

**AN AGREEMENT
BETWEEN**

**WISCONSIN CENTRAL LTD.
SAULT STE. MARIE BRIDGE COMPANY**



AND

**ITS EMPLOYEES REPRESENTED BY
BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN**



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IT IS HEREBY AGREED:

ARTICLE 1 – PURPOSE

The parties to this Agreement agree that the fundamental objective of the Company is to operate a safe, efficient and effective railroad transport operation and a key component to the success of this venture is the contribution of Locomotive Engineers (hereinafter referred to as Engineers.)

This Agreement is founded on a principle of paying for Engineers' time on an all-inclusive basis and contemplates that in order for the operation to be successful, individuals will perform all duties requested of them, subject to the provisions contained herein. Nothing in this Agreement is intended to restrict the right of the Company to operate productively.

ARTICLE 2 – GENERAL PRINCIPLES

- A. In this Agreement, words importing the singular shall include the plural and vice versa where the context requires. Words importing the masculine gender shall include the feminine where the context requires.
- B. This Agreement is intended to be applied in a non-discriminatory manner without regard to age, race, creed, color, gender, national origin, disability, sexual orientation or marital status.
- C. The parties recognize that this is a new Agreement, which introduces changes in the workplace. In recognition of this, a committee consisting of the Union General Chairman, Vice General Chairman and the Company's General Manager Operations and Director, Labor Relations or their respective designates, will be established. This committee will be known as the Labor/Management Committee, and will meet twice per year to review the application of the Agreement.

ARTICLE 3 – RECOGNITION

- A. This Agreement covers all Engineers employed by the Company and represented by the Brotherhood of Locomotive Engineers under the Railway Labor Act, as amended.
- B. The term "Engineer" as herein referred to shall include employees represented by the Brotherhood of Locomotive Engineers and Trainmen, except where otherwise specifically provided herein. The term "Company" shall mean the Wisconsin Central Ltd. and Sault Ste. Marie Bridge Company. The term "Union" or "General Committee" shall mean the Brotherhood of Locomotive Engineers and Trainmen.
- C. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of Engineers covered by this Agreement shall be vested in the regularly constituted General Committee of the Brotherhood of Locomotive Engineers.

- D. Where the term "duly accredited representative" appears herein, it shall be understood to mean the regularly constituted General Committee and/or the Officers of the Brotherhood of Locomotive Engineers of which such General Committee or Officers are a part.

ARTICLE 4 – SCOPE OF AGREEMENT

- A. The parties recognize that the scope of this Agreement is unlike others in the rail industry and that it must be interpreted accordingly. That being said, the primary role of an Engineer is to perform transportation duties associated with the operation of locomotives.
- B. Engineers will perform all and any duties that fall within this definition, whether the work is part of their normal assignment or not.
- C. The duties defined as Engineers' will not ordinarily be assigned to other persons or groups.
- D. Engineers shall not be required to perform duties outside the aforementioned Scope Rule and shall not be censored nor disciplined for refusing to do so.
No Company official(s), non-craft employee(s) or non-employee(s) shall be used to supplant or substitute in the exclusive work of any Engineer working under this Agreement. However, this Agreement recognizes that crew members work as a unit and that Engineers may occasionally be required to operate switches.
Notwithstanding the above, nothing in this Agreement shall prohibit the Company from assigning work covered by this Agreement to other individuals when the calling procedures outlined in Article 11, Paragraph D, 1, 2, 3 and 4 are exhausted.
- E. The parties recognize that to achieve maximum efficiency of operations and to expedite the movement of trains, Locomotive Engineers may perform incidental work in connection with their assignments and for which they are qualified in the absence or unavailability of another employee who would otherwise perform such work.
- F. Remote control operations can be performed by one or more engineers and/or one engineer and one or more conductors.

Note: The existing RCO operations at Gladstone and Escanaba will continue to be operated under the terms in effect prior to this agreement.

- G. There will be at least one Engineer on every assignment, except traditional Trainmen-only assignments such as Utility Positions, Switch Tenders, etc.

ARTICLE 5 – WAGES

- A. Effective the dates shown in this Article, the rate of pay for Engineers, including those operating remote control locomotives or other technology. This rate will apply to all time on duty unless otherwise specified in the Agreement.

- i) Effective April 1, 2005, the rate of pay for Engineers will be \$29.08 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - ii) Effective April 1, 2006, the rate of pay for Engineers will be \$30.15 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - iii) Effective April 1, 2007, the rate of pay for Engineers will be \$31.23 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - iv) Effective April 1, 2008, the rate of pay for Engineers will be \$32.31 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - v) Effective April 1, 2009, the rate of pay for Engineers will be \$33.38 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - vi) Effective April 1, 2010, the rate of pay for Engineers will be \$34.46 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
- B. Ten (10) hours or less will constitute a basic day and pay for all service performed after ten (10) hours will be at the rate of time and one half.
- C. Engineers who perform service on their assigned rest days shall be paid for such service at the rate of time and one half, subject to the provisions of Article 11 (A) of this Agreement.

ARTICLE 6 – EMPLOYMENT SECURITY

- A. Engineers who have established seniority prior to ratification and who are in active service as an Engineer on the effective date of this Agreement, will be provided an assignment (which may be a Regular Assignment or a Guaranteed Extra Board assignment) established pursuant to Article 8 Section 1 of this Agreement, and not be subject to furlough, provided that they have exercised their seniority to the fullest extent and they remain available for service.
- B. In the case of Engineers who establish seniority subsequent to the effective date of this Agreement, when no vacancies exist on the Division, the Company will endeavor to provide the individual with details of any other openings that may exist on other U.S. Divisions. These opportunities may be in other occupations and may require the Engineer to transfer at his own expense and commence a new employment relationship with the new Division.
- C. All Engineers who qualify as an Engineer subsequent to the date of this Agreement will be afforded the Employment Security provided in Paragraph A of this Article upon their completion of sixty (60) months of cumulative compensated service as a Locomotive Engineer under this Agreement. Cumulative compensated service is defined as all time the employee is assigned to an Engineer position.

ARTICLE 7 – SENIORITY

Section 1 - Establishing seniority

- A. The seniority date of an Engineer will be established as of the date he becomes fully qualified on a District and performs compensated service as an Engineer.
- B. Employees who have established seniority as Locomotive Engineers as of the effective date of this Agreement shall remain on the roster with relative ranking unaffected.
- C. Employees in the Engineer Training Program (ETP) on the effective date of this Agreement will establish seniority as an Engineer upon the date the first candidate in said class successfully completes the program. All others who successfully matriculate from the ETP shall be ranked in the relative order of their Conductors' seniority behind those who have previously established seniority as Engineers. No ETP class shall establish seniority ahead of a class that commenced earlier.
- D. Engineers hired from sources outside the Company holding valid engineer certification shall establish seniority in accordance with Paragraph A of this Article; except that such hired engineers will follow the successful candidates in an Engineer Training Program (ETP) provided the ETP had formally commenced at the time the engineer was hired.

Section 2 - Seniority rosters

- A. Seniority roster(s) of Engineers showing date of employment with the Company and Engineer seniority date and prior right designation shall be posted on or about January 15 of each year, with a copy being furnished to the General Chairman.
- B. A statute of limitations of sixty (60) days from the date of posting is hereby fixed to appeal a case of seniority. Seniority protests must be appealed to the officer of the Company designated to receive such appeals. Seniority roster appeals will be directly handled by the Labor/Management Committee in the same manner as all other claims and grievances. Protests that have previously been submitted and declined will not be accepted.

Section 3 - District and Terminal seniority

- A. The right to work positions and assignments shall be determined by seniority subject to the provisions of Article 8, Section 2. Subject to prior rights, seniority shall prevail as follows: first, by seniority within the terminal where the vacancy occurs; second, by seniority within the district where the vacancy occurs; and third, by system seniority. An Engineer who transfers into a terminal will exercise his seniority within that terminal based upon his system seniority date. It is understood that an Engineer will maintain seniority in only one (1) terminal (and district) at any given time (i.e., the terminal/district at which he is currently assigned).

- B. There are five (6) seniority districts comprised of separate seniority terminals as shown below:

Seniority District 1 (New District)

Terminal 1 Schiller Park (*vacancies protected by Schiller Park Board*)

Seniority District 2 (formerly South District)

Terminal 1 Fond du Lac (*vacancies protected by Fond du Lac Board*)

Terminal 2 Waukesha/Burlington (*vacancies protected by Fond du Lac Board*)

Seniority District 3 (formerly Fox Valley District)

Terminal 1 Green Bay/Marinette (*vacancies protected by Green Bay Board*)

Terminal 2 Neenah/Manitowoc/Plymouth (*vacancies protected by Neenah*)

Seniority District 4 (formerly West District)

Terminal 1 Stevens Point/Wisconsin Rapids/Wausau

Marshfield/Waupaca/Bradley (*vacancies protected by Stevens Point Board*)

Terminal 2 Taylor (*vacancies protected by Stevens Point Board*)

Seniority District 5 (formerly Northwest District)

Terminal 1 Superior (*vacancies protected by Superior*)

Terminal 2 Ladysmith (*vacancies protected by Superior*)

Terminal 3 Mellen/Park Falls/North Ironwood (*vacancies protected by Superior*)

Terminal 4 Stone Lake (*vacancies protected by Superior*)

Terminal 5 New Brighton (*vacancies protected by New Brighton*)

Terminal 6 Chippewa Falls (*vacancies protected by New Brighton*)

Terminal 7 New Richmond (*vacancies protected by New Brighton*)

Seniority District 6 (formerly North District)

Terminal 1 Gladstone-Escanaba/Quinnesec/
Niagara/Pembine (*vacancies protected by Gladstone*)

Terminal 2 Ishpeming (*vacancies protected by Gladstone*)

Terminal 3 Trout Lake/Sault Ste. Marie, MI (*vacancies protected by Trout Lake*)

Note: Gladstone-Escanaba is considered one terminal.

- C. The Company will consult with the Union prior to bulletining positions where it is proposed to establish any new seniority terminals additional to those shown above.
- D. The Company will normally bulletin assignments at outlying points not listed above to the terminal in closest geographic proximity within the district.
- E. Engineers who are displaced from their terminals due to a change in train service and who must exercise their seniority in another terminal will be offered first opportunity, in seniority order, to return to their former terminal when the Company decides to again increase the number of engineers' positions in the former terminal. Engineers who were displaced prior to the effective date of this agreement and who are subject to the provisions of this paragraph are listed in Attachment C.

Section 4 - Prior rights

Engineers holding prior rights on the former territory of the FVW or SSM will have prior rights to the number of positions that exist on the effective date of this Agreement. Consistent with the manner in which seniority is exercised pursuant to Article 8, these prior right positions will be subject to prior right selection by Engineers identified on the seniority roster with the appropriate prior right designation noted in his ranking on the seniority roster. Prior right positions on the FVW and SSM will lose their prior right designation when the last prior right Engineer on the applicable territory retires, resigns or otherwise ends his employment with the Company. In the event prior rights assignments are abolished and later re-established, they will be bulletined as prior rights assignments.

