

# MEMORANDUM

July 6, 2010

To: Membership – GO-851 (former SCL, Georgia Road and Gainesville Midland)  
Local Chairmen – CSXT

From: John Hancock, General Chairman

Cy: Robert Kerley, UTU Vice President  
Randy Pullen, General Chairman, A&WP  
James R. Townsend, General Chairman, C&O

**RE: HIGH IMPORTANCE – Coordination notice served on July 1, 2010**

Enclosure: July 1, 2010 Notice from CSXT

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The purpose of this Memorandum is to inform all Members of this General Committee concerning the July 1, 2010 coordination notice that CSXT served on five on its properties on the southern half of the railroad.

A simple definition of coordination: An action whereby a railroad company consolidates operations over certain territories that are covered by different agreements into one agreement.

One example of coordination is when CSXT consolidated its yard operations at Atlanta, GA. There were five different agreements covering the operation at Atlanta, GA. When the coordination was completed, there was one agreement covering the terminal and a single seniority roster.

Coordination notices are not new; they have taken place over the years, and the validity of such has been tested in the courts and in arbitration. We do not have a legal basis to stop this consolidation of different territories at CSXT.

In order for you to completely understand current events, we need to cover a little history.

## **Item No. 1 - History leading to the Notice.**

A little over a year ago, CSXT advised all its General Committees that it intended to coordinate the northern half and the southern half of the railroad into two separate areas covered by two separate agreements.

Late last year (2009), CSXT served a coordination notice on the northern half of the railroad. The northern general committees met with CSXT and agreed to adopt the B&O Agreement on the northern half of the railroad. The parties also agreed "how" to combine seniority rosters. Upon approval by the Membership on the north end, there will be one general committee, and the governing agreement will be the B&O Agreement under General Chairman John Lesniewski.

A similar notice has now been served – July 1, 2010 – on the southern half of CSXT. On the southern half of CSXT, there are four general committees covering five different agreements.

Prior to the Notice being served, the four General Chairmen approached CSXT and inquired if it (CSXT) would be agreeable to negotiate an on-property agreement that would cover all the territory, and thus, not serve a coordination notice.

Our request was based the many requests from our Membership to obtain the 6<sup>th</sup> week of vacation, higher rates of pay on local freights and road switchers, bonus payments, continuous held-away, higher meal payments, quality of life changes, and many other items.

CSXT agreed to our request to meet and try to reach an Agreement. We had intense negotiations over several months and finally obtained all that we could. We reviewed such and believed there was too much on the table to not offer it to the Membership. We presented it to the Membership on each of the five properties. As you are aware, three of the five properties adopted the proposed agreement, and two rejected the proposal.

With that process completed and there still not being a single agreement on the southern half of its property, CSXT is moving forward with the coordination notice. As information, if all properties had adopted the Southern Agreement, the coordination notice would not have been served as all properties would have been under one agreement.<sup>1</sup>

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<sup>1</sup> Additionally, General Chairmen Pullen, Townsend and Hancock also believe that it is in the best interest of the Membership to have one General Committee serving the Membership. We felt the best method to get there was to have a single agreement. Once you have a single agreement, then the Membership can elect well qualified officers, great representation and also have cheaper dues. Such was discussed with the other property, and they rejected a combining into one Committee. The three of us still hope that such can occur. The Agreement that was adopted by three of the properties took the best from the five properties and adopted such into this agreement, and we also obtained many other additional benefits.

## **Item No. 2 – What is this Notice?**

The activity before us is a Notice to coordinate certain properties of CSXT, which will be governed by a single operating craft agreement. The authority to act in coordination is granted to CSXT by federal law and governed by the Surface Transportation Board (STB), a federal agency.

The Surface Transportation Board governs mergers, acquisitions, and so on to ensure interstate commerce is protected to the benefit of the customer and consumer. For example, if CSXT and NS decided to merge, then their merger would have to be approved by the STB. The STB issues finance dockets when it considers mergers and acquisitions.

