

WORKING DRAFT
AGREEMENT
BETWEEN
SOUTHRAIL CORPORATION
AND ITS
MAINTENANCE OF WAY EMPLOYEES
REPRESENTED BY
THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

SCOPE

(a) These Rules govern the hours of service, rates of pay and working conditions of all employees in the Maintenance of Way and Structures Department performing work described in Appendix 1, and other employees who may subsequently be employed in said Department, represented by the Brotherhood of Maintenance of Way Employees.

(b) This agreement does not apply to supervisory forces above the rank of Foreman, nor to employees engaged in work of a character properly belonging to classes of employees covered by other collective bargaining agreements.

NOTE: Any new positions created after the effective date of this agreement to perform the work covered hereby shall be covered by the provisions of this agreement.

(c) When a position covered by this agreement is abolished, the work assigned to such position which remains to be performed will be reassigned to other positions covered by this agreement.

(d) Work covered by this agreement shall not be removed from the application of the rules of this agreement except by mutual agreement between the parties signatory hereto.

(e) An officer or an employee not covered by this agreement shall not be permitted to perform any work covered by this agreement.

(f) The use of such words as "he", "his", and "him", as they appear in this agreement are not intended to restrict the application of the agreement or a particular rule to a particular sex, but are used solely for the purpose of grammatical convenience and clarity.

***February 25, 1988 Side Letter**

It is the intent of the Agreement for the SRC to utilize maintenance of way employees under rules of the Agreement to perform the work included within the scope of the Agreement; however, it is recognized that in certain specific instances the contracting out of such work may be necessary provided one or more of the following conditions are shown to exist:

1) Special skills necessary to perform the work are not possessed by its Maintenance of Way Employees.

2) Special equipment necessary to perform the work is not owned by the Carrier or is not available to the Carrier for its use and operation thereof by its Maintenance of Way Employees.

3) Time requirements exist which present undertakings not contemplated by the Agreement that are beyond the capacity of its Maintenance of Way Employees.

In the event the SRC plans to contract out work because of one or more of the criteria described above, it shall notify the General Chairman in writing as far in advance of the date of the contracting transaction as it practicable and in any event, not less than fifteen (15) days prior thereto. Such notification shall clearly set forth a description of the work to be performed and the basis on which the SRC has determined it is necessary to contract out such work according to the criteria set forth above.

If the General Chairman, or his representative, requests a meeting to discuss matters relating to the said contracting transaction, the designated representative of SRC shall promptly meet with him for that purpose and the parties shall make a good faith effort to reach an agreement setting forth the manner in which the work will be performed. It is understood that when condition 3 is cited as criteria for contracting work, SRC, to the extent possible under the particular circumstances, shall engage its Maintenance of Way and Structures Department and construction work in the Track Sub department, with due consideration given to the contracting out of construction work in the Bridge and Building Sub department to the extent necessary. If no agreement is reached, SRC may nevertheless proceed with said contracting and the Organization may file and progress claims in connection therewith.

Nothing herein contained shall be construed as restricting the right of SRC to have work customarily performed by employees included with the Scope of the Agreement from being performed by contract in emergencies that prevent the movement of traffic when additional force or equipment is required to clear up such emergency condition in the shortest time possible. In such instances, SRC shall promptly notify the General Chairman of the work to be contracted and the reasons therefor, same to be confirmed in writing within fifteen (15) days of the date of such work commences. *

*February 25, 1988 Side Letter

RULE 1

CUSTOMER SERVICE

The parties to this agreement agree that the fundamental objective of the railroad, its management and employees, is to provide service to its customers in the most efficient manner. Accordingly, the parties agree that in interpreting and implementing this agreement, paramount emphasis shall be placed on providing efficient service to customers.

RULE 2

RATES OF PAY

Rates of Pay for all positions shall be as set out in Appendix 1.

RULE 3

401(K) PLAN

Employees shall be eligible to participate in a 401(K) Plan as described in Appendix 3. *

* Changes made in accordance with Article III of the 1992 Agreement.

