

# **CSXT Labor Agreement No. 1-030-09**

**Effective**

**September 15, 2009**

**Between**

**CSX TRANSPORTATION, INC.**

**AND ITS EMPLOYEES REPRESENTED BY**

**BROTHERHOOD OF LOCOMOTIVE  
ENGINEERS AND TRAINMEN**

**EASTERN LINES – WESTERN LINES - NORTHERN LINES**



# MEMORANDUM OF AGREEMENT

Between

**CSX TRANSPORTATION, INC.**

And its employees represented by the

**BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN  
(EASTERN LINES – WESTERN LINES - NORTHERN LINES)**

**It is hereby agreed that CSXT Labor Agreement No. 1-023-07 is modified only to the extent described herein:**

## **I – RATES OF PAY**

- A. Effective January 1, 2010, all standard rates of pay for Engineers subject to Agreements between CSXT and the Brotherhood of Locomotive Engineers and Trainmen (BLET) in effect on December 31, 2009, including extra board guarantees, shall increase by five percent (5%).
- B. In computing the increase under Paragraph A. above, the 5% shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic rate of pay. The adjustments provided for in this Article will apply to mileage rates of pay for overmiles, and will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles, or fixed amounts of money, except as otherwise provided.
- Passenger 950,001 and less than 1,000,000 pounds
  - Freight 950,001 and less than 1,000,000 pounds (through freight rates)
  - Yard Engineers Less than 500,000 pounds
  - Yard Firemen Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)
- C. Additional General Wage Increases will be effective on the following dates for Engineers subject to Agreements between CSXT and the Brotherhood of Locomotive Engineers and Trainmen (BLET) and will be computed and applied in the same manner prescribed in paragraph A. and B. above:
- a) January 1, 2011 – two and one half percent (2 ½ %)
  - b) January 1, 2012 – two and one half percent (2 ½ %)
  - c) January 1, 2013 – three percent (3%)
  - d) January 1, 2014 – three percent (3%)
- D. Rates of pay will be posted by the Carrier electronically for access by the employees.

## **II. SPECIAL PAY DIFFERENTIAL-ENGINEER CERTIFICATION ALLOWANCE "EC"**

The parties agree that the Special Pay Differential (Engineer Certification Allowance, "EC") is retained and preserved as established and described in Article 4 of CSXT Labor Agreement No. 1-023-07.

## **III - PERFORMANCE BONUS PROGRAM**

A. The parties agree that Engineers subject to Agreements between CSXT and the Brotherhood of Locomotive Engineers and Trainmen (BLET) will be eligible for a bonus payment under the Performance Bonus Program established in this Agreement for the periods and on the basis set forth below:

1. Effective January 1, 2010 and payable in 2011, Locomotive Engineers will be eligible for a bonus up to a maximum of twelve percent (12%) of their Locomotive Engineer earnings in 2010, calculated in accordance with paragraph B below.
2. Effective January 1, 2011 and payable in 2012, Locomotive Engineers will be eligible for a bonus up to a maximum of twelve percent (12%) of their Locomotive Engineer earnings in 2011, calculated in accordance with paragraph B below.
3. Effective January 1, 2012 and payable in 2013, Locomotive Engineers will be eligible for a bonus up to a maximum of twelve percent (12%) of their Locomotive Engineer earnings in 2012, calculated in accordance with paragraph B below.
4. Effective January 1, 2013 and payable in 2014, Locomotive Engineers will be eligible for a bonus up to a maximum of twelve percent (12%) of their Locomotive Engineer earnings in 2013, calculated in accordance with paragraph B below.
5. Effective January 1, 2014 and payable in 2015, Locomotive Engineers will be eligible for a bonus up to a maximum of twelve percent (12%) of their Locomotive Engineer earnings in 2014, calculated in accordance with paragraph B below.

B. 1. Locomotive Engineers covered by this Agreement who are eligible to receive a bonus for a year specified in paragraph A. above, payable in the following year, will receive this bonus payment only if an annual bonus is paid under CSXT's Management Incentive Compensation Program (MICP) for that year.

For such years, the amount payable to a Locomotive Engineer under paragraph A. above will be calculated by multiplying the employee's Locomotive Engineer earnings in that calendar year (as defined herein by the appropriate percentage in paragraph A. above and then by the percentage of the bonus payout to the second decimal place), up to a maximum of one hundred percent (100%), paid under the MICP for that year. The "percentage of the bonus payout", up to a maximum of one hundred percent (100%), paid under the MICP for any given year is hereinafter referred to as the Performance Bonus Payment, hereinafter "PBP."