Section 5 - Layoff and recall

Engineers not subject to Employment Security provisions will be furloughed in inverse seniority order at the terminal where force reductions are undertaken. The Company shall recall Engineers in seniority order by certified mail to the employee's last known address. It shall be the responsibility of the individual to keep the Company advised in writing of his current address.

The individual shall indicate to the Company within fifteen (15) days of such notice of recall of his intention to return to work and shall present himself for work within fifteen (15) days of giving notice of intention to return. Failing to notify the Company or return to work within the prescribed period(s) shall result in forfeiture of seniority.

Section 6 - Seniority Retention

- A. Yardmasters and Managers/Company Officers who hold engine service seniority but do not belong to the BLET shall be required to pay a monthly seniority retention ("SR") fee to the BLET, in an amount equal to the full monthly dues payable to BLET and its subordinate units by a member of that organization, in order to retain engine service seniority. Such fee shall be payable at the same time as monthly dues are payable by a BLET member. Any non-member who fails to pay the SR fee when due shall be promptly notified of that non-payment by the BLET by certified mail. If such default has not been cured within thirty (30) calendar days after the date of such notice, the BLET shall provide the Company written notification of the non-payment and that individual's seniority in the engine service class/craft involved shall be extinguished effective on the first calendar day after expiration of the 30-day notice period, subject to subparagraph (c) below.
- B. The SR fee required under this paragraph will be payable by an employee on a monthly basis beginning with the first full calendar month that immediately follows completion of his SR service period. An employee's period commences with his first day of compensated service as a Yardmaster or Managers/Company Officer that occurs after the date this provision is implemented at the location involved. If an employee covered by this paragraph is set back to engine service and is subsequently transferred to a Yardmaster's position or who becomes a Manager/Company Officer at a location where this provision has been implemented, a new SR service period (as defined above) will be applicable to such employee.

- C. If an employee whose engine service seniority has been extinguished pursuant to subparagraph (A) is subsequently set back to engine service because of insufficient seniority to hold a Yardmaster position or a Manager/Company Officer position, he shall be placed at the bottom of the seniority roster involved. Such employee shall be deemed to have forfeited all agreement-based rights and/or benefits for which he was entitled or eligible based upon his former engine service seniority.
- D. The provisions contained in this Section shall only be implemented upon thirty (30) days written notice by the General Chairman of the BLET to the Director Labor Relations.

Section 7 – Seniority Maintenance

- A. Each employee in an engine service class/craft represented (for RLA purposes) by the BLET who does not hold membership in that organization will be required to pay a monthly seniority maintenance ('SM') fee to BLET in order to continue to accumulate engine service seniority. The SM fee shall be based on the costs of negotiations, claim/grievance/discipline handling, and internal governance as indicated in BLET's Fees Objector Policy and/or the most recent LM-2 Report filed by BLET with the United States Department of Labor, but in no event shall it exceed the full amount of monthly dues payable to BLET and its subordinate units by a member of such organization. The SM fee required under this paragraph will be payable by an employee on a monthly basis beginning with the first full calendar month that immediately follows completion of his SM service period. An employee's SM service period for this purpose shall mean the thirty (30) calendar day period that commences with his first day of compensated service in a BLET-represented engine service class/craft that occurs after the date this provision is implemented at the location involved. If an employee covered by this paragraph is promoted to engine service and is subsequently set back to engine service at a location where this provision has been implemented, a new SM service period (as defined above) will be applicable to such employee
- B. The BLET shall furnish to the Company written notification of the amount of the applicable SM fee(s) due under this paragraph by July 1 of each calendar year, which amount will remain in effect until the succeeding July 1. The initial notification of the SM fee amount(s) under this paragraph will be made within thirty (30) calendar days of the date this Letter of Intent is implemented at any location and will remain in effect until the succeeding July 1. The applicable SM fee will be payable at the same time as dues are payable by a BLET member. Any non-member of the BLET in engine service who fails to pay the SM fee when due shall be promptly notified of that non-payment by the BLET by certified mail. If such default has not been cured within thirty (30) calendar days after the date of such notice, the BLET shall provide the Company written notification of the non-payment and that individual's seniority in the engine service class/craft involved shall be frozen effective on the first calendar day after expiration of the 30-day notice period.
- C. The provisions contained in this Section shall only be implemented upon thirty (30) days written notice by the General Chairman of the BLET to the Director Labor Relations.

ARTICLE 8 – JOB VACANCIES AND BIDDING

Section 1 – Establishment of Regular Assignments and Extra Boards

- A. Regular assignments will be established consistent with business requirements and will be bulletined to work six (6) tours of duty then two (2) days off or five (5) tours of duty then two (2) days off. Jobs bulletined to tie-up at the home terminal will be bulletined as the 5/2 option.

Where possible, assignments will have a designated starting time; however, no less than seventy-five percent (75%) of regular freight service shall be Regular Assignments.

The BLET and the Company may by mutual consent agree to set up different temporary work/rest cycles, such as six & threes, six and ones, or some other combination, but only with the full consent of the BLET General Chairman. Unless otherwise mutually agreed, if no bids are received for such assignments employees cannot be force assigned and the assignment bulletins must be cancelled.

- B. The Company may adjust the starting time of an assignment with a designated starting time forward or back, if the crew is notified at or prior to the end of his previous tour of duty. Where required for operational purposes on the day of the assignment, the Company may adjust the starting time of an assignment by not more than one hour before or two (2) hours after the normal starting time, provided that the Engineer is notified not less than two (2) hours prior to the normal starting time of the assignment.
- C. Regular assignments may be bulletined with a four (4) hour start window or an assigned start time at the home terminal.

Note: The “start time window” is the time during which the assignment is scheduled to start. The two-hour call is in advance of this time.

(i) For assignments with start windows, if rested but not called to start within the designated window the Employee will be considered on pay after the expiration of his advertised window time, however this shall not count towards overtime or hours of service. If not called to start within eight (8) hours from the end of their start window they will be compensated a basic day and will have fulfilled the requirement to protect the start window for that day. (See chart in Q&A’s)

(ii) The bulletined call window or assigned start time applies whenever the employee ties-up at the designated home terminal.

(iii) Engineers who are tied up at the home terminal on days which they are bulletined to tie up at the away from home terminal will be considered as ‘out of cycle’. Such Engineers must protect their home terminal call window. If not called to begin work within their call window, they will be released and paid for the day.

- D. Paragraph deleted. See Side Letter 3.
- E. Guaranteed Extra Board assignments will be established where the needs of service dictate and will be primarily bulletined to work six (6) days with two (2) consecutive

scheduled rest days (not less than 48 consecutive hours) and then work five (5) days with one (1) scheduled rest day on alternating weeks.

Alternately, GEB assignments may be bulletined to work five (5) days with two (2) consecutive scheduled rest days (not less than 48 consecutive hours). With mutual agreement between the Company and the General Chairman, GEB assignments may be bulletined to work alternative schedules such as, six (6) days with two (2) consecutive scheduled rest days (not less than 48 consecutive hours) or eleven (11) days with three (3) consecutive scheduled rest days (not less than 72 consecutive hours). In any case, the GEB guarantee will be pro-rated accordingly.

- F. Each terminal will maintain a bulletin listing all positions, including guaranteed extra board positions, which will include (a) the job title and the normal assigned duties of the job, (b) the home terminal, (c) normal tie-up location if different from the on-duty point, (d) the starting time or spread time of the assignment, if applicable and (e) the assigned day(s) off. Nothing in this provision restricts the Company from tying-up an assignment at the home terminal on any day of the assignment.
- G. Newly established positions will be bulletined for a period of seven (7) days to enable interested Engineers to update their preferences in the crew calling system.

Section 2 – Assignment to Positions

- A. Subject to the prior rights provisions contained in Article 7, Section 4, assignment to positions shall be governed by seniority. A standing bid system will operate. Employees' job preferences will be maintained in the crew calling system and can be updated at any time. As soon as vacancies (other than temporary vacancies) are known to exist, the senior Engineer having a standing bid listing for the position will be assigned, subject to the provisions Article 7, Section 3.
- B. In the event there are no bids for a position, the senior Engineer not working as an Engineer or furloughed within the terminal where the vacancy exists, shall be assigned to the position; if none then the junior Engineer not working as an Engineer or furloughed on the district where the vacancy exists shall be assigned to the position; if none then the junior Engineer not working as an Engineer or furloughed on the system shall be assigned to the position; if none then the junior Engineer on the closest Extra Board to where the vacancy exists shall be assigned to the position.
- C. Temporary vacancies of more than fourteen (14) days will be filled in accordance with the standing bid system.
- D. The current practice of allowing all positions to be filled simultaneously three (3) times per year shall be maintained utilizing the standing bid system. Simultaneous bidding shall take place on or about February 1, June 1, and October 1 of each year.

ARTICLE 9 - ANNULMENT OF ASSIGNMENTS

- A. When assignments are to be annulled on holidays, the Company will provide Engineers assigned thereto at least twenty-four (24) hours notice.

- B. When assignments are annulled on other than New Year's Day, President's Day, Memorial Day, Independence Day, Good Friday, Labor Day, Thanksgiving Day, the Day after Thanksgiving, Christmas Eve Day, Christmas Day or New Year's Eve Day, the Engineer assigned to the position will be assigned to other available work within the scope of this Agreement or be paid for the day.
- C. No pay will be allowed when an assignment is annulled on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Day after Thanksgiving, Christmas Eve Day, Christmas Day or New Year's Eve Day unless the Engineer utilizes a personal leave day.

ARTICLE 10- ABOLISHMENT AND DISPLACEMENT

- A. Engineers whose positions are abolished will be given a minimum of twenty-four (24) hours notice, which shall be satisfied by calling the primary telephone number which the Engineer has designated to the Company in writing, and be allowed to exercise seniority to any assignment within the terminal in which he is located by displacing a junior Engineer in accordance with the individual's standing bid. In the absence of having a remaining standing bid, Engineers will be immediately placed on the Guaranteed Extra Board.
- B. If unable to displace a junior Engineer in the terminal, the Engineer shall exercise his seniority to displace a junior Engineer within the district, if none, then he shall exercise his system rights. In the absence of having a remaining standing bid selection the Engineer has forty-eight (48) hours in which to exercise his seniority, or he will be assigned by the Company. An Engineer who is forced to exercise to a location that is more than 100 miles from the location from which displaced will be permitted a reasonable time not exceeding one week to take up the position.
- C. Permanent changes in call windows, rest days, home terminal, or a permanent change in the assigned start time of more than two (2) hours cumulatively shall entitle the affected Engineer to be placed in accordance with the Standing Bid provisions, which must be requested at the time he is notified of the change. Temporary changes in assigned window times must not be made without the concurrence of the Local Chairman.