CSXT has served a Notice to all the properties on its southern portion to coordinate numerous railroad properties operating craft agreements into a single operating craft agreement under STB Finance Dockets 28905, 30053 and 30849.

In the Notice served upon us, the finance dockets are already active; they were used as CSXT evolved from the L&N, NC&StL, A&WP, SCL and C&O; therefore, CSXT used an existing docket, which had already been approved by the STB.

Simply put, CSXT has merged the Companies, but it has not merged its agreements. It now asserts that it needs to merge its agreements to facilitate the efficiencies it was granted when the STB approved previous acquisitions authorizing the SCL, the L&N, C&O, A&WP and other railroads to become CSXT; thus, it has issued this Notice consistent with the Finance Dockets and authority granted by the STB.

Since the STB previously approved the mergers through the noted finance dockets, it (STB) will not enter into this issue as long as CSXT complies with the requirement to implement New York Dock Protective Conditions. CSXT is agreeable to provide New York Dock Protective Benefits to any employee that is adversely affected by this transaction. See last section for a brief description of NYD Protective Benefits.

Section 4 of New York Dock specifies that the parties must meet and develop an implementing agreement to facilitate the coordination. New York Dock protective benefits will cover employees on all properties under the coordination notice. The time line to complete the Section 4 Notice is approximately 75 days.

Previously, in this type transaction, the Company could pick the surviving agreement; however, that has now changed. During a previous UTU administration, an agreement was negotiated that the General Chairmen from the affected Committees would pick the surviving agreement, and we are now at this point.

The three agreements that are up for picking are the Consolidated Southern Region Agreement (CSRA), the former L&N and the former NC&StL Agreements. As previously noted, five properties on the south end opted out of national handling, and the

Members of three of the properties approved a new five year agreement, and two properties did not; they opted to remain with their current agreement.

Under the current process, if the General Chairmen cannot pick the surviving agreement, then an arbitrator will be chosen, and he will pick the surviving agreement. If the arbitrator picks either the L&N or the NC&StL, then he will also have to decide seniority issues. In he picks the CSRA, then that agreement already contains an implementing document covering seniority provisions, and he would [more than likely] not make any decisions on seniority as such has been negotiated among all concerned.

### **Item No. 3 – General Items**

When we were first advised by CSXT of its plans, the Chairmen all discussed which agreement would be the best, and we could not agree because we all believed that each property's agreement was the best, and we would not acquiesce to the other. As such, an arbitrator would decide the final agreement. In that scenario, he would also decide "how" seniority would be handled, and crew consist would be handled.

So, in order to best protect the Membership, we opted to negotiate a Southern Agreement and take the many good items from each agreement, as well as obtain many of the other benefits that we did not have – continuous held away, higher meal payments, 6<sup>th</sup> week of vacation, additional stock options, and many other items.

Also, under this scenario, we could begin discussion to consolidate the General Committees under terms that would protect each property's interest, offer cheaper dues and have great representation. Hopefully, the goals of this last paragraph will come to fruition in the near future.

### **Item No. 4 – What now?**

The process has begun. The General Chairmen must meet and decide if they can pick a surviving agreement. If we cannot agree on the controlling agreement, then a process will begin to select an arbitrator, the General Chairmen will prepare a brief, and the arbitrator will render a decision. The arbitrator's decision will be final and binding, and the surviving agreement will be the governing document.

### **Item No. 5 – New York Dock Protective Conditions**

There is an extensive history of protective conditions; we will not discuss such here as it is not the important issue.

Protective Conditions under New York Dock are for a maximum period of six years. The protective period is granted for the same time period as the individual's employment history with the railroad up to a maximum of six years. If you have 2 years of service, you have 2 years of protection. If you have 30 years of service, you have 6 years of protection.

All employees under the coordination notice are entitled to be considered for protective benefits; however, the protective benefits are not automatic.

An employee must show, that as a result of the transaction (which is the coordination), he was adversely affected. Adverse effect means that because of the transaction (coordination), he is making less money. Adverse effect does not refer to less than desirable jobs; it only applies to a monetary reduction.