RULE 4

RATES OF POSITIONS

- (a) Positions (not employees) shall be rated and the transfer of rates from one position to another shall not be permitted.
- (b) Employees temporarily assigned to higher rated positions shall receive the higher rates for the entire day. Employees temporarily assigned to lower rated positions shall not have their rates reduced.
- (c) The wages for new positions shall be in conformity with the wages for positions of similar kind or class. When there are no positions of a similar kind or class, rates of pay fixed by the company shall be subject to protest by the general chairman as a minor dispute.

RULE 5

ENTRY RATES

Employees entering service after the effective date of this agreement shall be paid as follows:

First Year -	Seventy-five (75) Percent
Second Year-	Eighty (80) Percent
Third Year-	Eighty-five (85) Percent
Fourth Year -	Ninety (90) Percent
Fifth Year -	Ninety-five (95) Percent
Sixth Year -	One-hundred (100) Percent

- (a) Any calendar month in which an employee does not render at least ten days compensated service or is not available for at least ten days shall not count toward completion of the twelve month period.
- (b) Service with the G&M shall constitute qualifying service in the application of this rule for persons hired by the Company during the first year of operations.
- (c) Entry rate will not apply if employee is promoted and qualified by management.
- (d) Employees entering service will not be paid a higher hourly rate than former G&M employees who were hired upon the start-up or first year of SRC operations.

***Changes made in accordance with Article V – Entry Rates of the April 16, 2003 Agreement.**

Section 1

Article III of the October 17, 1986 National Agreement (as amended), including all applicable Side Letters, and all other local rules governing entry rates are amended to provide that covered employees shall be paid at 90 percent of the applicable rates of pay (including COLA) for the first twelve (12) calendar months of employment and shall be paid at 95 percent of the applicable rates of pay (including COLA) for the second twelve (12) calendar months of employment for all service performed on positions by an agreement with the organization.

Section 2

Employees covered by the aforementioned Article III or local rules governing entry rates on the date of this Agreement shall be credited, for purposes of the application of Section 1, for all calendar months of employment rendered as of the effective date of this Article.

Section 3

This Article shall be effective ten (10) days after the effective date of this Agreement.

RULE 6

DAY'S WORK-WORK WEEK

(a) Except as otherwise provided in Rules 7 and 21, eight consecutive hours, exclusive of the meal period, shall constitute a day's work for which eight hours pay will be allowed. Except as otherwise provided in this agreement, no pay will be allowed for days not worked.

(b) The work week for all employees subject to this agreement will be forty hours, consisting of five days of eight hours each with two consecutive days off in each seven; so far as is practicable the days off shall be Saturday and Sunday. However, rest days may be changed when operational requirements dictate. This action will not be taken to avoid overtime.

(c) Regular Relief Assignments -

(1) To the extent reasonably possible, regular relief assignments with five days of work and two consecutive rest days will be established to do the work necessary on rest days of regular assignments, or to perform relief work on certain days and such types of other work on other days as may be assigned under this agreement. A bulletin shall designate the new job relieved.

(2) Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees of the same class, provided they take the starting time, duties and work locations of the employee or employees whom they are relieving.

(d) Nonconsecutive Rest Days -

The typical workweek is to be one with two consecutive days off. However, when customer service so requires, work weeks which may affect the consecutiveness of the rest days of positions or assignments may be adopted pursuant to the provisions of Rule 17. The company shall generally consider the following factors in determining non-consecutive rest days:

(1) Regular relief positions established pursuant to paragraph (c) of this rule.

(2) Possible use of rest days other than Saturday and Sunday, in accordance with other provisions of this agreement.

(3) Other suitable or practicable plans which may be suggested.

(e) Beginning of Workweek -

The term "workweek" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and for unassigned employees shall mean a period of seven consecutive days starting with Monday.

NOTE: The expressions "positions" and "work" used in this rule refer to service, duties, or operations necessary to be performed the specified number of days per week, and not to the workweek of individual employees.

RULE 7

MEAL PERIOD

(a) Unless otherwise agreed to by the proper officer and general chairman, the meal period shall not be less than thirty minutes nor more than one hour.

(b) For operations determined to require continuous hours, eight consecutive hours without meal period shall be assigned as constituting a day's work, in which case not less than twenty minutes shall be allowed in which to eat, without deduction in pay, between the ending of the fourth hour and the beginning of the seventh hour after starting work.