ARTICLE 11 - GUARANTEED EXTRA BOARDS

- A. 1. Where Guaranteed Extra Boards (GEB) have been established (in accordance with Article 8 - Job Vacancies and Bidding), each GEB position shall be advertised and have assigned rest day(s).
- 2. The scheduled rest day(s) will commence at 06:01 hours, with the Engineer automatically marked back to the board at 06:01 following his rest day(s). Guaranteed Extra Board Engineers shall not be called for duty on an assignment that commences on or after 20:00 hours on the day preceding their rest day(s). However, at the Engineer's option he may accept a call for duty subsequent to 20:00. Engineers who elect this option must inform the Crew Caller by 06:00 the day preceding their scheduled rest day.

3. If the Engineer is currently working or away from the home terminal at the time the scheduled rest day(s) are to begin, the rest day(s) shall begin at the Engineer's tie-up time at his home terminal) and shall consist of one (1) day with a minimum of twenty-four (24) consecutive hours, or two (2) consecutive days with a minimum of forty-eight (48) consecutive hours off, depending upon which rest day cycle is being observed. The Locomotive Engineer shall automatically be marked back to the bottom of the board at the expiration of that time and such Engineer's guarantee shall not be reduced as a result thereof.
- B.
1. For the purposes of prorating guarantees, Engineer's exercising seniority to the GEB part way through the guarantee period (for guarantee purposes only), shall be shown on the GEB at 06:01 hours after the exercise of their seniority and their guarantee shall be pro-rated accordingly.
 2. Increases or decreases to the GEB can occur at any time; however, if the board is increased or decreased effective at any time other than as prescribed in the Standing Bid process, the Engineer added shall be paid a day's guarantee in the event no other service is performed on that calendar day. In the application of this paragraph, Engineers hired on or subsequent to the effective date of this Agreement that are cut off the GEB shall be paid a day's guarantee in addition to all other earnings.
- C. GEB's shall operate on a first-in, first-out basis, based on tie-up time. Where more than one Engineer is marked back up to the Board at the same time their previous tie up time shall govern relative order.
- D. Unless otherwise provided for herein, Engineer assigned to GEB's shall fill temporary vacancies and extra assignments at the location of the Board and at outlying points within the Seniority District as necessary.
- In the event the GEB is exhausted, the assignment shall be filled by:
1. The senior rested Engineer at the Terminal who has marked up to the Available Board as provided for by Article 15, Section 5; if none,
 2. The senior rested Engineer at the Terminal who has marked up to the Supplemental Extra Board as provided for by Article 15, Section 5; if none,
 3. The first-out qualified rested Engineer on the nearest Guaranteed Extra Board(s) within the Seniority District via highway miles; if none,
 4. The senior rested Engineer who has marked up to the Supplemental Extra Board at the nearest Terminal within the Seniority District via highway miles; if none,
 5. The first-out qualified and rested Engineer on the nearest Guaranteed Extra Board via highway miles on the adjacent Seniority District.
 6. Engineers used under provisions of D-3 or D-5 may be held for up to five (5) days or until he is displaced by the return of the regular Engineer, or by a senior Engineer on Board Change Day. Engineers in this situation will be subject to the provisions of Article 19. Engineers released from an assignment shall return to their GEB and shall be placed on the bottom of the Board in accordance with their tie-up time.

- E. When Engineers mark back up for any reason, they shall be placed to the bottom of the GEB and the following shall apply.
1. Engineers who are first-out on the GEB and book off for any reason, or miss a call, shall be held off of the GEB for a minimum of 12 hours.
 2. Engineers not first-out and who book off of the GEB shall be held off the board for a minimum of 8 hours.
 3. Engineers held in accordance with paragraphs 1 and 2 may be called for duty by the Company in the event the working boards are exhausted.
- F. An Engineer assigned to the Guaranteed Extra Board shall be guaranteed a minimum of ten (10) Basic Day's pay for a bi-weekly period. One Basic Day's pay shall be used to reduce the guarantee for any 24 hour period, or portion thereof (other than a rest day) an Engineer is unavailable for service as outlined herein. The one-tenth (1/10th) of the bi-weekly rate shall be used for prorating the guarantee of an Engineer who is not assigned to the GEB for the full bi-weekly period. All compensation credited to the Engineers during the pay period, except mileage allowances and payments flowing from a violation of this Agreement, will be deducted from that guarantee.
- G. GEB positions shall be advertised and Engineers shall bid such assignments by virtue of seniority.
- H. GEB Engineers shall be called for service not less than two (2) hours prior to the time required to report for duty.
- I. The Company shall provide the General Chairman ten days' advance notice for any new board (and its jurisdiction) it intends to establish. New GEB's can be established or eliminated at any location consistent with the needs of service.
- J. All guarantee compensation paid to extra Engineers shall be considered as service rendered for vacation pay and qualification days.
- K. Except as provided for in Article 19 Section 3, when called for service, Engineers shall not make less than the basic day as provided for in Article 5
- Q: If separate service deadhead is the only service performed on that calendar day will a basic day's pay shall be allowed for the separate service deadhead.
- A: Yes

ARTICLE 12 – SUPPLEMENTAL BOARDS

- A. Engineers desiring to make themselves available for service on the Supplemental Board on their scheduled rest day(s) shall notify Crew Management in the proper form prior to or upon tie up on the last day of their regularly assigned work week. Engineers called to

work off of the Supplemental Board will be paid for all time at the rate of time and one half.

- B. Engineers placed on the Supplemental Board will not be considered available for call from the Supplemental Board within sixteen (16) hours of the regularly scheduled start time of their regular assignment when other Engineers are available to be called from the Board.
- C. Engineers may mark to the Available Board and be called ahead of Engineers on the Supplemental Board (see Article 11 D). Such Engineers may mark to the Available Board if they otherwise would not be subject to call for reasons such as being out of cycle due to marking up when their assignment is currently working, etc. Engineers used off of the Available Board will be paid at the straight-time rate for the first 10 hours on-duty.
- D. It is intended that Engineers will not be called from the Supplemental Board or the Available Board if doing so would cause the Engineer to lack legal rest or be unavailable for his regular shift.

ARTICLE 13 – APPROVAL OF APPLICATIONS FOR EMPLOYMENT

Applications for employment will be approved or disapproved within ninety (90) days following the day the employee first becomes qualified for and performs service as an Engineer with the Company.

An application that is rejected anytime within such period will result in termination of the employee's relationship with the Company for all purposes and shall not be subject to the Article 30 of this Agreement.

ARTICLE 14 – RULES/RE-CERTIFICATION/INSTRUCTION CLASSES

- A. Engineers who are required to attend rule, Engineer re-certification, or instruction classes on their own time shall be paid actual time, except that no pay shall be required for Engineers attending remedial classes in lieu of or as part of the discipline process or as described below.
- B. Where training takes place away from the Engineer's home terminal, lodging will be provided, and the Engineer shall be entitled to allowances for meals and for travel between the home terminal and the course accommodation.
- C. Where an examination or test forms part of the training requirement, an employee is expected to meet the required standard on the first attempt. If an individual is unable to achieve the necessary standard, he will be offered additional training (without compensation) and will be afforded further opportunities to re-take the examination, which must take place within ten (10) days of the first attempt and which will be on their own time. An employee who fails to attain the required standard at the completion

of this period will be deemed to have disqualified himself for employment and will forfeit all seniority.

- D. Engineers who are required to attend rule, Engineer re-certification, or instruction classes during a normal tour of duty (i.e.; combined with other service) will not be paid additional compensation.
- E. Regular Engineers who lose earnings as a result of being required to attend rule, Engineer re-certification, or instruction classes shall be paid for the earnings lost. Extra Engineers shall be credited with a day's pay for each day attending such classes.
- F. Furloughed Engineers must maintain their Locomotive Engineer certification.

ARTICLE 15 – LOCOMOTIVE ENGINEER TRAINING PROGRAM

- A. The parties agree that the Locomotive Engineer Training Program will be developed and maintained by the Company in consultation with the Union. The Union will provide the Company with a list of prospective participants from which the Company will select not less than two (2) to participate in the development and maintenance of the Training Program. Participants representing the Union will not be paid by the Company.
- B. The program will provide the necessary skills, knowledge and performance to ensure a standard of competency for Engineers. The training will incorporate classroom and on-the-job training.
- C. Candidates in the training program will be given two (2) opportunities to successfully complete the classroom component of their training and will be required to satisfy the practical component during a check-ride.
- D. Engineer Trainees will receive on-the-job instruction from Locomotive Engineer Trainers selected by the Company in consultation with the BLE Local Chairman. Engineers selected as Trainers should exhibit exemplary knowledge of locomotive operation and train handling and demonstrate the ability to effectively communicate such skills to Trainees.

ARTICLE 16 – ON AND OFF DUTY POINTS

- A. Except as provided below, Engineers shall have (a) designated point(s) for going on and off duty each day. The Company will consult with the Union prior to bulletining positions where it is proposed to change any On-Duty points.
- B. The starting time of an Engineer shall commence at the time he is required to report for duty, and his pay shall continue until the time he is tied up.
- C. When Engineers are relieved at points other than the point of going on duty, the Company shall provide transportation to the appropriate off duty point which shall be at a recognized location as designated by the Company.

- D. Assignments may include bulletined away from home on and off duty points where assigned Engineers will rest while off duty.
- E. Engineers called to perform service on work trains or at an outlying point shall remain on such assignment for its duration up to one (1) calendar week. Engineers performing service on work trains shall accompany and go on and off duty with the work train. Engineers not furnished transportation shall be compensated for travel. If such individuals are not returned to their home terminal, they shall also be provided a meal allowance and lodging. Engineers performing service on work trains or temporary assignments at outlying points shall not be eligible for payment under Article 19 (D) of this Agreement.
- F. Engineers may decline a call for a consecutive calendar week outlying point assignment. If an Engineer declines a second consecutive outlying point assignment, the next extra board Engineer will be called, and such call will not generate a run-around for the Engineer(s) declining the call. If no other extra board Engineer is rested and available for the call, the first-out Engineer must accept the call.
- G. Except as otherwise agreed, changes at the home terminal shall not be made in reporting and relief points until suitable wash and locker room facilities have been provided. At the home terminal, wash, locker, toilet facilities and hot and cold running water shall be provided for Engineers. An adequate parking area, with all weather surfacing (gravel, slag, stone, etc.) shall be provided and maintained where space is available on Company property if free public parking is not readily available.

ARTICLE 17 – CALLING FOR DUTY

Section 1 – Calling

- A. An Engineer without a designated starting time shall be called not less than two (2) hours prior to the time required to report for duty, except in cases of emergency, such as floods, accidents, storms, etc., where Engineers shall be required to report as soon as possible.
- B. Engineers must designate a telephone and/or pager number at which they can be reached for the purpose of being called.
- C. Engineers called and not used will be paid one basic day and placed back to the bottom of the extra board; however, an Engineer who is called and reports for an assignment and is subsequently not used, may instead perform such other duties as directed for which he is qualified.
- D. When a disruption to service occurs, the General Manager will consult with the General Chairman and the following plan may be implemented:

The current call windows will be suspended and the effected employees will be placed on a Road Pool Board in the order of their call windows. Such employees will then be run first-in, first-out on any available assignment other than temporary vacancies.