Adverse affect is determined by taking an individual's previous 12 month salary, dividing it by 12 and obtaining a monthly average. If an employee can show that in the first six months following the coordination that he was adversely affected, then he can become certified and then collect his guarantee.

Once certified, the individual must protect the highest paying job for which he stands in order to collect a monetary benefit. If an employee works at different locations (supply points) within the past year, then he must also exercise his seniority to the highest paying job at all the locations he worked in order to collect monetary benefits.

If an employee misses a call for extra service, marks off on his own accord; those earnings are charged against the protective guarantee.

#### **Item 6 – Additional questions/concerns**

If you have any additional questions/concerns, please direct such to your Local Chairman; he will forward to us, and we will answer your questions/concerns and post such on our website at [www.utu851.org](http://www.utu851.org).



Myron W. Becker  
Director-Labor Relations

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July 1, 2010

Mr. J. C. Hancock, General Chairman  
United Transportation Union  
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Jacksonville, FL 32257

Mr. J. R. Townsend, General Chairman  
United Transportation Union  
1319 Chestnut Street  
Kenova, West Virginia 25530

Mr. R. A. Pullen, General Chairman  
United Transportation Union  
1244 Cole Creek Road  
Dallas, Georgia 30157

Mr. J. R. Willis, General Chairman  
United Transportation Union  
3560 Cardinal Point Drive – Suite 103  
Jacksonville, FL 32257

Gentlemen,

CSX Transportation, Inc. ("CSXT") is serving notice, pursuant to Article I, Section 4 of the New York Dock employee protective conditions imposed in Finance Docket No. 28905, 30053 and 30849 of its proposal to consolidate and coordinate train operations, employees, and related facilities in the territory covered by the former SCL, C&O, AWP, L&N and NC&StL.

CSXT is proposing to consolidate and coordinate train operations, employees, seniority districts/zones and related facilities covered by the former A&WP, SCL, C&O, L&N and NC&StL territories, to create a larger territory for train operations, to be known as the Consolidated Southern Region.

A copy of the New York Dock notice is attached. Pursuant to the New York Dock conditions, the parties are to meet within five days of receipt of the notice to begin negotiations for an agreement. This will confirm that the parties have agreed to meet and discuss the attached NYD Coordination Notice on July 7, 2010 at 09:00 a.m. in Atlanta, GA.

If you have any questions concerning this matter, please contact me.