Example 1: If the PBP is 100% for MICP payments made for calendar year 2010 (payable in 2011), and the Locomotive Engineer earnings in his craft in 2010 are \$70,000, the following calculation applies:

$$.12 \times \$70,000 \times 100\% = \$8400.00 \text{ (payable in 2011)}$$

Example 2: If the PBP is 96.78% for MICP payments made for calendar year 2011 (payable in 2012), and the Locomotive Engineer earnings in his craft in 2011 are \$70,000, the following calculation applies:

$$.12 \times \$70,000 \times 96.78 \% = \$8129.52 \text{ (payable in 2012)}$$

2. For the purposes of this article, BLET earnings consist of all payments made by agreement between CSXT and BLET during the applicable calendar year. The following payments shall be excluded from BLET earnings:
    - (i) Bonus payments.
    - (ii) Expense reimbursements and allowances, including, but not limited to those required by any protective conditions.
    - (iii) Any payment, other than for back pay, made pursuant to a jury verdict, court order, settlement, or other resolution of a legal dispute.
    - (iv) Earnings from another craft.
  3. Employees may make an irrevocable election prior to the beginning of the calendar year in which the bonus will be paid to defer all or a portion of their bonus into the CSX Corporation Capital Builder Plan, or BLET Merrill Lynch Program, up to the limits of and in accordance with the provisions of the respective Plan.
- C. CSXT will advise the BLET of the PBP for each calendar year for which the Company pays a bonus under the MICP. The determination of the percentage of bonus payment under the MICP, including but not limited to the methodology employed and the determination of any data utilized in the calculation of the percentage of bonus payment under the MICP, shall be at management's sole discretion, and shall not be a subject for review, negotiation or dispute. Bonus payments payable under this Bonus Program will be made no later than March 1 of the year in which the payment is due.
- D. Bonus payments shall be included in vacation calculation payments.
- E. Any provision of Article 6 of CSXT Labor Agreement No. 1-023-07 not brought forward into this Article III is eliminated, i.e., Subpart A. 4. Nothing in this Paragraph E. will eliminate the payment of the bonus provided in Article 6 A. 3. earned in 2009 and payable in 2010.

#### **IV – HEALTH AND WELFARE**

- A. The parties agree that they shall grant and maintain their powers of attorney to their representatives at the National Level to progress and resolve any Section 6 Notices related to the Health and Welfare Plans in any National Bargaining Round(s) that occur between the effective date of this Agreement and December 31, 2014, including any changes associated with the BLET National Short Term Disability Plan. When the National Agreement(s) covering Health and Welfare Plans including the BLET National Short Term Disability Plan, is consummated, such Agreement(s), including the moratorium/duration provisions, will be applicable to the parties signatory to this Agreement.
- B. Pending settlement of the next National Agreement, the current Health and Welfare Plans and Carrier contributions to the BLET National Short Term Disability Plan will be maintained.

## V – GENERAL PROVISIONS

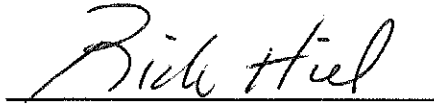
- A. 1. The purpose of this September 15, 2009 revision to CSXT Labor Agreement 1-023-07 is to fix the general level of compensation and Engineers' working conditions through December 31, 2014.
2. This Agreement shall bar any Notices or proposals for changing any matter contained in CSXT Labor Agreement 1-023-07 and this Agreement or any notice or proposal which might properly have been served pursuant to Article 6.K., or Article 86, Paragraphs E. and F., of CSXT Labor Agreement 1-023-07, by either party prior to November 1, 2014 (not to become effective before January 1, 2015). This Paragraph A. 2. shall not bar the handling of Notices or proposals covering Health and Welfare Plans as contemplated by Section IV above.
- B. 1. The parties shall commence voluntary negotiations and exchange proposals covering wages, the Performance Bonus Program, and any desired changes to working conditions, no later than March 1, 2014. The Agreement covering these proposals including any required ratification shall be completed no later than October 1, 2014, unless this deadline is extended by mutual agreement of both parties.
2. Should the parties fail to reach an Agreement under Paragraph B. 1. above, the following will apply:
  - a) The Engineers' participation in the Performance Bonus Plan will be terminated effective December 31, 2014. Any performance bonus payment for the year 2014 will be made no later than March 1, 2015.
  - b) The Special Pay Differential (Engineer Certification Allowance, "EC") in Article 4 of CSXT Labor Agreement 1-023-07 and retained by Section II above shall be eliminated effective December 31, 2014. The \$5.00 Engineer Certification Allowance will be re-established on January 1, 2015. It is the intent of the parties to adjust the \$5.00 rate referred to herein as provided for in Article 6, Paragraph J. of CSXT Labor Agreement 1-023-07.
  - c) Effective January 1, 2015 all standard basic daily rates of pay for Engineers subject to Agreements between CSXT and the Brotherhood of Locomotive Engineers and Trainmen (BLET) shall be increased by taking the rates of pay in effect on June 30, 2005 and applying all subsequent General Wage Increases resulting from BLET National Agreements prior to or on January 1, 2015.
- C. This Section will not bar Management and the Organization from agreeing upon any subject of mutual interest.

This agreement shall be effective on the date signed and shall remain in effect until changed or modified pursuant to Section V of this Agreement or in accordance with the provisions of the Railway Labor Act, as amended.

Signed at Jacksonville, Florida this 15<sup>th</sup> day of September, 2009.