(c) When a meal period is allowed it shall be regularly assigned between the ending of the fourth hour and the beginning of the seventh hour after starting work, unless otherwise agreed to between the management and the duly

accredited representative. If the meal period is not afforded within the assigned period and is worked, the meal period shall be paid for at the overtime rate and twenty minutes with pay in which to eat shall be afforded at the first opportunity.

(d) Except when otherwise agreed to by employees directly affected, an employee shall not be required to work more than six continuous hours without being permitted twenty minutes to eat without deduction in pay. Time taken for meals shall not break the continuity of service.

(e) The second meal and subsequent meals (if any) shall be furnished by the company.

(f) The company will furnish all meals for employees called out on their rest days to perform emergency work.

RULE 8

STARTING TIME

(a) Where work is performed covering the twenty-four hour period, the starting time of each shift will be between the hours of six and eight A.M., two and four P.M., and ten P.M. and midnight.

(b) Starting time of work period for regular assigned day service will not begin earlier than 6:00 a.m. and not later than 10:00 a.m.

(c) Assigned starting time will not be changed without 36 hours notice.

RULE 9

HEALTH INCENTIVE PAY

(a) Employees that work (or are available to work) each and every day of their regular assignment in a calendar quarter shall receive a health incentive payment equal to two days pay at the regular rate. Such payment shall be made within 30 days of the close of the applicable calendar quarter.

(b) Employees absent from (or not available for work) because of time lost account leave of absence pursuant to Rule 26(b), jury duty pursuant to Rule 29, holidays taken pursuant to Rule 30, vacation pursuant to Rule 31, or personal leave taken pursuant to Rule 36, or bereavement leave taken pursuant to Rule 38 shall not be disqualified from health incentive pay if otherwise eligible pursuant to paragraph (a).

NOTE: Employees absent from work to appear as witnesses for employees at company-held investigations shall not be disqualified from health incentive pay if otherwise eligible pursuant to paragraph (a).

(c) Employees unavailable for overtime calls shall not be disqualified from health incentive pay when otherwise eligible pursuant to this Rule.

RULE 10

OVERTIME

(a) Time worked preceding or following and continuous with the regular work hours, shall be computed on the actual minute basis and paid for at time and one-half rates, with double time computed on actual minute basis after 16 continuous hours of work in any 24-hour period, computed from the time the continuous work period commences, except that all time during the employees regular shift will be paid for at the pro rata rate.

(b) There shall be no overtime on overtime.

(c) Overtime on a territory shall go to the regularly assigned employees of such territory on a seniority basis. When the regular assigned employees are not available, then the closest adjoining assigned employee will be called on a seniority basis.

RULE 11

APPLICATIONS

- (a) Applications for newly hired employees shall be approved or disapproved within sixty calendar days after applicant begins work. If application is not disapproved in writing within the sixty day period, the application will be considered as having been approved.
- (b) An employee who has been accepted for employment in accordance with paragraph (a) will not be terminated or disciplined for furnishing incorrect information or withholding information unless management determines that the information was of such a nature that the employee would not have been hired if the company had had timely knowledge of it.
- (c) The carrier will provide the general chairman with a list of employees covered by this agreement who are hired or terminated. The list shall indicate the dates the employees were hired or terminated, their home addresses and Social Security Number. The lists will be supplied within thirty days after the month in which the employee is hired or terminated.

RULE 12

SENIORITY DATUM

(a) Persons entering the service will establish seniority when their compensation starts. An employee will establish seniority in a group in which seniority has not been previously established as of the date of the award to a position in such group, in accordance with Rule 17, provided such employee assumes such position at the first available opportunity. *

- (b) Where two or more employees are assigned on the same day, they shall be ranked in the order of
- (1) The most seniority in the next successive Lower Rank within the Subdepartment.
 - (2) The earliest continuous seniority date in the Maintenance of Way Department.
 - (3) The date of birth with elder as senior.

Persons entering the service shall simultaneously acquire seniority in both the trackmen and/or bridgemen classifications, in addition to the classification in which hired, pursuant to paragraph (a) above.

Employees shall retain and continue to accumulate seniority in lower ranks while serving in a higher rank. In the event they have not previously established seniority in lower ranks, they will establish seniority in all lower ranks, from the date they start in higher rank, except as machine operators.