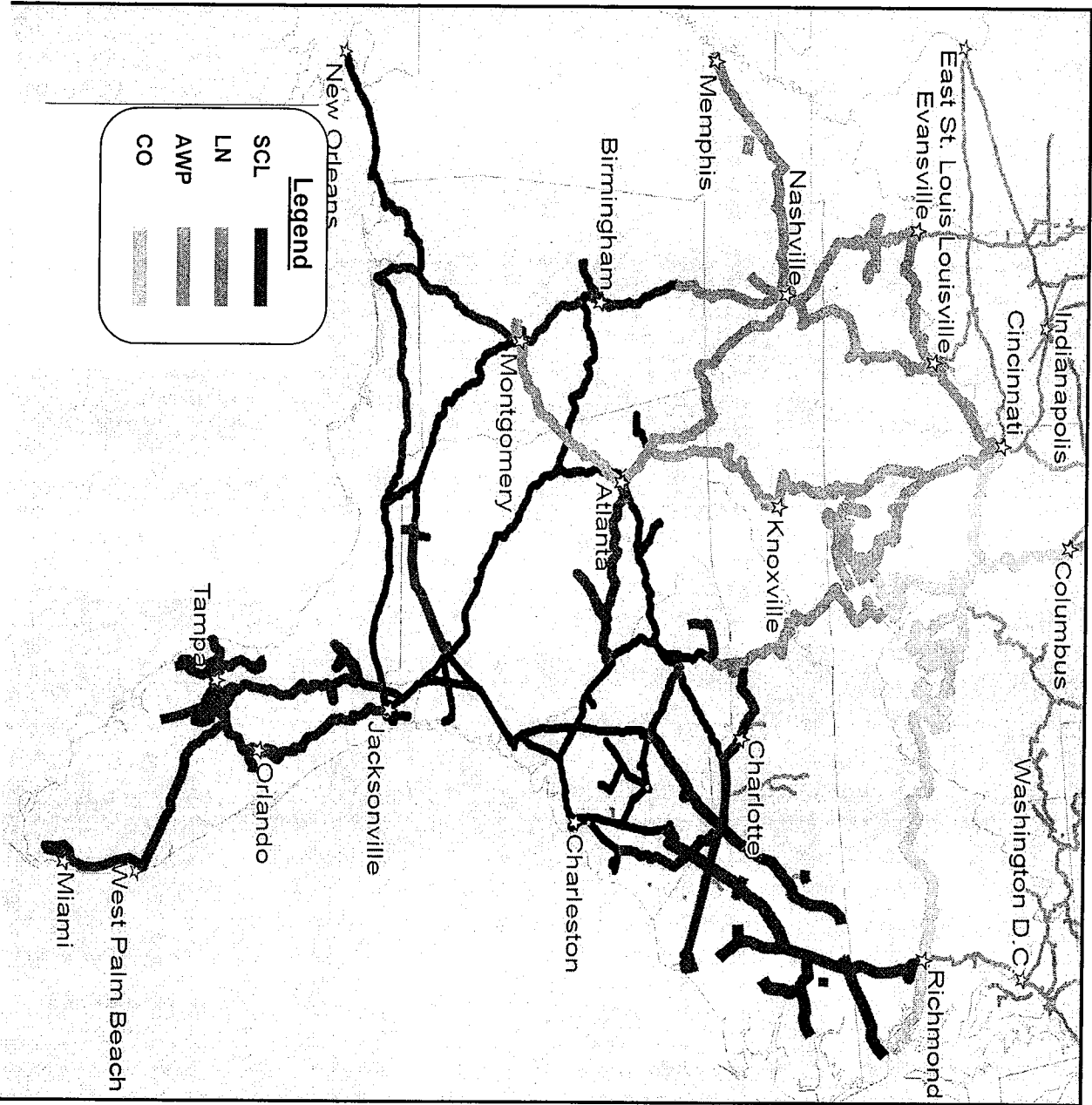
Sincerely,

Myron W. Becker  
Director Labor Relations  
Southern Region Operations

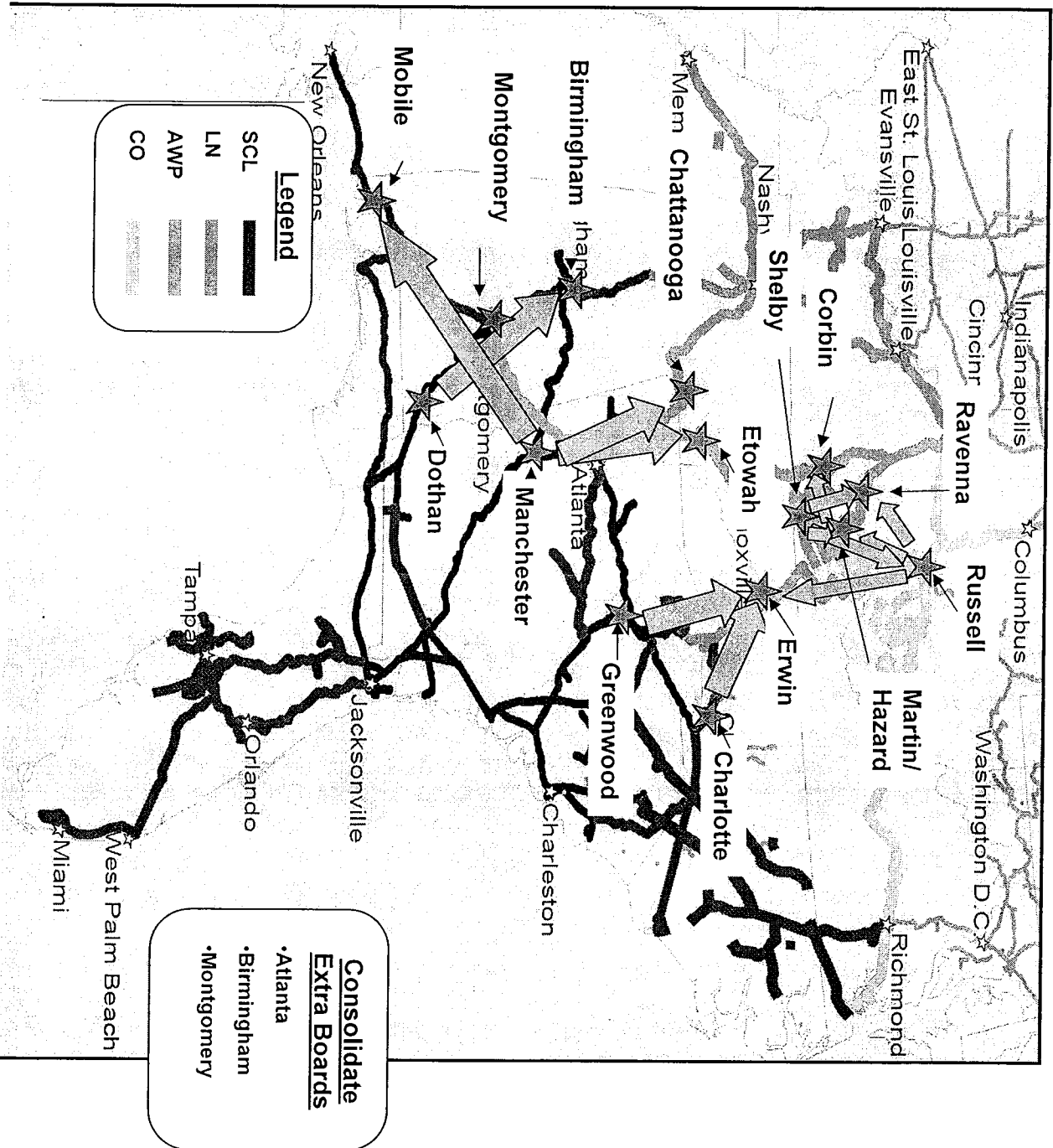
Cc: Robert Kerley  
Vice President - United Transportation Union  
320 Hickory Lane  
Ozark, MO 65721

Cc: Cindy Sanborn, Chief of Transportation  
Steve Crable, VP Labor Relations  
Mike Pendergrass, VP Operations  
Craig King, VP Operations  
Mike Smith, VP Network Operations  
Bob Frulla, Division Manager  
Pete Burrus, Division Manager  
Mark Mayo, Division Manager  
Don Jones, Division Manager  
David Hamby, Division Manager  
Jermaine Swafford, Division Manager

# Current SCL, LN, C&O and AWP Districts:



# New Service Proposed:



**NOTICE PURSUANT TO ARTICLE I, SECTION 4  
OF THE NEW YORK DOCK CONDITIONS  
FINANCE DOCKETS NO. 28905, 30053, 30849**

CSX Transportation, Inc. ("CSXT") serves this notice pursuant to Article I, Section 4 of the New York Dock conditions imposed in Finance Dockets No. 28905, 30053, and 30849.

By this notice, CSXT is proposing to consolidate and coordinate train operations, employees, and related facilities covered by the former A&WP, SCL, C&O, L&N and NC&StL territories, to create a larger territory for train operations, to be known as the Consolidated Southern Region. The consolidation of operations in these territories will allow CSXT to better utilize train service employees, improve train service, operate trains more efficiently, realize cost savings, and improve utilization of equipment. The Consolidated Southern Region will consist of all territory currently governed by the provisions of the Consolidated Southern Region Agreement ("CSRA") and the L&N and NC&StL schedule agreements. CSXT proposes that the Consolidated Southern Region will be placed under the CRSA.

The above includes all main lines, branch lines, yard tracks, industrial leads, stations between points identified and all terminals that lie at the end of a line segment. Maps showing the current property and seniority boundaries and the proposed Consolidated Southern Region are attached to this Notice.

