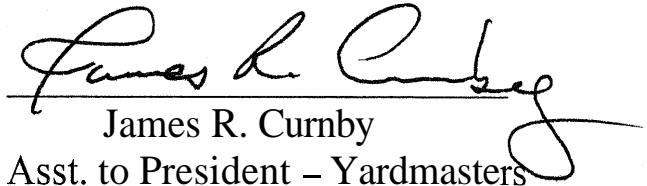
John J. Fleps
The Burlington Northern and
Santa Fe Railway Co.



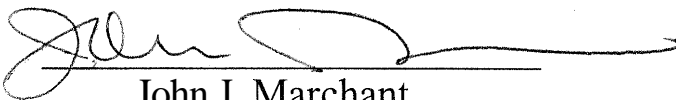
Daniel E. Johnson, III
General Secretary and Treasurer



Mark R. MacMahon
Norfolk Southern Railway Co.



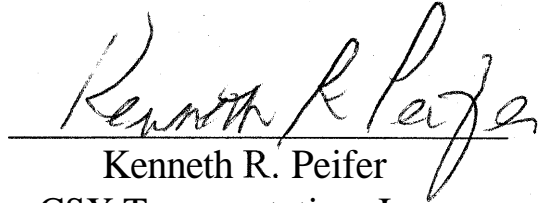
James R. Curnby
Asst. to President - Yardmasters



John J. Marchant
Union Pacific Railroad



Richard L. Marceau
Vice-president



Kenneth R. Peifer
CSX Transportation, Inc.



Arthur Martin, III
Vice-president



John T. Reed
General Chairperson, CSXT

November 6, 2003
#5

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Document "B" of the Agreement of this date (Agreement).

For the purpose of computation and application of the employee cost-sharing provisions contained in Article IV, Part B of the Agreement, for periods beginning on or after July 1, 2005, the payment rate used shall (i) be based on the costs of the National Railway Carriers and United Transportation Union Health and Welfare Plan ("NRC/UTU Plan"), and (ii) be established for a calendar year on or before December 31 of the immediately preceding year and may be changed during such calendar year only if additional contributions are needed to fund NRC/UTU Plan benefits and expenses that must be paid during such year.


Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr

November 6, 2003
#6

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

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

In any month beginning November 1, 2003 in which an active employee receives his or her FO healthcare benefits from a Hospital Association and not from the NRC/UTU Plan and makes a Plan contribution pursuant to Article IV, Part B, Section 1, then, at the carrier's option, either:

- (1) Such employee's monthly "cost-sharing contribution amount" referred to in Article IV, Part B Section 1 shall be reduced by the Reduction Factor; or
- (2) The carrier shall pay the Hospital Association each month an amount equal to the Reduction Factor, provided that the Hospital Association that receives such payment has agreed to decrease the employee's dues by the same amount.

For purposes of this Side Letter, the term "Reduction Factor" means with respect to any given month, the smallest of:

- (i) the monthly dues amount in effect on January 1, 2003 that was established by the Hospital Association for payment by an active employee,
- (ii) the “cost-sharing contribution amount” for the month referred to in Article IV, Part B, Section 1, or
- (iii) the monthly dues amount established by the Hospital Association for payment by an active employee in that month.

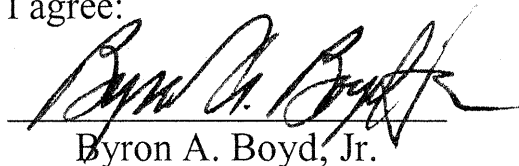
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6,2003

#7

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600Detroit Avenue
Cleveland, Ohio 44 107

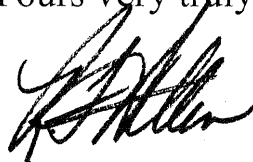
Dear Mr. Boyd:

This confirms our understanding with respect to Document "B" of the Agreement of this date (Agreement).

The provisions of Article IV, Part A, Section 3(k) (Opt-Outs) and Part B (Employee Cost Sharing of Plan Cost Increases) are not applicable to employees covered by the Agreement who reside in Canada ("Canadian Employees"), provided, however, that any local agreements that use the Plan "Payment Rate" to compute amounts payable to active Canadian Employees in connection with health care arrangements are amended as necessary to provide that, for such purposes, the Payment Rate shall be reduced by the Employee Cost-Sharing Contribution Amount in effect at the time pursuant to Article IV, Part B.

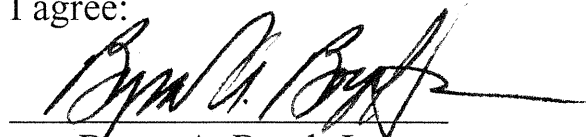
Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6, 2003

#8

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to Article IV, Part A, Section 3(k) of Document "B" of the Agreement of this date (Agreement).

That provision provides employees with an option to opt out of coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. This will confirm our understanding with respect to the intended application of that provision.

1. An employee who opts out will be opting out of FO health coverage only and (if he otherwise satisfies eligibility and coverage requirements) will continue to have on-duty injury coverage, coverage under the Dental and Vision Plans, and life and AD&D insurance coverage.

2. If a husband and wife are each covered by the Plan (or a Hospital Association) by virtue of railroad employment and either or both hold positions covered by this Agreement, a UTU-represented spouse may elect to opt out as provided in Section 3(k). If that election is made (and provided the other spouse remains so covered), (i) such UTU-represented spouse shall not receive the \$100/month payment provided in Section 3(k) and shall not be required to make the employee cost-sharing contributions required under

Article IV, Part B, and (ii) the Plan's coordination of benefits rules in effect on the date of this Agreement that are applied when a husband and wife are covered under the Plan both as an Eligible Employee and as an Eligible Dependent shall continue to be applicable.