(c) Employees now filling or hereafter promoted to excepted or official positions, (including promotion to any company within the MidSouth Corporation family) shall retain all their seniority rights and shall continue to accumulate seniority, provided such employees remain members in good standing with the organization. The general chairman will notify the employing officer of failure to maintain good standing. If good standing is not regained within thirty days of receipt of such notification, the employee will forfeit his seniority. *

(d) Seniority rights of employees to vacancies or new positions or to perform work covered by this agreement shall be governed by these rules.

(e) Employees voluntarily leaving service will forfeit all seniority and if they re-enter the service will be considered as new employees. Employees dismissed from the service due to their failure to comply with the terms of the union shop agreement shall not be permitted to re-enter the service until after two years have elapsed from the date of dismissal and providing the individual becomes in good standing with the union.

(f) Except as otherwise provided in this agreement, seniority rights of employees covered by these rules may be exercised only in case of vacancies, new positions, reduction of forces or memorandum of agreements between the parties signatory hereto covering special circumstances which in their judgment require such action.

*** Changes in accordance with ARTICLE IV - SENIORITY DATUM of the 1992 Agreement**

RULE 13

SENIORITY DISTRICTS

For the employees covered by this agreement, the entire railroad shall constitute a single seniority district over which employees may exercise their seniority.

RULE 14

SENIORITY ROSTERS

(a) A seniority roster showing name, occupation, location, and seniority dates of all employees within the seniority district will be posted within thirty days following the effective date of this agreement in places accessible to all employees affected. A copy of the roster will be provided to the local and general chairmen at the time they are posted.

(b) The rosters will be revised and posted in January of each year and will be open to protest (for errors associated with the new roster only) for a period of thirty days from date of posting and upon presentation of proof of error by an employee, or his representative, such error shall be corrected.

(c) The provision for annual revision and posting of seniority rosters shall not be construed to mean that the duly accredited representatives of the employees will be denied the right to request and receive a revised roster when reductions in force are contemplated or when, due to turnover in forces, the annual roster does not furnish the information necessary to properly apply the provisions of this agreement.

(d) An employee returning from leave will have 30 days to protest an error in his seniority which would have direct effect on his seniority rights.

RULE 15

PROMOTIONS, ASSIGNMENTS AND DISPLACEMENTS

(a) Employees covered by these rules shall be in line for promotion. Promotions, assignments and displacements (except for promotion or assignment to excepted or management positions) shall be based on management's determination of fitness, ability and seniority; fitness and ability being sufficient, seniority shall prevail.

(b) Disqualified employees may request a hearing in writing within 15 days of the date of written disqualification, with copy to the general chairman.

RULE 16

WORK ASSIGNMENTS

(a) The company shall designate a headquarters point such as a Depot, Tool house, shop, etc; for each regular position and each regular assigned relief position and for employees not occupying such positions. Seven day's written notice will be given when designations are changed. The company may not modify such headquarters points more than once every 6 months.

(b) Except as otherwise provided herein, the company shall have sole discretion to establish, change from time to time, and abolish work assignments.

RULE 17

BULLETINS

- (a) All new positions and vacancies (except those of less than thirty day's duration) shall be promptly bulletined in places accessible to all employees affected for a period of five working days. Such bulletin will show location, title and description of position, rate of pay, assigned hours of service, assigned meal period, and assigned rest days.
- (b) Employees desiring such positions shall within five working days of date of posting of the bulletin file their applications with the officer whose name is signed to the bulletin, sending copy to the local chairman. A bulletin of assignment, designating the successful applicant, shall be issued within ten days of close of bidding.
- (c) When more than one vacancy or new position exists at the same time, employees shall have the right to bid on any or all, stating preference. Nothing in this rule shall be construed to prevent employees from bidding on any or all bulletined positions, irrespective of whether the position sought is of the same, greater or lesser remuneration.
- (d) Except in case of illness or physical disability, employees assigned to positions on bulletin must take positions assigned within five days, unless extension of time is agreed upon by company officer making the assignment and the local chairman.
- (e) When an employee bids for and is awarded a position, his former position, if not abolished, shall be declared vacant and bulletined immediately.
- (f) Bulletined positions may be filled temporarily pending an assignment. In the event no applications are received, the position may be filled by management by appointment of the junior qualified employee. The former job of the appointed employee shall remain available to such appointed employee unless such job is abolished pursuant to the provisions of this agreement.