CSXT anticipates that the following initial operational changes will be implemented as a result of the proposed coordination.

1. Train service will be implemented between Dothan, AL (SCL) and Birmingham, AL (L&N). A new home terminal will be established at Dothan, AL operating 215 miles to the away from home terminal of Birmingham, AL. This service will eliminate the need to change crews at Montgomery, AL.
  - CSXT anticipates that approximately eight (8) SCL Trainmen will be required to transfer from Montgomery, AL to Dothan, AL. Additionally (8) L&N Trainmen positions will be abolished at Birmingham, AL.
  
2. New service will be implemented between Manchester, GA (SCL) and Etowah, TN (L&N). The supply point and home terminal will be Manchester operating 213 miles to the away from home terminal of Etowah eliminating the need to change crews at Atlanta, GA. Eliminating a crew change at Atlanta will greatly reduce the running time and provide operating efficiencies, improved equipment utilization and reducing congestion at Atlanta.
  - CSXT anticipates that approximately four (4) SCL Trainmen will be required to transfer to Manchester, GA to protect this service. Additionally, at least four (4) L&N Trainmen positions will be abolished at Etowah, TN.

3. Initiate operations between Manchester, GA (SCL) to Chattanooga, TN (L&N). The supply point and home terminal will be Manchester operating 212 miles to the away from home terminal of Chattanooga eliminating the need to change crews at Atlanta, GA. Eliminating a crew change at Atlanta greatly reduces the operating time and provides operating efficiencies, improved equipment utilization and reduces congestion at Atlanta.
  - CSXT anticipates that approximately three (3) additional Trainmen will be required to transfer to Manchester, GA protect this service. Additionally, at least four (4) L&N Trainmen positions will be abolished at Chattanooga, TN.
  
4. Implement train service from Manchester, GA (SCL) to Mobile, AL (L&N), a run of 309 miles. Manchester will be the home terminal and supply point for crews operating to the away from home terminal of Mobile. In 2009, service was established between Manchester and Montgomery. Having established the value in this operation, extending the run to Mobile and eliminating a crew change at Montgomery will increase operating efficiencies and reduce the strain on manpower at Montgomery. The implementation of this service is subject to the completion of capital projects allocated to upgrade this corridor, such as the current project to extend the siding at Loachapoka, AL.
  - CSXT anticipates that approximately four (4) additional SCL Trainmen will be required at Manchester, GA to protect this service. Additionally, at least four (4) L&N Trainmen positions will be abolished at Montgomery, AL which will supplement CSXT's current shortage of Trainmen at this location.
  
5. Establish train service between Charlotte, NC (SCL) and Erwin, TN (L&N), a distance of 182 miles. Charlotte will be the supply point and home terminal and Erwin the away from home terminal. The establishment of the National Gateway has resulted in increased potential at Charlotte with "Shelby Grain Trains", "Terrell Coal Trains" and Intermodal Traffic. DP power has improved the coal service operating in this corridor and the elimination of the current crew change(s) will improve running time in this territory. The intermodal facility is being expanded and Charlotte is becoming a major interchange location with the NS.
  - CSXT anticipates that approximately sixteen (16) additional Trainmen will be required at Charlotte, NC to protect this service. Additionally, at least sixteen (16) L&N Trainmen positions will be abolished at Erwin, TN.
  
6. Implement service from Greenwood, SC (SCL) to Erwin, TN (L&N). The home terminal and supply point will be Greenwood operating 207 miles to the away from home terminal of Erwin. This service will ease manpower requirements by eliminating crew changes at Spartanburg and/or Bostic. Distributed Power has improved the coal service operating in this corridor and eliminating crew change(s) will improve running time in this territory.
  - CSXT anticipates that approximately four (4) additional Trainmen will be required at Greenwood, SC to protect this service. Additionally, at least six (6) L&N Trainmen positions will be abolished at Erwin, TN.