A disruption to service is defined as a main line blockage due to derailment, washout, fire, vandalism, flood, or similar act of God that results in the stoppage of trains on the WC Division. It is not the intent to invoke this provision unless an incident results in a severe disruption to the designed flow of traffic on the WC Division. A severe disruption is defined as above noted and lasting more than five (5) hours. Furthermore, the Road Pool Board created by this provision will be abolished and crews will return to their regular assignments when main line traffic resumes.

Employees will be notified when they are to return to their normal call windows.

Question: Is a labor strike considered a disruption of service such that would trigger Article 17, Section 1 Paragraph D?

Answer: No.

- E. When an Engineer on a regularly assigned run lays off for any cause, upon return to active service he must be available for duty at least three (3) hours before the bulletined call window or starting time of the assignment.

Section 2 – Used out of Order

- A. Guaranteed Extra Board Engineers who are available and not called in the correct order (“runaround”) in accordance with the procedures in this Agreement will be paid one half of the basic day payment, and if on a rotating board, remain first out.
- B. There shall be no “chain” type payments and not more than one runaround payment for any particular assignment.
- C. The incidence of runaround claims will be reviewed in the conferences established pursuant to Article 2 in this Agreement to identify and correct any systematic problems.
- D. An Engineer that works into an off duty point that is the source of supply point for Engineers at that location and subsequently is called out of that off duty point enroute to his regular on duty point shall not invoke the runaround provisions outlined in Article 17, Section 2, paragraph A herein for any Engineers with a regular on/off duty point at that location.
- E. Trains that are tied up on line due to being overtaken by the Hours of Service Law may be re-crewed with a qualified Engineer from the nearest source of supply point via highway miles without penalty to the Company.

Section 3 – Familiarization of Territory

- A. When Engineers are required to run over any portion of the road with which they or any other member of the crew are unacquainted, a pilot may be furnished.
- B. Any qualified employee may be used to pilot trains. In no case shall more than one pilot from any class of service be used to pilot a train.

- C. Engineers shall not lose time qualifying over a new territory.

ARTICLE 18 - MEAL PERIODS

- A. Engineers whose assignment works primarily within a yard will have twenty (20) minutes in which to eat, on the property, between the beginning of the fourth and the end of the seventh hour. The time utilized by Engineers for their meal period shall be uninterrupted. However, in granting Engineers time for their meal, it is with the understanding that such must not cause unnecessary interference or delay with the performance of their work or the work of other crews.
- B. In the application of this Article, it is agreed that if a dispute arises regarding the interpretation or application of this Article, said dispute will not be the basis for time claims, but will be referred to the Committee established pursuant to Article 2 for final and binding action and disposition.

ARTICLE 19 - EXPENSES

Section 1 – Held Away From Home Terminal

- A. Engineers completing their work assignment away from their headquarters point will be provided a meal allowance of \$15.00.
- B. The Company will provide lodging and will be responsible for the payment of room and taxes.
- C. When selecting regular accommodation providers the Company will consider the proximity of restaurant facilities. The Company will consult with the Union General Chairman regarding changes to regular accommodation providers.
- D. Except as provided for herein, when an Engineer is tied up at other than his home terminal, upon the expiration of sixteen (16) hours away from home, the individual shall be considered on pay, except that such time shall not be counted towards hours of service. Should an Engineer be called for service or ordered to deadhead after such pay begins, the held away from home terminal pay ceases at the time the service or deadhead commences.
- E. This provision shall not apply to Engineers in service on work trains or at outlying points or to Engineers temporarily transferred or assigned to a new home terminal.

Section 2 – Transportation Expense

When an Engineer is required to work away from his regular assigned location, the Company will either provide transportation or reimburse the Engineer for necessary costs of transportation, which shall be at the standard driving allowance allowed by the IRS. No reimbursement will be made where the Company provides transportation.

Section 3 – Deadheading

Deadheading shall be paid either separate from or combined with service, in the manner least costly to the Company. Where deadheading is paid separately from service, the Engineer shall be paid half a day or actual time consumed, whichever is greater.

This provision will not apply when transporting regularly assigned Engineers from their home terminal to their away from home terminal, or vice versa, as part of their regular assignment. Such Engineers will be paid a service trip.

Q: If separate service deadhead is the only service performed on that calendar day will a basic day's pay shall be allowed for the separate service deadhead?

A: Yes

ARTICLE 20 – PERSONAL LEAVE DAYS

- A. Engineers subject to the provisions of Article 6 shall be entitled to a maximum of twelve (12) PLD's for each calendar year and such Engineers shall be paid a basic day for each PLD. Engineers hired subsequent to the effective date of this Agreement will be entitled to a maximum of four (4) Personal Leave Days. Engineers shall be automatically marked up for service upon expiration of any Personal Leave Day(s) provided they are not marked off for any other contractual reason.
- B. Subject to scheduling by the BLET Local Chairman or his designate, one (1) personal leave day shall be granted on any day to Engineers subject to the jurisdiction of each GEB under the following conditions:
 - (i) The PLD's that are subject to assignment by the Local Chairman shall be assigned on a first come, first served basis.
 - (ii) The BLET Local Chairman or his designated representative must give the crew callers' office at least forty-eight (48) hours' notice of the day to be observed.
 - (iii) Once the PLD is assigned by the Local Chairman, it shall not be changed unless requested by the Local Chairman.
 - (iv) Subject to the needs of service, an Engineer scheduled for such designated PLD may lay off up to twenty-four (24) hours in advance of the day at his regular on duty point in order to avoid being away from the regular on-duty point when the PLD begins.
- C. Upon forty-eight (48) hours advance notice from the Engineer, PLD's shall be scheduled with the approval of the Crew Management Center. PLD's requested and approved as provided for herein (48 hours) must be taken and payment shall be made on the following payroll period.
- D. In situations where the number of applicants seeking PLD's exceeds the number of Engineers that can be released, the Company shall approve applications on the basis of the order they were received except no application may be submitted more than six

months in advance. In the event more than one application is received on the same day the most senior Engineer shall have preference.

- E. Engineers who leave or enter the service of the Company during the year shall have their PLD allocation reduced on a pro-rata basis.
- F. Any PLD's provided for herein that are requested but denied by the Company and not subsequently rescheduled during the calendar year or the first quarter of the following calendar year shall be paid at the rate specified herein.
- G. Engineers may elect to be paid a PLD on any day.
- H. Employees from other crafts transferring into engine service shall retain any PLD entitlement previously earned.

ARTICLE 21 - HOLIDAYS

- A. Engineers who are available the immediate two (2) days preceding and the immediate two (2) days following a holiday identified in Article 9, and who work on a holiday shall be paid a holiday rate of pay of 1.2 times the hourly rate for the first ten (10) hours worked in recognition for service performed on the holiday. All time in excess of ten (10) hours worked on the holiday shall be time and one-half based on the rate outlined herein.
- B. An Engineer whose assignment is annulled because of a holiday may, at their discretion, utilize a PLD, if available.
- C. If a Guaranteed Extra Board assignment is annulled on a holiday, the guarantee will be reduced by 1/10th.

ARTICLE 22 - VACATION

Section 1 - Entitlements

Each Engineer subject to the scope of this Agreement and having continuous service (including other crafts) and who has rendered service (including other crafts) as identified herein, shall be eligible for the following annual vacation entitlement allotted in order of Company Hire Date for those with Engineer seniority prior to April 1, 2002, and by Engineer Seniority for those hired on or after April 1, 2002 to be taken between January 1 and December 31:

A qualifying Engineer shall be entitled to paid vacation, subject to the following:

Note: Seven (7) calendar days constitutes a week.

Years of Service	Amount of Vacation	Explanation
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New Engineers, if during the preceding calendar year has rendered service amounting to 160 basic days or equivalent hours paid	One (1) Week	Six (6) days paid if on a 6 day assignment, 5 days paid if on a 5 day assignment or 1/52 nd , whichever is greater
After Two (2) Years But Less Than Five (5) Years Of Cumulative Compensated Service	Two (2) weeks	Twelve (12) days paid if on a 6 day assignment, 10 days paid if on a 5 day assignment or 2/52 nd , whichever is greater
After five (5) years but less than fourteen (14) years of cumulative compensated service	Three (3) weeks	Eighteen (18) days paid if on a 6 day assignment, 15 days paid if on a 5 day assignment or 3/52 nd , whichever is greater
After fourteen (14) years but less than twenty-three (23) years of cumulative compensated service	Four (4) weeks	Twenty-four (24) days paid if on a 6 day assignment, 20 days paid if on a 5 day assignment or 4/52 nd , whichever is greater
After twenty-three (23) years or more of cumulative compensated service	Five (5) weeks	Thirty (30) days paid if on a 6 day assignment, 25 days paid if on a 5 day assignment or 5/52 nd , whichever is greater

Section 2 – Scheduling

Vacation shall be taken between January 1 and December 31. Engineers may take all available weeks of vacation consecutively. Engineers who desire to split their vacation can take up to three (3) weeks of their vacation in the first round and their remaining weeks in the second round. The Company will determine vacation allocation and the Union will determine the process and make-up of the vacation schedule, which shall be posted at conspicuous and convenient places, such as bulletin boards, in all of the on duty points, on or about December 15 of each calendar year. In the event that the Union fails to provide the Company a vacation schedule by December 1, then the Company shall allocate and assign vacations at its discretion.

Section 3 – Rate of Pay for Vacation

On the effective date of this Agreement an Engineer receiving vacation, or pay in lieu thereof, shall be paid for each week of such vacation at 1/52 of the compensation earned by such Engineer during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay for each week of vacation be less than five (5) minimum basic days’ pay for a five day assignment or six (6) minimum basic days pay for a six day assignment. Two weeks of single day vacation is equal to twelve (12) single days pay, when taken on a single day basis.

Section 4 – Qualifying

Engineers shall perform one hundred sixty (160) days or equivalent hours of cumulative compensated service in any calendar year to qualify for vacation in the ensuing year as provided under Section 1 of this Article.

Section 5 – Submitting Request

When submitting vacation requests, Engineers shall submit a sufficient number of choices for weekly vacation bids. In failing to submit a sufficient number of vacation bids, such Engineer shall have their vacation forced assigned.

Section 6 – Employment Status

If an Engineer's employment status is terminated for any reason, they shall, at the time of termination, be granted full vacation pay for vacation earned in the preceding year not yet granted, and vacation pay for the succeeding year if the Engineer has qualified therefore under Section 1 of this Article. If an Engineer thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as the Engineer may have designated, or in the absence of such designation, the surviving spouse, the Engineer's children, or his estate, in that order.

Section 7 – Transferring from Other Crafts

Vacations, or allowances therefore, under two (2) or more schedules held by different organizations on the same Company shall not be combined to create a vacation of more than the maximum number of days provided for in any one of such schedules. Employees transferring from other crafts shall have length of service and other qualifications for vacation count toward vacation as an Engineer.

Section 8 – GEB

Time off on account of vacation shall not affect guarantees.

