

# MEMORANDUM

May 14, 2010

To: All Local Chairmen – CSXT  
Membership GO-851 of SCL/GARR/GM Railroads c/o LC

From: John Hancock, General Chairman

RE: **HIGH IMPORTANCE – On Property Agreement**

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Please be advised that we have signed the Agreement which was approved by our Membership of the former SCL/GARR/GM portions of CSXT.

There were approximately 1600 ballots mailed with 808 being returned; therefore, approximately 50 % of the Membership eligible to vote participated in deciding our future.

We mailed ballots to all Members in active status. We also advised that should any active Member who did not receive a ballot contact us so they could receive a duplicate ballot. Balloting was completed at the close of business on April 29, 2010, and the votes were tabulated on Friday April 30, 2010 by Members of this General Committee. There were four Local Chairpersons and two Members at large that counted the ballots.

The Company's implementation plan will be reviewed with this Office prior to June 1, 2010, the effective date of the Agreement. This is the date the 6<sup>th</sup> week of vacation will come into effect. Additionally, the wage increases due on the over miles for road switchers/yard jobs and the increase to yard rate for 5 day local freights will also become effective June 1<sup>st</sup>. The purpose of waiting until June 1 is to ensure the Payroll Department systems are updated.

We will advise of the date when the other provisions of the Agreement, such as the daily guarantee and the waiting time payments for assigned through freights, EBS, the ability to free flow between road and yard service, the expanded seniority rights, the changes in the guarantee for extra board (no reduction for rest under RSIA, weekly guarantee, etc), will be placed into effect. Both we and the Company want the changes to be done in a timely and orderly manner.

Additionally, we will begin meetings to discuss enhancements/changes to the engineer training agreement during June 2010 to address the understanding outlined in Side Letter No. 7. We will also begin discussions with the Company on Side Letter No. 4 (payroll simplification) to see what enhancements and improvements can be delivered to the Membership.

This is a new beginning for us. As we move forward, the Membership will soon realize that positive change will come from this Agreement. This Agreement provides job security, job stability, increased financial enhancements and delivers quality of life enhancements to our Members. Further, it sets the stage for great Agreements to follow that include higher bonus payments based on the performance of the Company. Moreover, we are guaranteed no less than the national wage package plus all the additional benefits this Agreement brings to our Membership. The UAW and Ford recently made similar changes to their CBA, and they are now reaping the benefits of job and financial security.

This Agreement was designed to benefit all members – old, middle and young – that come to work and do a good job. As a reminder, some of the benefits are, but not limited to:

1. Off days on extra board evened out every day of week.
2. No penalty for having to take rest under RSIA.
3. 6<sup>th</sup> week of vacation.
4. Potential of \$6,500.00 per year increase in pay on local freights.
5. Substantial increase in pay for road switchers that operate over 100 miles.
6. Daily guarantee for assigned through freights.
7. Day's pay for classifying train on line of road.
8. Day's pay when work trains are required to perform revenue service and vice versa.
9. Daily vacation and personal leave days evened out every day of week.
10. Enhanced lodging rule.
11. Enhanced deadhead rule
12. Ability for younger employees to get full complement of personal leave and holiday.
13. 3 hours pay or time lost for taking physical.
14. Enhancements on taking bereavement leave.
15. Late mark-up and late mark-off without reduction in guarantee.
16. Time and ½ in yard service after five starts beginning on Saturday.

I salute the Membership on their profound and wise decision.

Please make this information available to the Membership.