RULE 18

QUALIFYING

- (a) An employee who acquires a position through bidding or displacement rights and fails to qualify within thirty working days will be assigned by the company for the succeeding five days. During this period the employee may exercise displacement rights. Each subsequently affected employee shall be afforded the same conditions.
- (b) Employees who acquire a position will be given full cooperation by supervisors and other employees in their efforts to qualify.

RULE 19

SHORT VACANCIES

- (a) Positions or vacancies of thirty calendar days or less shall be considered temporary and may be filled without bulletining, with preference given to the senior employee in the class in which the position or vacancy occurs who may be out of work or working in a lower rank due to force reductions. If no such employee is available then the position or vacancy may be filled by the senior employee in the class in which the position or vacancy occurs who desires such position or vacancy.
- (b) In the event no applications are received for the temporary position or vacancy, the junior employee holding seniority in the class in which the position or vacancy occurs may be assigned to such position or vacancy, provided he is not then holding a position in such class, otherwise the carrier may appoint the junior qualified employee.
- (c) Upon completing temporary assignment, an employee must return to his former assignment within five (5) calendar days of his release from the temporary assignment. If his former assignment is no longer available, he shall exercise his general displacement rights pursuant to Rule 22 (a).

RULE 20

VACATION AND RELIEF ASSIGNMENTS

- (a) The company may establish regular assigned vacation relief positions as necessary for vacation relief or other relief work.
- (b) Bulletins in accordance with Rule 17 for regular assigned relief positions shall show territory included in the assignment and type of positions to be relieved. Starting time and rest days will be those of the position relieved.
- (c) The headquarters point of an employee assigned to a relief assignment shall be his permanently assigned headquarters point unless he is not permanently assigned, then the station on the carrier's line nearest his place of residence shall be his headquarters point.

RULE 21

SERVICE OUTSIDE OF REGULAR ASSIGNMENTS

Employees called for duty and reporting outside of regular working hours and not continuous therewith, either in advance of or following, will be paid a minimum of three hours at time and one-half rate for three hours work or less, and if held on duty in excess of three hours, time and one-half will be allowed on minute basis.

RULE 22

REDUCING FORCES

- (a) In reducing forces, seniority rights shall govern. Except as provided in paragraph (e) and (f) of this Rule, at least five working days advance written notice, including the date of notice, shall be given employees affected in reduction of forces or in abolishing positions. A copy of such notice shall also be posted on bulletin boards. Employees whose positions are abolished may exercise their seniority rights over junior employees; other employees affected may exercise their seniority rights in the same manner. Employees whose positions are abolished or who are displaced, and whose seniority rights entitle them to a regular position, shall assert such rights within ten (10) working days from the date actually affected. An employee who fails to exercise seniority within the ten (10) day period, must then either displace the junior employee on the seniority roster or bid a bulletined vacancy where such employee holds seniority. During this ten (10) day period, such employee will perform work as assigned. Employees having insufficient seniority to displace other employees will be considered furloughed. If an employee's exercise of seniority right would require a change in his residence he may assume a voluntary furloughed status by complying with paragraph (b).
- (b) Employees desiring to protect their seniority rights and to avail themselves of this rule must, within five calendar days from the date actually reduced to the furloughed list, file their names and addresses in writing, both with the proper officer (the officer authorized to bulletin and award positions) and the local chairman, and advise them promptly of any change in address.
- (c) When forces are increased or vacancies occur, furloughed employees shall be returned and required to return to service in the order of their seniority rights, except as otherwise provided in this rule. Such employees, when available, shall be given preference on a seniority basis to all extra work, short vacancies and/or vacancies occasioned by the filling of positions pending assignment by bulletin, which are not filled by rearrangement of regular forces. When a bulletined new position or vacancy is not filled by an employee in service senior to a furloughed employee, the senior furloughed employee will be called to fill the position. Furloughed employees failing to return to service within seven calendar days after being notified (by certified mail or telegram sent to the last address given) or to give reason satisfactory to management for not doing so, will be considered out of the service.
- (d) Furloughed employees desiring to waive their right to return to serve on positions or vacancies of less than thirty calendar days duration or to positions that would require a change in residence may do so by filing written notice with the proper officer as defined above and the general chairman; such waiver notice may be canceled or terminated in the same manner.
- (e) Advance notice to employees shall not be required before abolishing positions under emergency conditions, such as flood, snow storm, hurricane, derailments or train wreck, tornado, earthquake, fire or labor dispute other