7. Extend service from Russell, KY (C&O) to Erwin, TN (L&N). This service will operate 273 miles from the home terminal of Russell to the away from home terminal of Erwin. This corridor has benefited from the addition of DP power and eliminating crew changes will improve operating efficiencies.
  - CSXT anticipates that approximately six (6) additional Trainmen will be required at Russell, KY to protect this service. Additionally, at least six (6) L&N Trainmen positions will be abolished at Erwin, TN.
8. Extend service from Russell, KY (C&O) to Ravenna, KY (L&N). The home terminal and supply point will be Russell, KY operating 264 miles to the away from home terminal of Ravenna, KY (L&N). This service will ease manpower requirements by eliminating current crew changes at Martin, KY (C&O) and Hazard KY (L&N).
  - CSXT anticipates that approximately six (6) L&N Trainmen will be required to transfer to Russell, KY from Martin, KY, Hazard, KY or Ravenna, KY.
9. Extend service from Russell, KY (C&O) to Hazard KY (L&N). The home terminal and supply point will be Russell, KY, operating 184 miles to the away from home terminal of Hazard KY. This service will ease manpower requirements by eliminating existing crew changes at Martin, KY and avoid deadheading expense.
  - CSXT anticipates that approximately three (3) Trainmen will be required to transfer to Russell from Hazard, KY.
10. Extend service from Shelby, KY (C&O) to Ravenna, KY (L&N). The home terminal and supply point will be Shelby, KY operating 215 miles to the away from home terminal of Ravenna, KY. This service will ease manpower requirements and eliminate current crew changes at Martin, KY.
  - CSXT anticipates that approximately six (6) Trainmen will be required to transfer from Ravenna, KY and /or Hazard, KY to Shelby, KY.
11. Extend service from Shelby, KY (C&O) to Hazard, KY (L&N). The home terminal and supply point will be Shelby, KY operating 116 miles to the away from home terminal of Hazard, KY. This service will ease manpower requirements by eliminating crew changes at Martin, KY and avoid existing taxi expense associated with deadheading crews home to Shelby, KY.
  - CSXT anticipates that approximately three (3) Trainmen will be required to transfer from Martin, KY to Shelby, KY.
12. Extend service from Martin, KY (C&O) to Corbin, KY (L&N). The home terminal and supply point will be Martin, KY operating 297 miles to the away from home terminal of Corbin, KY. This service will ease manpower requirements by eliminating current crew changes at Hazard, KY and Ravenna, KY.
  - CSXT anticipates that approximately three (3) Trainmen may be required to transfer from Hazard, KY and/or Ravenna, KY to Martin.

13. Consolidate extra boards (A&WP, SCL, L&N) at Montgomery, AL. Currently, all three properties operate out of Montgomery. Consolidating the boards will greatly increase operating efficiencies and provide greater use of our manpower resources at this location. As an example, manpower on the former A&WP has consistently been strained since the beginning of 2009. Consolidating the extra boards will increase the number of employees available to provide service on the former A&WP territory.
  - Today the extra boards have a combined total of thirty – six (36) Trainmen working these boards. Subsequent to qualifying affected employees and combining the three (3) extra boards into one (1) board, subject to the exigencies of service, it is anticipated that the combined extra board will require approximately seven (7) fewer employees.
14. Consolidate extra boards (A&WP, SCL, L&N) at Atlanta, GA. All three properties operate out of Atlanta. Like Montgomery, consolidating the extra boards will increase the number of employees available to provide service in this area.
  - Today the extra boards have a combined total of twenty – three (23) Trainmen working these boards. Subsequent to qualifying affected employees and combining the three (3) extra boards into one (1) board, subject to the exigencies of service, it is anticipated that the combined extra board will require approximately five (5) fewer employees.
15. Consolidate the extra boards (SCL and L&N) at Birmingham, AL. The consolidated extra board will operate out of Birmingham, AL. Like Montgomery, consolidating the extra boards will increase the number of employees available to provide service in this area.
  - Today the extra boards have a combined total of eighty – three (83) Trainmen working these boards. Subsequent to qualifying affected employees and combining the five (5) extra boards into one (1) board, subject to the exigencies of service, it is anticipated that the combined extra board will require approximately ten (10) fewer employees.