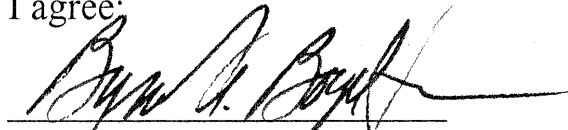
Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6, 2003
#9

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

This confirms our understanding with respect to the opt-out provision, Article IV, Part A, Section 3(k) of Document "B" of the Agreement of this date (Agreement).

It is understood that for purposes of Section 9801(f) of the Internal Revenue Code, (i) any opt-out election shall be treated as a declination of coverage, or a failure to enroll, for foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which the employee making the election may participate, (ii) that the provisions of Section 9801(f) and the regulations thereunder shall govern how any individual covered by an election to opt-out may nonetheless become covered for foreign-to-occupation health benefits under the Plan or any Hospital Association plan prior to the next regular opt-out election period, (iii) that the terms of Article IV, Part A, Section 3(k) of our Agreement shall be interpreted and applied so as to be in compliance with Section 9801(f), and (iv) that the employer's payment of \$100 per month to an employee who has elected to opt-out shall cease immediately upon the employee and/or his dependents or any one of his dependents becoming covered, pursuant to Section 9801(f), for foreign-to-occupation health benefits under the Plan or any Hospital Association plan.

Furthermore, and notwithstanding the above, the parties recognize that an employee may lose coverage under the health plan or health insurance policy that he or she relied upon in electing to forego coverage for foreign-to-occupation health benefits under the Plan, and that such loss of coverage may be attributable to an event that is not listed in Section 9801(f) of the Internal Revenue Code and is beyond the control of the employee or of any member of his or her family. In such a case, and only to the extent permissible under Section 125 of the Internal Revenue Code: (a) the employee may ask his/her employer that his or her opt-out election be revoked; (b) the employer involved may in its discretion grant the request in the interest of fairness and equity; and (c) if the request is granted, the employee's opt-out election shall be treated as revoked as of the day the employer received the request.

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

November 6, 2003

#10

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dear Mr. Boyd:

Article IV, Section 3 – Employer Election of Document “B” of the Agreement of this date provides in pertinent part that a carrier, at its election, may make cost-sharing contributions on an employee’s behalf and subsequently deduct the amount of such contributions from the employee’s wages as reimbursement. This will confirm that each of the carriers comprising the National Carriers’ Conference Committee will exercise that election with respect to the employees covered by this Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. F. Allen", written in a cursive style.

Robert F. Allen

November 6, 2003

#11

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

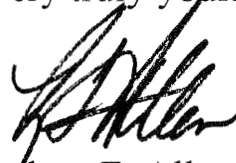
Dear Mr. Boyd:

This confirms our understanding regarding Article IV, Part B of Document "B" of the Agreement of this date.

1. If a deduction from an employee's wages for his monthly cost-sharing contribution pursuant to Article IV, Part B is scheduled to be made at the same time as the payroll deduction for the employee's union dues, the union dues deduction may be made on a subsequent date mutually agreeable to the parties.
2. Each carrier shall examine the feasibility of including in the standard payroll documents provided to its employees information concerning the cost of the Plan and the employee's cost-sharing contributions. The results of that examination will be shared with the authorized organization representative and, if feasible, the parties shall use their best efforts to implement such arrangements.

Please acknowledge your agreement by signing your name in the space provide below.

Very truly yours,



Robert F. Allen

I agree:



Byron A. Boyd, Jr.

EXHIBIT A

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1999 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS WITH RESPECT TO HEALTH AND WELFARE ISSUES IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE YARDMASTERS DEPARTMENT-UNITED TRANSPORTATION UNION, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1999 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE YARDMASTERS DEPARTMENT-UNITED TRANSPORTATION UNION WITH RESPECT TO SUCH ISSUES FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the United Transportation Union:


Alton & Southern Railway Company
 The Burlington Northern and Santa Fe Railway Company
 Consolidated Rail Corporation
 Kansas City Southern
 New Orleans Public Belt Railroad
 Norfolk & Portsmouth Belt Line Railroad Company
 Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Atlantic and East Carolina Railway Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Co.
 Georgia Southern and Florida Railway Company
 Tennessee, Alabama and Georgia Railway Company
 Tennessee Railway Company

Northeast Illinois Regional Commuter Railroad Corp. (METRA)
Peoria and Pekin Union Railway Company
Port Terminal Railroad Association
Portland Terminal Railroad Company
Terminal Railroad Association of St. Louis

FOR THE CARRIERS:



FOR THE UNITED TRANSPORTATION UNION:



November 6, 2003
Washington, D.C.

NRC/UTU Plan Design
Basic PPO Design

		Basic PPO	
		<i>In-network</i>	<i>Out-Of-Network</i>
Medical / MHSA			
Annual Deductible			
individual		\$300	
family		\$900	
Office Visits, ER, Urgent Care		70%	50%
Coinsurance		70%	50%
Annual Out-of-Pocket Max			
individual		\$2,500	
family		\$5,000	
Prescription Drugs			
Retail			
-- generic		70%*	50%
-- brand on formulary		65%"	50%
-- off formulary		60%*	50%
Mail Order			
-- generic		70%"	
-- brand on formulary		65%*	
-- off formulary		60%*	
Monthly Contributions			
Nov 2003-June 2004		\$0.00 (eff. 1/1/2004)	
July 2004-June 2005		\$0.00	

Jete: Deductibles do not apply toward Annual Out-of-Pocket Max

* Basic PPO prescription drug benefit has an annual out-of-pocket maximum of \$2,000 per individual and \$4,000 per family.