Section 9 – Expiration of Vacations

Vacations shall not be accumulated or carried over from one vacation year to another.

Note: In the event an Engineer could potentially lose time at the end of his pending vacation period he may request approval of the Company that his vacation could be reduced in one (1) year and adjusted in the next.

Section 10 – Vacation Credits

The following shall also be used to determine eligibility for vacation:

1. Used out of order – one-half (½) day credit;
2. Separate Service Deadheading – one (1) day credit;
3. An Engineer paid eight (8) hours under the held away from the regular off duty point rule shall be credited with one (1) basic day.

4. Calendar days on which an Engineer is compensated while attending training and rules classes at the direction of the Company – one (1) day credit
5. Each day worked on a position not covered by this Agreement shall count as a Basic Day for vacation qualification purposes.
6. Calendar days on which an Engineer assigned to an extra list or a regular assignment is available for service and on which days he performs no service through no fault of his own, shall be included in the determination of qualification for vacation.
7. Calendar days, not in excess of sixty (60), on which an Engineer is absent from and unable to perform service because of sickness or injury received on duty shall be included in the determination of qualification for vacation.
8. Calendar days on which an Engineer's assignment is annulled or is otherwise released for the day.

Section 11 – Union Officials

Time off granted for Union business shall count toward vacation qualification days for Engineers who hold positions as General Chairman, Vice General Chairman, Local Chairman, etc. (“Local Officials for the Brotherhood of Locomotive Engineers and Trainmen”). It is further understood that by providing this exclusion it is not intended that the total number of such Officials covered be expanded.

Section 12 - General

- A. During a calendar year in which an Engineer's vacation entitlement shall increase on the anniversary date, such Engineer shall be permitted to schedule the additional vacation time to which entitled on the anniversary date at any time during that calendar year.
- B. Where an Engineer is discharged from service and subsequently reinstated without loss of seniority and/or benefits, service performed prior to discharge and subsequent to reinstatement shall be included in the determination of qualification for vacation during the following year. Engineers restored to service shall be credited for all time paid for entitlement purposes.
- C. In instances where Engineers who have become members of the Armed Forces of the United States return to the service of the Company in accordance with the Veterans Re-Employment Rights Act (8 USC Title 38 §2021-2027), as amended from time to time, time spent by such Engineer in the Armed Forces subsequent to their employment by the Company shall be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the Company.
- D. Full week vacations will commence at the beginning of the tour of duty for the Engineer's designated work period and continue as consecutive week(s). An Engineer may take up to twelve (12) days of his annual vacation in single day increments, as outlined in Section 3 herein, and such employee shall be automatically marked up for service upon the expiration of any single day vacation provided they are not marked off for any other contractual reason.

ARTICLE 23 – BENEFITS

Section 1 – Health & Welfare

Employees coming under the scope of this Agreement, along with their dependents, and retirees, if applicable, will be subject to the National Railway Carriers and Brotherhood of Locomotive Engineers Health and Welfare Plan, the Railroad Employees National Dental Plan, and the Railroad Employees National Vision Plan, as may be amended, with employee contribution levels limited to those contained in the National Railway Carriers and Brotherhood of Locomotive Engineers Health and Welfare Plan, the Railroad Employees National Dental Plan, and the Railroad Employees National Vision Plan. The employee contribution will be the same as that provided for in the BLET National Plan and shall change in accordance with the National Plan rates.

Section 2 – Life Insurance

An Engineer's minimum life insurance coverage is \$50,000. Engineers requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 3 – Other

Accidental Death Insurance - An Engineer's minimum coverage is \$50,000. Engineers requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 4 – Off Track Vehicle Accident Benefits

The parties agree to implement and maintain the current off track vehicle accident benefits as provided in the Brotherhood of Locomotive Engineers' National Health and Welfare Plan, as amended.

Section 5 – Stock Purchase Plan

The Company shall maintain for the benefit of Engineers covered by this Agreement a stock purchase plan, which may be changed from time to time provided such changes are applicable to Company employees generally.

Section 6 – Employee Assistance Program

The Company shall maintain for the benefit of Engineers covered by this Agreement an Employee Assistance Program, which may be changed from time to time provided such changes are applicable to Company employees generally.

Section 7 – 401K Plan

A. Within ninety (90) days of ratification, the Company shall establish a 401(k) plan for Engineers covered by this Agreement. Under the plan, for the first four percent (4%) of an employee's salary contributed, the Company shall contribute \$.25 for each \$1.00

contributed by the employee. Engineers may contribute an amount above 4%, up to the maximum legal amount with no Company participation.

- B. The Company shall be responsible for all costs of establishing the plan, including the making of payroll deductions and payments of withheld wages to the trustee. The employee shall be responsible for all costs of services in connection with the operation of the 401(k) plans.

Section 8 – Short Term Disability Plan

A short-term disability income insurance plan is hereby established and replaces all existing sickness plans. The conditions for the short-term disability income insurance is described in “Attachment B” to this Agreement. (Side Letter 5)

Section 9 – Profit Based Incentive Plan (PBIP)

Engineers covered by this Agreement shall be eligible to benefit from the Company’s Profit Based Incentive Plan (PBIP), dependent upon the Company achieving its announced targets and goals. The targets and goals for the PBIP, as well as the determination of the results, will be decided solely by the Company. Such yearly targets and goals will be established and communicated to the BLET prior to March 1 of each year.

ARTICLE 24 – PHYSICAL EXAMINATIONS

Engineers covered by this Agreement may be required to take medical examinations, including eye and hearing tests, by the Company’s physician at the Company’s expense. If the examination must take place outside the Engineer’s regular on duty point, the individual shall be allowed payment for meals and travel. Engineers shall be made whole for any earnings lost.

ARTICLE 25 – MEDICAL DISQUALIFICATIONS

- A. If an Engineer is found to be medically disqualified by the Company's physician, and the Engineer is of the opinion that his condition does not justify removal from the service or restriction of his rights to service, appeal will be made to the designated officer of the Company for a joint medical board to be established.
- B. The Engineer involved, or his representative will select a physician to represent him and the Company will select a physician to represent it (who may be the original examining physician) in conducting a further medical examination. If the two physicians thus selected shall agree, the conclusion reached by them as to the individual's medical condition will be final.
- C. If the two physicians selected do not agree as to the medical condition of such individual, they will select a third physician to be agreed upon by them, who shall be a practitioner of recognized standing in the medical profession and a specialist in the disease or ailment from which the individual is alleged to be suffering. The three

physicians thus selected will examine the Engineer and render a report with reasonable promptness setting forth his physical condition and their opinion as to his fitness to continue service in his regular employment, which shall be accepted as final. Should the decision be adverse to the individual, and it later appears through medical findings that his condition has improved, a re-examination by the Company's physician will be arranged after a reasonable interval upon the request of the Engineer or the Union.

- D. The Company and the Engineer will each pay for the costs of their chosen physician and share equally in paying the costs of the third physician.
- E. If an Engineer has been furloughed for more than ninety (90) days and is recalled or rehired, he will be required to pass a physical examination (including drug and alcohol testing) before being permitted to return to duty.
- F. If for any other reason related to Company service, an Engineer is required to take a medical examination the expense of that examination shall be covered by the Company.

ARTICLE 26 – PAYDAY

- A. Payroll periods shall consist of two (2) pay periods per calendar month consisting of a first half and a second half. Payroll periods shall commence on the first calendar day of each calendar month through and including the fifteenth calendar day of each calendar month (first half) and the sixteenth calendar day of each calendar month through and including the last calendar day of each calendar month (second half).
- B. Engineers shall be paid on a semi-monthly basis by direct deposit. Engineers will be paid on or about the 16th for scheduled hours during the first half of the month and on or about the 1st of the succeeding month for scheduled hours in the second half of the month. Adjustments to the Engineers scheduled hours, such as overtime or time lost, will be processed in the pay period following the reported time.
- C. Nothing in the foregoing limits the Company from moving to a bi-weekly pay cycle during the term of this Agreement provided, however, that the amount paid to the Guaranteed Extra Board is adjusted proportionally.

ARTICLE 27 – PAYROLL AND DEDUCTIONS

Payroll payments will be made only to a direct checking and/or savings deposit account as specified by the Engineer, provided however that the employee's selected financial institution is one recognized by the Company as able to accept direct deposits.

Payroll deductions are available to all permanent full-time Engineers who execute a suitable written deduction authorization for the following purposes:

- ◆ Periodic Union dues, agency fees and assessments included in monthly dues (not including fines and penalties) payable to the Union.
- ◆ Other purposes as from time to time designated by the Company.

ARTICLE 28 – UNION SHOP AGREEMENT

- A. Subject to the terms and conditions below, all employees of the Company subject to this Agreement shall, as a condition of their continued employment under this Agreement, become members of the Union within sixty (60) calendar days of the date they first perform compensated service under this Agreement, and shall maintain membership in good standing in the Union while subject to the Agreement; provided, however, that this requirement for membership in the Union shall not be applicable to:
- ◆ Those to whom membership is not available upon the same terms and conditions as are generally applicable to any other member;
 - ◆ Those to whom membership has been denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Union;
 - ◆ Those who are members of another labor organization as permitted by Section 2, Eleventh (c) of the Railway Labor Act, as amended; or
 - ◆ Those who elect not to join the Union, in which case they shall be required to remit to the Union a monthly agency fee which shall not be in excess of the standard monthly dues required of members.
- B. Engineers, who are assigned or transferred for a period of thirty (30) calendar days or move to employment not covered by such Agreement, or who are on leave of absence for a period of thirty (30) calendar days or more, shall not be required to maintain membership as provided in this Rule so long as they remain in such other employment, or on such leave of absence, but they may do so at their option. If and when such employees return to any service covered by this Agreement, they shall comply with the provisions of this Rule within thirty (30) calendar days of such return to service.
- C. An Engineer whose membership in the Union is suspended because of furlough or off duty illness or injury for a period of thirty (30) calendar days or more, shall be granted upon his return to service under this Agreement, a period of thirty (30) calendar days to comply with this Rule.
- D. Every employee required by the provisions of this Rule to become and remain a member of the Union shall be considered by the Company to be a member of the Union unless the Company is advised to the contrary in writing by the Union. The Union shall be responsible for initiating action to enforce the terms of this Rule.
- E. The Union shall furnish to the Company, in writing, the name and roster number of each Engineer whose seniority and employment the Union requests be terminated by reason of failure to comply with the membership requirements of this Rule.
- F. In the event the Company wishes to dispute the correctness of the Union's position, it shall so notify the Union within ten (10) calendar days of receipt of the notice from the

latter, stating the reasons therefore. If, (1) no such exception is taken by the Company, or (2) the Union does not withdraw its request within ten (10) calendar days from the date of the notice of exception, the Company shall transmit to the Engineer at his last known address, through registered United States Mail, return receipt requested, a copy of the Union's request, accompanied by an explanatory letter, a copy of which shall be furnished the Union.