than as covered by paragraph (f), provided such conditions affect the company's operations in whole or in part. Such abolishment's will be confined solely to those work locations directly affected by any suspension of operations in whole or in part. Such abolishment's will be confined solely to those work locations directly affected by any suspension of operations. If an employee works any portion of the day he will be paid in accordance with existing rules. When the emergency ceases, all positions abolished must be re-established, with former occupants returned to their respective positions and said position need not be rebulletined. If the emergency conditions described herein terminate within seven days, employees will be entitled to return to their former positions at their next usual starting time not less than six hours after the emergency terminates; if the emergency conditions extend longer than seven days, employees will be entitled to return to their former positions at their usual starting time within forty-eight hours after the emergency terminates.

(f) Advance notice to employees before positions are abolished shall not be required where any suspension of the company's operations in whole or in part is due to a labor dispute between the company and any of its employees.

(g) Employees will not be furloughed for short periods except as provided in this rule.

RULE 23

EXPENSES

(a) Employees required to remain overnight at other than their regular headquarters will be allowed actual reasonable cost of meals and lodging, subject to a dollar limit agreed to by the parties prior to the effective date of this agreement. The company may designate lodging and meal facilities.

(b) An employee willing and authorized by management to use his automobile on company business shall be paid \$.21 per mile.

RULE 24

MACHINES

When the company requires an employee to use mechanical devices and other equipment and supplies in the performance of service for the company, said articles shall be furnished and maintained by the company without expense to the employees.

RULE 25

LEAVE OF ABSENCE

(a) Except in case of injury or illness, an employee desiring to remain away from service must obtain permission from his immediate supervisor.

(b) When the requirements of the service permit, employees, on request, will be granted leave of absence not to exceed thirty days. The carrier may, in its discretion, extend the leave period up to an additional 60 days. Leave of absence in excess of ninety days in any twelve month period shall not be granted unless by agreement between the management and the duly accredited representatives of the employees.

(c) Except for employees engaged in the service of the U.S. Armed Forces for four years or less, an employee who is absent on leave and who engages in other employment shall forfeit his seniority and be considered out of service, unless special arrangements have been made between the management and the general chairman.

(d) An employee who fails to report for duty at the expiration of leave of absence shall forfeit his seniority rights, except when failure to report on time is the result of unavoidable delay, in which case the leave will be extended to include such delay.

(e) Employees desiring to return from leave of absence before the expiration thereof shall be permitted to do so upon forty-eight hours advance written notice to his immediate supervisor with copy to the general chairman.

(f) An employee retired under the disability provisions of the Railroad Retirement Act shall retain seniority until he attains the age of sixty-five years, but the position vacated by him upon his retirement will be bulletined for permanent appointment, unless abolished. Should he recover sufficiently to resume service prior to attaining the age of sixty-five years, he shall be permitted to exercise seniority over junior employees.

RULE 26

LEAVE OF ABSENCE - EMPLOYEE REPRESENTATIVES

(a) Duly accredited representatives of employees or employees employed exclusively by the organization shall be granted leave of absence and may return to their former positions provided their seniority is sufficient or exercise seniority rights within thirty days after release from such employment.

(b) Other duly accredited representatives of the employees shall be granted necessary time off (without pay from the carrier) or leave of absence (without pay from the carrier) for contract negotiations, attendance at meetings of employees, or other purposes connected with the interests of the employees.

RULE 27

RETURNING FROM LEAVE

An employee returning after leave of absence shall return to his former position provided it has not been abolished or a senior employee has not exercised displacement rights thereon. Upon return or within ten (10) days thereafter such employee may exercise seniority rights on any position bulletined during such absence. In the event the employee's former position has been abolished or a senior employee has exercised displacement rights thereon, the returning employee will be governed by the provisions of Rule 22 and may displace a junior employee if such rights are asserted within ten days after his return. Employees displaced by his return shall have the privilege of exercising seniority rights over junior employees in the same manner.

