

MEMORANDUM

April 14, 2010

To: All Local Chairmen
From: John Hancock, General Chairman
RE: PROPOSED SYSTEM AGREEMENT

Over the last few days, we have been questioned again as to what happens if the Agreement is not ratified?

ANSWER:

We are out of National Handling; therefore, the next steps are covered by the Railway Labor Act, namely:

1. If CSXT is agreeable, we can return to negotiations. (CSXT has advised that they will wait on the outcome of national negotiations before returning to the negotiating table.)
2. They could advise that the parties have reached an impasse and implement their own rules, and we would strike only on our property. (In the last such event, the Union was out on strike for over 90 days)
3. We can request the assistance of the National Mediation Board to facilitate negotiations. Once we request their assistance, we are under their control until they release us. If they release us, then either party is free to seek self-help. Until they release us, neither party can seek self-help. (The NMB, in all probability, will not release us until national negotiations are concluded, which could be from 6 months to several years.)

IN THE MEANTIME:

CSXT advised that it will move forward with coordination and serve a Notice under New York Dock to consolidate portions of the southern half of the railroad under one Agreement. They have the legal right to so do – and will. They have already served Notice to consolidate the north end under one agreement. I have seen the notice to be served on the south end; it is not pretty. **THIS COORDINATION IS REAL!**

Under current rules, the General Chairmen pick the surviving Agreement. If they are unable to agree upon an agreement, an arbitrator will be picked and he will decide upon the surviving agreement. There will be only one agreement. Once an agreement is selected, all will be governed by this Agreement. This whole process, from start to finish is approximately 75 days.

It is clear that the General Chairmen will not agree on which Agreement to pick as they all believe that their agreement is the best. It then will be settled by an arbitrator, thus taking the control away from the members and allowing a third party to decide our fate.

For us on the SCL, we have the best Agreement. However, that does NOT mean it will be selected. The items that are listed below are what we, on the SCL, currently have and cherish. In coordination, these items are in jeopardy as the other General Committees do not enjoy these benefits.

1. We have one of the highest paid road extra board guarantees. There are road extra boards on some of the other properties that have a \$1700.00 bi-weekly guarantee; that's a \$2000.00 per month **pay cut**.
2. Some road switchers, on other roads, are paid at local freight rate; that is a **\$25.00 per day pay cut**. Additionally, there is no mileage limitation; the Company can assign the mine run any amount of miles it wants. Today, we get paid yard rate. (**Local freight pay would mean a \$6500.00 per year pay cut just on the basic day**).
3. On the SCL, when the Company annuls a yard job, we get the day's pay. On the other properties, this is generally not the case. When the Company annuls a yard job, the men get a seniority move; they do **NOT** get annulment pay – **a pay cut**. The junior man falls out the bottom and loses the day's pay. This will put many more people in furlough status.
4. **We have a great flow-back agreement, the only one of its kind in the country**. On the other properties, the flow back agreement does not pay a conductor to get qualified at another location. You train for free, and you find your own lodging. Also, many engineers will have to move to protect their seniority before they can work in train service.
5. On the former SCL, CSXT cannot call furloughed employees to work. This means that CSXT has to have more people working. If they are able to use furloughs to perform extra work, that means CSXT will have fewer people on the extra board and more furloughs than we have today.
6. If our Agreement is not picked, the provision of the Twomey Award – no furlough unless there is a 5% drop in business is no longer in effect – **more furloughs**.
7. On the SCL, we won the right for the Union to regulate the number of pool turns. On other roads, this is not necessarily the case; CSXT regulates the number of pool turns – **less money for pool men**.
8. On the SCL, all daily vacation and personal leave days have to be spread out evenly during the week. On the other roads, this is not the case; they can all be put in the middle of the week – **less people needed - more furloughs**.
9. On the SCL, they cannot cancel personal leave and daily vacation. On the other roads, this is not the case. If this changes, **this will mean more furloughs**.

The foregoing is not meant to scare you; this is what is facing the Membership in less than 90 days if this Agreement is rejected.

You have all read the positives of this proposed Agreement. I do not prefer presenting the negative, but at times, it is necessary to know the negative. **SIMPLY PUT, A "NO" VOTE MEANS THE MEMBERS DO NOT WANT THE FOLLOWING:**

1. The potential to earn over \$10,000.00 in bonus money.
2. The potential to earn an additional 50 shares of stock with a current value of \$11,000.

3. All assigned through freights to have a weekly guarantee, just like yard jobs and road switchers
4. Continuous held-away [while his counter on the other side of the engine receives such.]
5. The increased meal allowance of \$20 to \$50 while at the away from home terminal [while his counter on the other side of the engine receives such.]
6. Yard rate on work trains, 12.5% pay increase.
7. Yard rate on assigned local freight, 12.5% pay increase.
8. No extra board guarantee **docked** when required to take rest under RSIA.
9. An additional 6th week of vacation.
10. To maintain the exclusive right to operate remote control.
11. The right to have a Conductor on every train guaranteed for the next 5 years.
12. An arbitrary payment when Yardmen are required to perform work train service.
13. Roadmen and Yardmen in work train service to collect an additional day's pay when required to perform revenue service.
14. Roadmen will collect an additional day's pay when they classify their train on the line-of-road.
15. Individuals working the extra board prefer to let the Company assign off-days in the middle of the week. (New agreement requires the off-days be evened out on each day of the week.)
16. Payment when required to take a physical [let's remember Conductor Certification is right around the corner.]
17. The potential to earn from \$30,000.00 to \$60,000.00 of extra money offered in this Agreement.

I have read much of the anti-agreement rhetoric. Much of it is misinformation, and the individuals do not understand the rest of the story.

This proposed Agreement is great – it will provide the potential for a member with 25-30 years left to work to become a millionaire!

Last, the proposed Agreement guarantees that we get all the above plus the national wage package, if greater.

I highly recommend that you support it. Please distribute this information to the Membership. If the Agreement fails, and as the rest of the story develops, I do not want to hear, "I wish that I had known what CSXT is going to do. Why didn't you tell us?"