ARTICLE 29 – HANDLING OF TIME CLAIMS AND GRIEVANCES

Section 1 Representation

- A. The Brotherhood of Locomotive Engineers and Trainmen shall have the exclusive right to represent all engine service employees (other than those who are members of a craft represented exclusively by another labor organization) in company level grievance, claim and disciplinary proceedings on those Companies on which the BLET is the lawfully recognized or certified collective bargaining representative for that craft.
- B. The General Committee of Adjustment, Brotherhood of Locomotive Engineers and Trainmen, will represent all Engineers in the making of contracts, rates, rules, working agreements and interpretations thereof.
- C. It is agreed that the dividing line of jurisdiction to control craft conditions is at the point of entry into the one craft or the other.
- D. It is agreed that, absent the concurrence of the General Chairman of the BLET, the Company will not deal with a representative of any other organization concerning an interpretation or change of any rule, benefit or working condition subject of this Agreement.
- E. All disputes involving Engineers will be handled in accordance with the provisions of this Agreement as interpreted by the BLET General Committee and the Company.

Section 2 Handling Of Claims And/Or Grievances Other Than Discipline Appeals

- A. All claims or grievances must be presented electronically by the Engineer involved, or on behalf of the Engineer by his Local Chairman, to the officer of the Company authorized to receive same within sixty (60) days from the date of occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall, within sixty (60) days from the date it is received, notify the Engineer or his Local Chairman in writing of the reason(s) for such disallowance. Should the Company fail to issue timely declination of the claim or grievance, it will be allowed as entered, however such allowance will not constitute a precedent for other similar claims or grievances.
- B. In the event the claim or grievance is disallowed, the BLET Local Chairman shall appeal the matter to the Superintendent. If the claim or grievance is not appealed, the disallowance shall stand, however the disallowance shall not constitute a precedent for other similar claims and grievances.

In the event the appeal is disallowed, the Superintendent shall, within 60 days from the date it is received, notify the Local Chairman electronically of the reason(s) for such disallowance.

Should the Superintendent fail to issue timely notification of the declination of the appeal, the claim or grievance will be allowed as entered, however such allowance will not constitute a precedent for other similar claims or grievances.

- C. Claims declined under Section 2 (B) of this Article shall be appealed electronically by the BLET General Chairman to the Company's Director Labor Relations, or designate, within 60 days of the disallowance. The Director, or his designate, shall, within 60 days from the receipt of the appeal, notify the General Chairman of the allowance or declination of the claim. Should the Director or designate fail to timely notify the General Chairman of such declination, the claim will be allowed as entered, however such allowance shall not constitute a precedent for other similar claims.
- D. Claims and grievances disallowed by the Company pursuant to Section 2 (C) will be barred from further handling unless, not less than 60 days prior to the next scheduled meeting date of the Labor/Management Resolution Committee, the General Chairman lists the unresolved claim or grievance to the Committee.
- E. The Committee will consider the entire record of each dispute submitted to it. Decisions made pursuant to this process will be written by the Company within forty-five (45) days of the meeting date and will represent the final and binding decision on such grievances. The handling of claims and grievances by the Committee will constitute any "conference" prerequisite to submission of disputes to a public law board tribunal established pursuant to law or by agreement.
- F. In the event that a majority of the Committee does not agree on the resolution of a particular grievance, either party may initiate proceedings before a tribunal established pursuant to law or by agreement within six months of the Committee's written decision having been rendered.
- G. Nothing in this Section shall preclude an agreement by the parties to conference claims or grievances independent of the procedures set forth in Section 2 (D) of this Article. Such conference as may be agreed to will constitute any "conference" prerequisite to the submission of disputes involving claims and/or grievances to a tribunal established pursuant to law or by agreement for the final adjudication of such disputes.
- H. Written correspondence requirements may be met by transferring documents electronically. Upon notice by the Company, all Claims and Grievances must be submitted via the Company's designated electronic systems.

Section 3 Handling of Discipline Appeals

- A. Discipline decisions reached by the Company pursuant to Article 29 (F) of this Agreement may be adjusted between the Engineer, or by the BLET Local Chairman on his behalf, and the Superintendent, or designate, within 60 days of the issuance of the decision.

- B. Should the matter fail resolution by the Local Chairman and the Superintendent or designate, the Engineer or the BLET General Chairman on his behalf shall appeal, electronically, to the Director Labor Relations, or designate, within 180 days of the date the discipline was assessed, or the appeal will be barred. The Director Labor Relations, or designate, shall notify the General Chairman of the allowance or declination of the appeal within 60 days of the receipt of the appeal. Should the Director Labor Relations fail to timely notify the General Chairman of the declination of the appeal, the claim will be allowed as entered.
- C. The BLET General Chairman will list unresolved discipline appeals with the Director Labor Relations not less than 30 days prior to the next scheduled meeting of the Labor/Management Resolution Committee for handling pursuant to Section 2 (D) of this Article.
- D. Nothing in this Section shall preclude an agreement by the parties to conference discipline appeals independent of the procedures set forth in this Article. Such conference as may be agreed to will constitute any “conference” prerequisite to submission of unresolved disputes involving discipline appeals to a tribunal established by law or by agreement for the final adjudication of such disputes.

ARTICLE 30 – INVESTIGATIONS AND DISCIPLINE

Section 1 - Investigations

- A. Except as otherwise provided in this Agreement, no Engineer shall be suspended or discharged without just cause and without a fair and impartial hearing.
- B. An Engineer directed to attend a formal hearing to determine the individual’s responsibility, if any, in connection with an occurrence or incident shall be notified in writing within ten (10) days from the date of the occurrence. When the occurrence is not of a nature immediately known to the Engineer’s supervisor(s), the notification must be within ten (10) days of the time they have first have knowledge thereof. The notice shall contain a clear and specific statement of the date, time, place and nature of the occurrence or incident that is to be the subject of the hearing.
- C. The notice shall inform each Engineer so notified of the right to representation and the right to bring in witnesses.
- D. If prior to the hearing, disposition of the charges is made on the basis of the Engineer’s acknowledgement of responsibility, the disposition shall be reduced to writing and signed by the Engineer, his representative and the Company official involved and shall incorporate a waiver of hearing and shall specify the extent of discipline which will be imposed.
- E. Subject to the following, the hearing shall be held within ten (10) days of the notice. Consistent with the above provisions, postponements of the formal hearing may be requested by either party on reasonable grounds and consent shall not be unreasonably

withheld. When Engineers are withheld from service the Company will not be permitted a postponement unless agreed upon by the Union.

- F. At the hearing, a transcript of the proceedings shall be taken. Such transcript shall be prepared within thirty (30) days of the date of the hearing. In the event discipline is assessed, the Engineer shall, upon written request, be furnished with a copy of the transcript.
- G. If the formal hearing results in assessment of discipline, such decision shall be rendered within thirty (30) calendar days from the date the hearing is concluded, and the Engineer shall be notified in writing of the decision.
- H. Witnesses who are directed by the Company to attend a hearing shall be compensated for all time lost and in addition will be reimbursed for actual, reasonable and necessary expenses incurred for each day of the hearing. Employee witnesses who are requested to attend a hearing shall be compensated as though called by the Company if their testimony is material to the matter under investigation.

Section 2 – Appeal Process

- A. If the Engineer or the Union desires to appeal the discipline assessed as the result of an investigation, a written appeal will be made to the Labor / Management Resolution Committee, established under Article 29.
- B. Discipline appeals will be barred from further handling unless, not less than thirty (30) days prior to the next or subsequent scheduled quarterly meeting date, the General Chairman lists existing unresolved grievances to the Committee.
- C. The Committee will consider the entire record of each appeal submitted to it. Decisions made pursuant to this process will be written by the Company within thirty (30) days of the meeting date and will represent the final and binding decision on such appeal. The handling of appeals by the Committee will constitute any “conference” prerequisite to submission of disputes to a tribunal established pursuant to law or by agreement.
- D. If the Committee determines that an Engineer has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the individual’s record. The Engineer shall be reinstated with his seniority rights unimpaired and, unless otherwise agreed, shall be compensated for wage loss, if any, resulting from such discipline or dismissal.
- E. In the event that a majority of the Committee does not agree on the resolution of a particular appeal, either party may initiate proceedings before a tribunal established pursuant to law or by agreement within six months of the Committee’s written decision having been rendered.

ARTICLE 31 – TIME OFF FOR UNION BUSINESS

- A. An Engineer who is elected to a full time position with the Brotherhood of Locomotive Engineers shall be granted an unpaid leave of absence for the duration of time he holds such position.
- B. Engineers serving on committees (inclusive of those serving on safety committees as representatives of the Union) will, upon sufficient notice, be granted time off without pay, consistent with the needs of service, to perform committee work. An Engineer whose work is scheduled in two-day increments will be required to take two days leave.

ARTICLE 32 – ATTENDING COURT AND INQUESTS

Engineers who are required to attend court or inquests on behalf of the Company shall be made whole for lost wages.

ARTICLE 33 – LEAVE OF ABSENCE

Section 1 – General

- A. The General Chairman shall be furnished a copy of each leave of absence granted to Engineers.
- B. Engineers may return to work prior to the expiration of a leave of absence when there is no other prohibition.
- C. Engineers who do not return to service at the expiration of their leave of absence, and who have not submitted application for an extension thereof, shall be notified that they are absent without permission and such notice shall instruct them to return to service or to satisfactorily account for their absence within fifteen (15) days or forfeit seniority as Engineer. Engineers who forfeit their seniority as a result of the provisions outlined herein will have their employment relationship with the Company terminated. A copy of the notice to the absent Engineer shall be furnished to the Local Chairman and General Chairman of the Brotherhood of Locomotive Engineers and Trainmen on the territory concerned. It is understood that this Agreement does not prejudice the provisions of schedule agreements relating to protests against changes in seniority rosters.

Section 2 – Less Than One Year

Engineers may, upon written application to their employing officer, be granted leave of absence for a period or periods not to exceed one year. Extensions to the one-year period may be granted when agreed to by the Company and the General Chairman of the Brotherhood of Locomotive Engineers and Trainmen.

Section 3 – Illness / Injury

- A. In the event of absence occasioned by illness or injury, Engineers shall be granted leave of absence automatically upon presentation of written application accompanied by

appropriate substantiating medical evidence. Such automatic leaves shall not be for a period of more than one year, and extensions thereof shall require a new application and further substantiating medical evidence. In case the Company is not satisfied that the illness or injury is bona fide, additional evidence may be required to establish same to their satisfaction.

- B. Provided return to service is approved by Medical Services Department, Engineers who have been injured on duty shall be permitted to return to work without signing a release.

Section 4 – Official / Military

Unless otherwise provided for in Article 7, Engineers accepting official positions with the Company or the Brotherhood of Locomotive Engineers and Trainmen shall retain their seniority while holding such position, the same as if continuously in engine service. Engineers elected or appointed to public office may be granted leave of absence for the duration of their term of office or appointment. Engineers in military service shall be granted leave of absence in compliance with applicable law and shall not be subject to the provisions of Article 7, Sections 6 and 7 for the duration of their military obligation.