**FOR THE COMPANY**

**FOR THE UNION**



**Rick Hiel**  
**Director – CSXT Labor Relations**



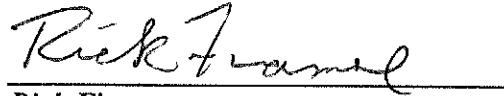
**Tony Smith**  
**BLET General Chairman, Former SCL**



**Myron Becker**  
**Director – CSXT Labor Relations**



**Don Moates**  
**BLET General Chairman – Former L&N,C&O**

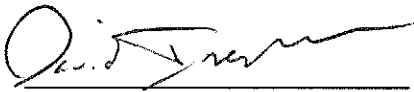


**Rick Finamore**  
**BLET General Chairman – Former B&O**

**Approved:**

**CSX Transportation:**

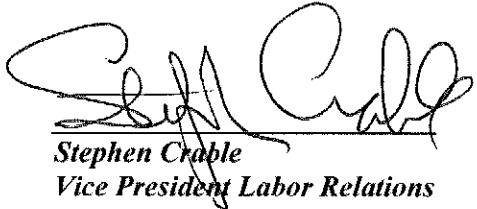
**Brotherhood of Locomotive Engineers & Trainmen:**



**David Ingoldsby**  
**Assistant President Labor Relations**



**Dennis Pierce**  
**National Vice President**



**Stephen Crable**  
**Vice President Labor Relations**



**A. Kenneth Gradia**  
**Chairman – National Carrier's Conference Committee**



Labor Relations  
500 Water Street (J455)  
Jacksonville, FL 32202

David Ingoldsby  
AVP - Labor Relations

**September 15, 2009**

Side Letter #1

T. Smith, General Chairman  
Brotherhood of Locomotive Engineers & Trainmen  
P. O. Box 1207  
Troy, AL 36081-1207

D. L. Moates, General Chairman  
Brotherhood of Locomotive Engineers and Trainmen  
274 Highway 310  
Etowah, TN 37331

R. A. Finamore, General Chairman  
Brotherhood of Locomotive Engineers & Trainmen  
6 Fairfield Boulevard, Suite 12  
Ponte Vedra Beach, FL 32062

Re: Article V B. 2.

Gentlemen:

This will confirm our discussions which led to CSXT Labor Agreement 1-030-09 dated September 15, 2009.

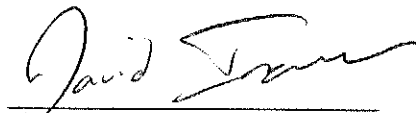
In the very unlikely event that wage increases in the upcoming round(s) of National Negotiations fail to produce material wage increases, the following was agreed upon in the application of Section V B. 2. (c) of CSXT Labor Agreement 1-030-09.

It is agreed that if the total of the General Wage Increases in the 2007 BLET National Agreement and those later negotiated in the BLET National Agreement(s) covering the period between January 1, 2010 and December 31, 2014 do not exceed the total of the three (3%) percent increase in CSXT Labor Agreement 1-023-07 and the five (5) General Wage Increases described in Section I A. and C. of CSXT Labor Agreement 1-030-09, then the rates produced by the General Wage Increases described in CSXT Labor Agreement 1-023-07 and Section I A. and C. of

CSXT Labor Agreement 1-030-09, will remain in place should the parties fail to reach agreement under Section V B. 1. and thus trigger V. B.2.

If this properly reflects our understanding, please sign in the space provided below.

Very truly yours,



AVP – Labor Relations

I CONCUR:



General Chairman Eastern Lines

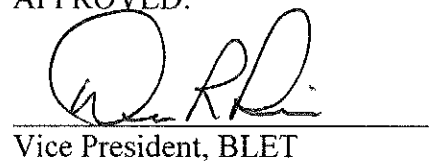


General Chairman Western Lines



General Chairman Northern Lines

APPROVED:



Vice President, BLET



Labor Relations  
500 Water Street (J455)  
Jacksonville, FL 32202

David Ingoldsby  
AVP - Labor Relations

**September 15, 2009**

Side Letter #2

T. Smith, General Chairman  
Brotherhood of Locomotive Engineers & Trainmen  
P. O. Box 1207  
Troy, AL 36081-1207

D. L. Moates, General Chairman  
Brotherhood of Locomotive Engineers and Trainmen  
274 Highway 310  
Etowah, TN 37331

R. A. Finamore, General Chairman  
Brotherhood of Locomotive Engineers & Trainmen  
6 Fairfield Boulevard, Suite 12  
Ponte Vedra Beach, FL 32062

Re: L&N Apprentice Engineers

Gentlemen:

This will confirm our discussions which led to CSXT Labor Agreement 1-030-09 dated September 15, 2009.

It is agreed that Rate schedules for L&N Apprentice Engineers will be adjusted pursuant to the GWI and COLA terms of the BLET National Agreement at the time such agreement is implemented.

If this properly reflects our understanding, please sign in the space provided below.

Very truly yours,



AVP – Labor Relations

I CONCUR:



General Chairman Eastern Lines



General Chairman Western Lines



General Chairman Northern Lines

APPROVED:



Vice President, BLET