NOTE: This rule also applies to an employee reporting for duty after vacation, sickness, disability, suspension or after an absence for any other legitimate cause.

RULE 28

ATTENDING COURT

(a) Employees taken away from their regular assigned duties at the request of management to attend court or to appear as witnesses for the carrier at investigations or hearings will be allowed compensation equal to what would have been earned had such interruption not taken place, and, in addition, actual necessary expenses while away from their headquarters.

(b) Employees attending court or acting as witnesses for the carrier at investigations or hearings outside of their assigned hours shall be paid for the time devoted to such attendance at the time and one-half rate for all time so held subject to a minimum of two hours and forty minutes.

(c) Furloughed employees will be allowed a day's pay for each day used as witnesses with a minimum of one day, based on the minimum rate of pay of the position last held, and, in addition, necessary actual expenses while away from headquarters.

(d) In the event an employee is held away from home station on rest days or holidays, he shall be allowed a minimum of one day's pay at pro-rata rates for each day so held.

(e) Any fee or mileage allowance received by the employee from the court or other tribunal shall be assigned to the company or such amounts shall be deducted as provided under this rule.

(f) Active employees failing to attend court or to appear as witnesses for the carrier at investigations or hearings if requested to do so may be subject to discipline.

RULE 29

JURY DUTY

When a regularly assigned employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each day loss less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

- (1) An employee must furnish the carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.
- (2) The number of days for which jury duty pay shall be paid is limited to a maximum of sixty days in any calendar year.
- (3) No jury duty pay will be allowed for any day on which the employee is entitled to vacation or holiday pay.
- (4) When an employee is excused from railroad service on account of jury duty, the carrier shall have the option of determining whether or not the employee's regular position shall be blanked, notwithstanding the provisions of any other rules.
- (5) Except as provided in paragraph (6), an employee will not be required to work on his assignment on days on which jury duty:
 - (i) ends within four hours of the start of his assignment; or
 - (ii) is scheduled to begin during the hours of his assignment or within four hours of the beginning or ending of his assignment.
- (6) On any day that an employee is released from jury duty and four or more hours of his work assignment remain, he will immediately inform his supervisor and report for work if advised to do so.

RULE 30

HOLIDAYS

- (a) Subject to the qualifying requirements provided herein, each employee shall receive eight hours pay at the pro rata rate for each of the following enumerated holidays:

New Year's Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Eve
Christmas Day

- (b) A regularly assigned employee shall qualify for holiday pay if the employee performs at least six hours of compensated service on the workdays immediately preceding and following such holiday or if the employee is not assigned to work but is available for service on such days. If the holiday falls on the last day of a regularly assigned employee's workweek, the first workday following his rest days shall be considered the workday immediately following. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday. These qualifications shall also apply to employees relieving regularly assigned employees.

All others for whom holiday pay is provided shall qualify for such pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

- (i) compensation for at least six hours of service paid by the carrier is credited; or
- (ii) such employee is available for service. An employee is considered available unless he lays off of his own accord or does not respond to a call for service pursuant to the rules of this agreement.

NOTE: When any of the above holidays fall on Sunday the day observed by the _____ Nation shall be considered the holiday. When Christmas Day falls on Sunday and is observed on Monday, then Sunday shall be considered the holiday for Christmas Eve.

RULE 31

VACATION

(a) Qualifying employees will be entitled to vacation in accordance with the following schedule:

After 1 years' service - 5 days
After 2 years' service - 10 days
After 10 years' service - 15 days
After 17 years' service - 20 days
After 25 years' service - 25 days

An employee's vacation will not be extended by reason of any of the recognized holidays enumerated in Rule 30.

(b) Employees will be required to submit vacations request before December 1 of each year. Vacations may be taken from January 1st to December 31st and due regard consistent with requirements of the service shall be given to the desires and preferences of the employees in seniority order when fixing dates for their vacations. Vacations may be split in segments of not less than five days. Representatives of the company and the organization will cooperate in assigning vacation days.

If an assigned vacation is to be advanced or deferred by management, the employee will be given as much advance notice as possible; not less than ten days notice shall be given except when management determines that emergency conditions prevent.

(c) Without written permission of management, employees may not accumulate vacation from year to year.