ARTICLE 34 – JURY DUTY

Engineers who serve on jury duty will be paid the difference between the amount paid by the Court for such service and the amount of the normal straight time rate of pay they would have earned. No pay will be granted to Engineers for this purpose who are already on vacation, leave of absence, or furlough.

ARTICLE 35 – RECORD KEEPING

It is the responsibility of the Engineer to accurately complete his hours of service log and any other time records daily and submit to the designated officer in a timely fashion as required by the Company. It is the responsibility of the Company to appropriately record each transaction that affects Engineer's wages, hours, vacation and personal leave days.

ARTICLE 36 – BULLETIN BOARDS

The Company shall provide space on bulletin boards at all home terminals to post notice of union business, provided that such notice(s) shall not include any defamatory or anti-Company material.

ARTICLE 37 – BEREAVEMENT LEAVE

Bereavement leave of three (3) consecutive working days shall be allowed, in case of death of an Engineer's "natural" or "step" brother, sister, parent, child, grandparent, spouse or

spouse's parent. Engineers involved shall make provision for taking this unpaid leave with their supervisor in the usual manner.

ARTICLE 38 – CREW CALLING RECORDS

The Company shall provide each Local Chairman and the General Chairman with access in the Crew Calling Computer system that enables them to research calling records and history.

ARTICLE 39 – HOUSEKEEPING

- A. Within one hundred and twenty (120) days following ratification, the Company will make available a revised copy of the current collective agreement, one per each employee subject to this agreement and will provide the General Chairman an electronic copy of such collective agreement.
- B. Housekeeping changes of the language may be made to reflect proper references to the BLET, grammatical errors, spelling errors, etc.

ARTICLE 40 – GENERAL PROVISIONS

- A. The purpose of this Agreement is to fix the general level of compensation and rules covering working conditions through March 31, 2011 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. Neither party to this Agreement shall serve, prior to November 1, 2010 (not to become effective prior to April 1, 2011), any notice or proposal for the purpose of changing, adding to, or deleting the provisions of any agreement in effect between the parties.
- C. The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.
- D. Unless otherwise specified, this Agreement is effective on February 1, 2009. At such time all other agreements in effect between the parties are considered null and void, and this Agreement is the only agreement in effect between the parties.

Signed Homewood, Illinois, this 1st day of February, 2009.

FOR THE COMPANY

FOR THE UNION

Original signed by:

Roger K. MacDougall
Senior Director, Labor Relations

Approved:

Original signed by:

J. W. Reynolds
General Chairman

Approved:

Original signed by:

Kim Madigan
Vice-President, Labor Relations
North America

Original signed by:

Richard K. Radek
Vice-President

Side Letter 1 – Hours of Service



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement.

The parties have agreed to a mandatory requirement to renegotiate the compensation terms of the agreement if the hours of service regulations change as a result of any Governmental entity enacting, changing or implementing rest/fatigue rules and/or statutes governing the hours of service in the railroad industry during the time this agreement is in effect.

The parties have agreed that in the event the Company is mandated to reduce an employee's hours of service to less than the ten (10) hour basic day (including any reduction in an employee's productive time due to any definitional changes in hours of service), or less than five (5) starts in a seven (7) day cycle for regular assignments, or less than eleven (11) starts in a fourteen day cycle for Extra Board assignments, the parties will meet within five (5) days of notification of such change. Negotiations shall not exceed three (3) days, unless otherwise mutually agreed and the parties will negotiate a proportional reduction in the hourly and/or the GEB guarantee rate of pay in effect. The parties recognize that factors such as, but not limited to, an increase in the number of employees and the fringe benefit costs, must be considered in the total cost to the Company resulting from a change in the Law. If an agreement on the reduced hourly rate cannot be reached within the time stipulated above, or if the parties disagree on the appropriate amount of the hourly rate, the parties agree to submit the matter for expedited, final and binding arbitration.

Immediately following the failure to reach an agreement within the stipulated period, either party may initiate proceedings by serving written notice of intent on the other party to progress the issue to arbitration. Within (3) three days of the notification to proceed to Arbitration, if unable to agree to a Neutral, the parties will select a Neutral by alternate strike from a fifteen (15) name strike list requested/provided from the National Mediation Board (NMB). Pending the availability of the Neutral, a hearing on the dispute will take place within thirty (30) days of the Neutral's selection. The parties shall bear their respective costs of the proceedings. The parties shall compensate the Neutral in equal part. The Neutral will render a decision in the matter within fifteen (15) days of the conclusion of the hearing unless otherwise agreed, and the decision will be binding on the parties and subject to enforcement as an Award of the National Railroad Adjustment Board.

Finally, the parties recognize that there may be an interim period between the time that any new Legislation may take effect and the time it takes to hire and train any new employees required to comply with the Legislation. The BLET agrees to cooperate with the Company in solving any employee shortage issues, including allowing for temporary relocation from available employees in other seniority districts or the use of any qualified employees if necessary to meet the needs of service.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 2 – Remote Control Operations



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds,

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement. The parties have agreed to a mandatory requirement to renegotiate the Remote Control Operation terms of the agreement if the regulations change as a result of any Governmental entity enacting or changing rules and/or statutes governing the minimum number of Remote Control Operators required on a single assignment in the railroad industry during the time this agreement is in effect.

In the event that the Company desires to reduce Remote Control Operations to a single employee operator, and Government Rules and Statutes allow such operations, the parties will meet within five (5) days of notification of such change. Negotiations shall not exceed three (3) days, unless otherwise mutually agreed and the parties will negotiate with a view toward a shared equity in the number of remote control operators with the Brotherhood of Locomotive Engineers and Trainmen. If an agreement cannot be reached within the time stipulated above, the parties agree to submit the matter for expedited, final and binding arbitration.

Immediately following the failure to reach an agreement within the stipulated time frame, either party may initiate proceedings by serving written notice of intent on the other party to progress the issue to arbitration. Within (3) three days of the notification to proceed to Arbitration, if unable to agree to a Neutral, the parties will select a Neutral by alternate strike from a fifteen (15) name strike list requested/provided from the National Mediation Board (NMB). Pending the availability of the Neutral, a hearing on the dispute will take place within thirty (30) days of the Neutral's selection. The parties shall bear their respective costs of the proceedings. The parties shall compensate the Neutral in equal part. The Neutral will render a decision in the matter within fifteen (15) days of the conclusion of the hearing unless otherwise agreed, and the decision will be binding on the parties and

subject to enforcement as an Award of the National Railroad Adjustment Board. The parties agree that any such negotiation or Arbitration may be expanded by either party to include the representative of Engineers on this property.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur: **Original signed by:**

J.W. Reynolds
General Chairman

Side Letter 3 – Assignments



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Memorandum of Agreement.

With respect to Article 8, we agreed that at locations where there are no GEBs it may be necessary in certain circumstances to bulletin assignments as six (6) days on with one (1) scheduled rest day. These locations shall be determined by mutual agreement between the parties. The current locations that may be bulletined as 6/1 assignments are:

Taylor
New Richmond
Marshfield

We also agreed that the specified 5/2 and 6/2 assignments and the 5/1-6/2 GEB would be “phased-in” by August 1, 2010.

During the period from the effective date of this Agreement until the work/rest provisions of Article 8 and this Side Letter have been met, the overall proportion of regularly assigned positions that was in effect on April 1, 2002 will not be reduced and Employees will not be required to make any Health and Welfare monthly contributions. Once all work/rest cycle provisions are met, Employees will make monthly contributions in accordance with the provisions of Article 23.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 4 – H&W



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement.

With respect to moving to the National Health and Welfare Plan, The parties agree that enrollment in the BLET National Health and Welfare Plan will be at the earliest convenient opportunity under that Plan. Until such time as this conversion into this Plan, Engineers shall remain in their existing Health and Welfare Plan.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 5 – Disability



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement.

All Engineers who are currently on the Disability Plan as provided for in the Wisconsin Central Ltd Policy 3.10.2 as of the effective date of this Agreement shall convert to the new terms and conditions as set forth herein until such Engineers return to active service with the Company.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 6 – Temporary Shortage



Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

www.cn.ca

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds,

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement regarding overcoming a temporary shortage of Engineers. In this regard the parties agreed to the following:

Positions will be advertised seven (7) days in advance of an anticipated temporary shortage of Engineers at a specific location(s), initially to employees on the adjacent Seniority District(s). In the event applications are not received from employees in the initial step, then the shortage positions will be advertised to employees on all Seniority Districts. Applicants will be selected based upon seniority and the requirements of service at the applicant's home terminal, qualifications being equal.

Successful applicants will be required to protect service at the shortage location for a minimum of thirty (30) days but not to exceed one (1) year, unless released by the Company. This time frame may be extended as mutually agreed by the Company, the Engineer and the General Chairman of the BLET.

On any particular bulletin, the Company may offer engineers incentives to temporarily transfer to another seniority district, provided that such incentives are identical for engineers transferring to the same district on the same bulletin.

The serving of a ten (10) day written notice of cancellation by either party shall terminate the provisions of this side letter.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

I concur:

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

J.W. Reynolds
General Chairman

Side Letter 7 – Standing Bid



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement regarding Standing Bid.

The parties recognize that it may be in the best interest for both parties to modify the current Standing Bid procedure. The BLET General Committee and the Company will meet to review the current procedures and develop jointly any changes necessary to mutually benefit the parties.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 8 – Chicago Implementing Agreement



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement regarding the Chicago Terminal Implementing Agreement.

The terms and conditions of the BLET Chicago Terminal Implementing Agreement effective November 1, 2004 remain in effect. Should the provisions of the November 19, 2008 Agreement conflict with the terms and conditions contained in the BLET Chicago Terminal Implementing Agreement, the BLET Chicago Terminal Implementing Agreement will apply.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 9 – Retroactive Back-pay



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

This following shall confirm our discussions during the just concluded negotiation that resulted in the November 19, 2008 Memorandum of Agreement.

All active Engineers shall receive retroactive back-pay in accordance with the scheduled General Wage Increases of this Agreement commencing from April 1, 2005 through and including the effective date of this agreement. Back-pay will not include reimbursable expenses such as mileage and meal allowances. Vacation pay will be adjusted to reflect retroactivity with respect to pay rates but will not be based on the 1/52nd formula until after the effective date of this Agreement. Retroactive back-pay shall be paid within thirty (30) to forty-five (45) days subsequent to the effective date of this Agreement.

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

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 10 – Clarification of Intent



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Memorandum of Agreement.

During our discussions the Parties agreed that the Highest Designated Officer of the Company and the BLET General Chairman shall meet in conference, if necessary, in order to consummate mutually agreed upon interpretation(s) to this Agreement.

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

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 11 – Passport Reimbursement



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement.

During our discussion the parties discussed the impact of the Intelligence Reform and Terrorism Prevention Act of 2004, which currently requires that by January 1, 2008, all land travelers will need a valid passport to enter and re-enter the United States. A similar legal requirement also applies to entry/re-entry into Canada.

