

To: All Local Chairpersons and Membership of UTU – Southern Region

From: Randy Pullen, Jim Townsend, JR Willis, John Hancock – General Chairmen

Subject: Financial enhancements for the Membership

Listed below are the financial increases that the proposed Agreement offers to the families of the Membership of the UTU. In order to make the financial projections, we will take a salary base of \$60,000.00 per year. We realize some make less, and some make more.

Over a five year period with an annual salary of \$60,000.00, the total payout in salary over five years is \$300,000.00 (5 years x's \$60,000.00 = \$300,000.00).

1. Two (2) lump sums payments @ \$1000.00	\$ 2,000.00
2. 6.12% General Wage Increase.....	3,672.00
3. MICP Bonus. Over the last ten years, the CSXT MICP bonus has averaged a payout at 80%. A ten year measurement period is a sound basis on which to make a prediction; accordingly, with the bonus payment of a \$60,000.00 salary is \$12,600.00 x's 80% is.....	10,080.00
4. Individual Performance Award (IPA).....	12,500.00
Total to all.....	\$28, 252.00

Additional monies to different groups:

5. Meal allowances (for those receiving, the total estimated additional payout is 1.2 million This will average out to an additional \$800.00 per person.....	800.00
6. On a mine run and local freights that are currently receiving local/mine run rate, the increase in the rate of pay (yard rate for all miles run including those over 100) on a 150 mile job is	6,500.00
7. On local freights that go to yard rate, the increase amounts to on a 100 mile run or less.....	4,940.00

8. On a local freight that is assigned 150 miles, which will go to yard rate, the annual increase is.....8,320.00
9. Extra week of vacation on a \$60,000.00 year salary.....1,200.00
Also, this is another week that some other employee can work, thus it can be doubled to \$2400.00 plus allowing someone else to work.
10. The benefits of the additional holiday to the younger man is from \$400 to \$1600.00, so the average increase to the younger employee is.....1,000.00
11. The increase of held away to continuous held away after 15 hours for the one hour only is \$535.00. For each hour of held away after 24 hours, the individuals salary will increase an average of \$535.00.....1,100.00

Other financial benefits include:

- a. All work trains are guaranteed 120 to 150 miles per day, an increase from the previous guarantee of 100 miles.
- b. Pusher jobs are guaranteed 120 miles per day.
- c. We doubled the minimum amount in helper service from 1 hour to 2 hours.
- d. We made a lap back rule.
- e. We increased the penalty for classifying your train on the line of road from 56 cents to \$183.00
- f. We gave a daily guarantee to all through freights, local freights, road switcher/mine runs and yard jobs when annulled.
- g. We increased payments on call and release to four hours.
- h. We obtained payments for taking a physical (medical exam).
- i. We expanded the bereavement leave rule
- j. We obtained payments when giving statements to claim agents or other carrier officers.
- k. We obtained a rental for using your personal auto when deadheading to outlying assignments.
- l. We obtained the right for a daily payment of auto expense to extra men when protecting outlying assignment in lieu of staying at company provided lodging.
- m. Provided stability through EBS to our younger and middle seniority Members. Once you are on a job, it is yours for the week; you cannot be bumped at 3:00 am and try to find a job. Your guarantee base is protected for the week unless you mark-off on your accord. If you want to work, you have a solid financial base.
- n. Provided a cushion for our members on the border of working or not working through a FRB. This will permit more of our people to work instead of being furloughed and losing their benefits.
- o. Made it easier for extra employees to qualify for holiday pay.
- p. There is no deduction in the extra board guarantee base when required to take rest under RSIA. This will force CSXT to keep additional people on extra board, and thus, more people working.
- q. Reduced number of years to get additional personal leave days.
- r. Guaranteed that off days, daily vacation days and personal leave days must be evenly distributed throughout the year. CSXT can no longer place all the pl days, daily vacation days in the middle of the week with none on the weekend.
- s. Placed time requirements to provide RCO training.
- t. You now get system wide seniority in case you need to move to another location. However, you also have prior rights at your current location so you cannot be displaced by someone coming from another part of the railroad.

- u. Provided additional waiting time payments (\$\$\$\$) on assigned through freights and a guaranteed payment of a round trip if not operated in a ten hour window from assigned reporting time.
- v. Provided excellent Quality of Life assignments in road and yard jobs
- w. We protected the line of demarcation between road and yard; this will protect jobs.
- x. We maintained the current extra board guarantees and allowed additional time off through early mark-off and late mark-up.
- y. We increased the mileage in the pool to 4200 to 4800 per month.
- z. On short trips and turnaround, we held the Company to only one short trip at the away from home terminal. After that, they must deadhead the crew home.
- aa. Obtained arbitrary payment in yard service for revenue jobs performing work train service.
- bb. Restricted the intermingling of revenue/non-revenue service; that is, a work train cannot perform revenue service. However, if they do, then they are due an additional day's pay.
- cc. Maintained starting time rule in yard service.
- dd. Agreed to modernize the engineer training program.
- ee. Began a 2nd retirement plan.
- ff. Maintained Crew Consist for another five years
- gg. We maintained the 30 shares of ESOP connected to Crew Consist that is paid each year and gave it to those that did not have it.

Over the life of this Agreement, the financial increase to each member will be a minimum of \$28,252.00 to \$53,000.00. That is an annual increase of \$6000.00 to \$10,000.00. In these tough economic times, this is a major achievement, especially with many companies are demanding a wage decrease just in order to stay in business.

These financial enhancements that this Agreement provides for you and your family do not include the other benefits listed in Items a through ff, nor does it include the Quality of Life enhancements of job stability, knowing within a reasonable time of when you will go to work so you can plan your rest, and a guaranteed job for the next five years.

We ask that each and every one of you read and study the Agreement, and we ask that you discuss it with your spouse because this Agreement affects your family. When you get ready to cast your ballot, we ask that you look at the Agreement as a whole, not one particular item. You can always find something that you do not like. However, at the end of the day, as you and your family cast your vote, we ask you to consider the following question: "Does this Agreement offer a good wage and rules package that provides economic stability over the next five years to my family?" If it does, then you should cast a vote in favor of the agreement.

We heartily endorse the Agreement, and we recommend a vote of "Yes."

United in solidarity and with best wishes, we remain
Fraternally yours,

Randy A. Pullen, James R. Townsend, J. R. Willis, John C. Hancock, General Chairmen

Robert Kerley, Vice President, UTU