The proposed consolidation of territory and coordination of work referenced herein will result in the rearrangement of forces in CSXT's Consolidated Southern Region that will cross existing seniority boundaries. Therefore, a master seniority roster for the Consolidated Southern Region will be established that is comprised of the existing trainmen/yardmen seniority rosters of the consolidated A&WP seniority roster; the five (5) C&O Consolidated Trainmen rosters (Districts 1, 2, 3, 4 and 5); the three (3) SCL Consolidated Trainmen rosters (Districts 1, 2, and 3) as established by agreements dated July 1, 1967; and the three (3) LN Consolidated Districts (Alabama, Kentucky and Tennessee). This master Consolidated Southern Region Trainman's seniority roster will be created in the same manner as set forth in Article 25, Section 8 of the CRSA. The master roster will be created by dovetailing trainman/yardman seniority dates. Trainmen holding seniority on each of the separate seniority districts on the effective date of the New York Dock implementing agreement reached pursuant to this Notice will have prior rights to work on such former seniority districts.

CSXT will be entering into negotiations with the employees' representatives for the purpose of reaching an implementing agreement required by Article 1, Section 4 of the New York Dock conditions, within the timelines prescribed therein, which will protect the interests of employees affected by the proposed consolidation and coordination of work in the consolidated territory.



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July 1, 2010

File 8010-01  
SSA Article 84

Mr. Don Moates  
General Chairman, BLET  
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Etowah, TN 37331

Mr. Tony Smith  
General Chairman, BLET  
P. O. Box 1207  
Troy, AL 36081-1207

Re: ID Service Various Locations

Dear Sirs:

Pursuant to Article 84 – Intraseniority/Interseniority District Service contained in System Agreement CSXT No. 1-023-07, this will serve as notice of Carrier's intent to establish Interdivisional Service between several locations as noted below:

This notice for the following locations is applicable to **both General Chairmen addressed above:**

HOME TERMINAL	THROUGH	AWAY TERMINAL
Manchester, Ga.	Montgomery, Al.	Mobile, Al.
Dothan, Al.	Montgomery, Al.	Birmingham, Al.
Manchester, Ga.	Atlanta, Ga.	Etowah, Tn.
Manchester, Ga.	Atlanta, Ga.	Chattanooga, Tn.
Charlotte, NC.	Bostic, NC.	Erwin, Tn.
Greenwood, SC	Spartanburg, SC.	Erwin, Tn.

This notice for the following locations is applicable only to General Chairman Moates:

HOME TERMINAL	THROUGH	AWAY TERMINAL
Russell, KY	Shelby, KY	Erwin, TN
Russell, KY	Martin, KY and Hazard, KY	Ravenna, KY
Russell, KY	Martin, KY	Hazard, KY
Shelby, KY	Martin, KY and Hazard, KY	Ravenna, KY
Shelby, KY	Martin, KY	Hazard, KY
Martin, KY	Hazard, KY and Ravenna, KY	Corbin, KY

It is suggested the parties meet following the DRC meeting in Cleveland, Ohio on July 22, 2010 for the purpose of negotiating an agreement to cover operation of this service with the conditions found in Section 2 of Article 84. The Company is also proposing August 2<sup>nd</sup> and 3<sup>rd</sup> in Jacksonville.

Please advise if the suggested time and date is agreeable. If not, please provide another time and date within 20 days of the date provided above.

Please do not hesitate to call if you have any questions regarding the above.

Yours truly,



Myron W. Becker

Cc: Cindy Sanborn, Chief of Transportation  
Steve Crable, VP Labor Relations  
Mike Pendergrass, VP Operations  
Craig King, VP Operations  
Mike Smith, VP Network Operations  
Bob Frulla, Division Manager  
Pete Burrus, Division Manager  
Mark Mayo, Division Manager  
Don Jones, Division Manager  
David Hamby, Division Manager  
Jermaine Swafford, Division Manager