In an effort to minimize this impact, the Company has agreed to reimburse any engine service employee with an established seniority date prior to the effective date of this Agreement and is required to obtain a valid passport in order to perform service for the Company, for the initial cost of the passport. This reimbursement is contingent on all of the following:

1. It being a requirement of service.
2. It being a first-time passport and not a renewal.
3. Proper documentation being submitted for reimbursement.

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

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 12 – Claims Settlement



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Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement, that all outstanding claims and grievances, other than those involving disciplinary action, based on an occurrence prior to November 19, 2008, are considered resolved without prejudice to the position of either party and with the understanding that such settlements will not be cited by either party in any future case, nor used by either party to allege that the other has agreed to a particular practice.

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

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

Side Letter 13 – Future Rate Changes



www.cn.ca

Southern Region
Labor Relations Department

17641 South Ashland Avenue
Homewood, Illinois 60430-1345

November 19, 2008

Mr. John W. Reynolds
General Chairman – BLET
1110 Gertrude Street
Kaukauna, WI 54130

Dear Mr. Reynolds:

The following confirms our discussion during the just concluded negotiations that resulted in the November 19, 2008 Agreement.

Upon a voluntary agreement which results in the successful completion of the outstanding NYD Section 4 Notices served on the DWP, DMIR and WC and the implementation thereof by the Company, the Engineers on the WC will receive the same rates of pay as the then current and future rates of pay for DWP Engineers. Article 5 of this Agreement will be modified accordingly. It is understood that any change in the rates as a result of this Side Letter will not result in any retroactive backpay.

The current DWP hourly rate is \$35.36. Effective 9-1-2009, the hourly rate is \$36.42 and effective 9-1-2010 the hourly rate is \$37.52.

In addition, on the effective date of the rate change provided for above, Article 23, Section 9 (PBIP) is deleted in its entirety.

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

Yours truly,

Original signed by:

R. K. MacDougall
Sr. Director Labor Relations

I concur:

Original signed by:

J.W. Reynolds
General Chairman

ATTACHMENT "B" SUMMARY PLAN – SHORT TERM DISABILITY

The Income Disability Plan for Locomotive Engineers (the Plan) provides continued income to employees during periods of disability, not to exceed 52 weeks, resulting from accident or sickness. The Plan is funded fully by the Company.

Eligibility

All active Engineers of Wisconsin Central, Ltd. Railroad represented by the Brotherhood of Locomotive Engineers and Trainmen (BLET), are eligible for benefits under this plan. He or she must have rendered compensated service or received vacation pay in a BLET craft for at least seven days in the calendar month immediately preceding the covered disability.

Contribution

The benefits are currently provided based on Company contributions. If the cost of the coverage exceeds the amount originally negotiated by the Railroad and the BLET, the employee may be required to contribute to the cost of the coverage.

Benefit Summary

An eligible employee may receive sixty percent (60%) of basic weekly wages up to a maximum benefit of \$546 per week during a covered disability, for a period not to exceed 52 weeks. Benefits from the Plan are paid every two weeks. Any amounts received by an eligible employee from the Company in advance of an FELA settlement or judgment, or any amounts received by an eligible employee or his family under the federal Social Security Act, the Railroad Retirement Act or similar legislation for the same period of covered disability will reduce the maximum weekly wage benefits hereunder accordingly. There will, however, be no reduction for monies the employee receives under the Railroad Unemployment Insurance Act.

Covered Disability

The Plan covers a disability caused by injury or sickness, whether on railroad duty or not, which prevents the employee from actively performing the normal duties of his or her job as a locomotive engineer (occupational disability). Benefits begin on the fifteenth (15th) calendar day of continuous absence while under the care of a licensed physician (MD or DO) for such a covered disability.

The Plan also covers, and an eligible employee is deemed occupationally disabled, if he or she is admitted on a medically necessary, non-disciplinary basis, to a state licensed substance abuse center or is receiving intensive out-patient/partial hospitalization treatment (American Society of Addiction Medicine Level II or greater) for substance abuse. This plan does not provide any benefits of any kind for an employee who is being disciplined for a violation of the Railroad's Substance and Alcohol Free Environmental (S.A.F.E.) Policy.

The maximum benefit period for occupational disability occasioned by substance abuse is six (6) weeks. Eligibility is further limited to two (2) occurrences per lifetime and payment is conditional upon completing the program. Benefits are subject to completion of an approved program; if the program is not completed, benefits will be forfeited or must be repaid.

Since benefits are payable only during a period of disability from performing his/her normal duties as a locomotive engineer, it is important that you understand when this period begins and ends.

Each period of a covered disability will start as soon as you are (1) disabled as defined under the Plan and (2) under the care of a licensed physician. You will not be considered to be under the care of a licensed physician more than 31 days before he has seen and treated you personally for the disease or injury causing the covered disability. The administrator for medical necessity will review your claim and appropriateness of time off needed for your condition/illness. It is subject to approval by the Plan Administrator.

Filing a Claim

You must complete all required claim forms in order for benefits to be payable under the Plan. Your claim is subject to approval by the Plan Administrator and you must be under the ongoing care of a licensed physician. Continuation of benefits after the approval of the initial claim will be contingent upon the completion and submission of periodic updates from the attending physician.

Duration of Benefits and Successive Periods of Disability

Occupational disability caused by injury or sickness is subject to a maximum benefits duration of 52 weeks starting on the fifteenth (15th) day of continuous absence while under a physician's care. New periods of disability due to the same or a related cause must be separated by a return to active regular duty as a locomotive engineer for at least two (2) weeks in a row and begin on the fifteenth (15th) day of continuous absence while under a physician's care. Disability periods due to an unrelated cause must be separated by a return to active regular duty for at least (1) day and begin on the fifteenth (15th) day of continuous absence while under a physician's care. Any new periods of disability are subject to the 14-day waiting period. Benefits for occupational disability due to substance abuse are subject to a maximum duration of six (6) weeks and are further limited to a maximum of two occurrences in the employee's lifetime. Payment of benefits is conditioned upon completion of an approved substance abuse program.

Limitations

In addition to the limitations already expressed, the Plan does not provide any benefits for a period when the company has suspended or terminated the employee for non-medical disciplinary reasons or when the employee is occupationally disabled due to incarceration; intentional self-inflicted injury or the attempt thereof; the commission or attempt to commit an assault, battery or felony, or an act of war or insurrection or participation in a civil disturbance.

Rights of Subrogation, Set Off and Lien

In case of a disability for which the eligible employee may have a right of recovery against either the Company or a third party, or both, disability benefits will be paid under the Plan pending final resolution of the matter so that the employee will not be exclusively dependent upon his sickness benefits under the Railroad Unemployment Insurance Act. It is not

intended, however, that benefits under the Plan will duplicate, in whole or in part, any amount recovered from either the employing railroad or a third party whether by settlement, judgment or otherwise, and it is intended that benefits paid under the Plan will satisfy any right of recovery against the employing railroad to the extent of the benefits so provided.

Accordingly, benefits paid under the Plan will be setoff against any right or recovery the employee may have against the Company for the disability. And the Company will be subrogated and shall have a lien as against any right of recovery the employee may have against any other party to the extent of plan benefits received. As a condition to paying any benefits under the Plan, the Company, or the Plan Administrator if one is involved, may require the employee to first agree in writing to the reduction or setoff against FELA recovery as described above as well as assignment, subrogation, repayment and lien against any amounts recovered from a third party to the extent of benefits paid under the Plan.

If at any time during the covered disability, you apply for and are awarded a disability annuity by the Railroad Retirement Board or the Social Security Administration and said annuity is retroactive to the beginning of your total disability or any portion thereof, all monies paid under the Plan will be reimbursed to the Company upon receipt of your retroactively paid lump sum payment from the Railroad Retirement Board or Social Security Administration.

Termination of Benefits

Benefits under the Plan terminate when:

The employee ceases to be occupationally disabled as defined herein or dies;

The employee ceases to be under the continuous care and treatment of a licensed physician;

The employee refuses to furnish adequate proof to the Company's Medical Department or the Plan Administrator of the continuance of occupational disability as herein defined or when the employee refuses to be examined by a physician designated by either of them;

The employee no longer holds seniority as a locomotive engineer;

The employee is terminated by or resigns from the Company;

The employee is awarded an annuity by the Railroad Retirement Board or Social Security Administration.

Income Tax

Disability Income benefits paid under the Plan are income subject to Federal and/or State Income Tax. Taxes will be deducted based on the most current W-4 on record.

Railroad Retirement Tier I tax is automatically deducted from Disability Income benefits during the first six months of disability payment.

Claims Procedures

Call the Plan Administrator to file a claim.. Any necessary paperwork in order to properly adjudicate the claim will be provided to the employee or physician by the Plan Administrator.

Return to Work

It is your responsibility to notify the Plan Administrator when you return to work. Any benefits paid by this plan after your return to work must be returned to the Plan immediately.

Name of the Plan

Wisconsin Central Transportation Corporation Income Disability Plan for Engineers.

Name and Address of the Plan Sponsor

Wisconsin Central Ltd.
17641 S. Ashland Avenue
Homewood, IL 60430

A copy of the formal Plan Document may be requested by writing to the above address. Benefits under this plan are provided in accordance with Article 23 of the November 28, 2007 BLET agreement for Wisconsin Central Ltd. Locomotive Engineers.

Administration

The plan is self insured by the Company. Any questions with respect to the administration of the plan, eligibility, length and duration of benefits may be directed to the Plan Administrator. The Company may change the Plan Administrator at any time.

Definitions

Active Regular Duty: Active regular duty means performing all the regular duties of a locomotive engineer's job in a satisfactory manner on a full duty basis.

Basic Weekly Wages: the employee's average weekly gross income from the Company for work as a locomotive engineer during the previous 26 bi-weekly pay periods such shorter time that he or she has been employed by the Company but not less than \$400 per week. Basic weekly wages includes earnings deferred from taxation under section 401(k) of the Internal Revenue Code but does not include earnings for work in other than a BLE craft.

Company: The Wisconsin Central Ltd. (CN), its subsidiaries, or its affiliates.

Compensated Service: Compensated service means performing and receiving compensation for all of the regular duties of an engineer's job in a satisfactory manner on a full-time, full-duty basis.

Covered Disability: A physical illness, injury, mental illness or pregnancy, which prevents the employee from actively performing the normal duties of his or her job as a locomotive engineer.

Licensed Physician: a medical doctor (MD) or osteopathic doctor (DO). An application for disability income, and/or ongoing medical documentation supporting the need for continuation of disability, will only be accepted by a licensed physician who is a medical or osteopathic doctor.

Plan Administrator: The Plan Administrator, as designated by the Plan Sponsor, shall administer this Plan in accordance with its terms and shall have all powers necessary to carry out the provisions of this Plan including but not limited to the determination of covered disability status.

ATTACHMENT "C"

Employees who have been forced out of their desired Home Terminal

J. Elm -- Fond du Lac
D. Niedig -- Neenah
B. Handley -- Neenah
J. Bottoni -- Neenah
C. Baker -- Gladstone
J. Lansky -- Gladstone
M. Ruepert -- Waukesha