(d) Vacation payment to regularly assigned employees will be calculated at the daily rate of such assignment. Other than regularly assigned employees will be paid on the basis of the average daily rate paid in the last pay period preceding the vacation in which service was performed.

If an employee cannot be released for vacation, he shall be paid the time and one-half rate for work performed during his vacation period in addition to his regular vacation pay.

(e) Employees must perform one hundred forty (140) days of compensated service in any year to qualify for vacation provided under paragraph (a) above. Calendar days on which an employee is available for service and on which days he performs no service, not exceeding forty (40) such days, will be included in the determination of qualification for vacation. Also, calendar days, not in excess of thirty (30), on which an employee is absent from or unable to perform service because of injury received on duty will be included.

(f) Employees must perform 140 days of compensated service in any year to qualify for benefits provided in (a) above. Employees not performing 140 day's service will be granted vacation pro-rated in proportion to days of compensated service.

(Example: Two years accumulated service, 70 days of service in preceding year. Eligible for 5 days vacation. Less than full days are dropped in the calculation.)

*** Changes in accordance with ARTICLE V – VACATION - 1992 Agreement**

~~(e) Employees must perform one hundred forty (140) days of compensated service in any year to qualify for vacation provided under paragraph (a) above. Calendar days on which an employee is available for service and on~~

~~which days he performs no service, not exceeding forty (40) such days, will be included in the determination of qualification for vacation.~~

~~Also, calendar days, not in excess of thirty (30), on which an employee is absent from or unable to perform service because of injury received on duty will be included.~~

~~(f) Employees must perform 140 days of compensated service in any year to qualify for benefits provided in (a) above. Employees not performing 140 days service will be granted vacation pro-rated in proportion to days of compensated service. (Example: Two years accumulated service, 70 days of service in preceding year. Eligible for 5 days vacation. Less than full days are dropped in the calculation.)~~

(g) In the application of Paragraph (e) days on which an employee is absent due to his own illness or injury shall be counted as follows:

10 days maximum - under 3 years' service
20 days maximum - 3 to 14 years' service
30 days maximum - 15 or more years' service

(h) Absences due to vacation shall not be considered as vacancies in applying the rules of this agreement.

(i) The vacation provided for in this agreement shall be considered to have been earned when the employee has qualified under paragraphs (a) and (f) hereof. If an employee's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, non-compliance with a union-shop agreement, or failure to return after furlough he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service and the vacation for the succeeding year if the employee has qualified therefore under paragraph (a). If an employee thus entitled to vacation or vacation pay shall die the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

(j) Former employees of the Gulf & Mississippi who enter service of the company within two weeks of the day operations commence, will be given credit for G&M service in applying the schedule in paragraph (a). If, at the time of such transfer, an employee was eligible for more vacation than provided in paragraph (a), his vacation will not be reduced.

RULE 32

HEALTH AND WELFARE

~~(a) The carrier shall provide each employee and their eligible dependents a level of hospital, surgical, medical, prescription life and dental benefits as provided, under Group Plan No. _____. The terms and conditions of the Plan are made a part hereof to the same extent as if included herein. The benefits provided under the Plan shall become effective on the date the carrier commences operation.~~

~~(b) The carrier shall furnish each employee a booklet outlining the benefits under the Plan at no cost to the employee.~~

~~(c) The carrier shall remit necessary premiums to the Insurance Carrier as may be required to make a maximum contribution to the carrier in the amount of thirty five dollars and two cents (\$35.02) per month charge shall be increased to \$36.02.~~

~~(d) The monthly contribution for active employees shall be made through payroll deduction. The monthly contribution for eligible inactive employees shall be paid directly to the carrier by money order or certified check.~~

Article IV – Health & Welfare

Effective January 1, 2001, employees will be covered by the Railroad Employees National Health and Welfare Plan (Articles V, VI, VII, IX and X) as amended below by the Mediation Agreement dated September 26, 1996, between the Carriers represented by the National Carriers' Conference Committee and employees of such railroads represented by the Brotherhood of Maintenance of Way Employees. Further, the

parties agree that any future amendments to the Railroad Employee National Health and Welfare Plan will also be applicable

Any former SouthRail Corporation employee, retiree, who is currently covered under the SouthRail Corporation health & welfare plan will convert to coverage under the National Health and Welfare Plan pursuant to the provisions of this Article.

*Changes made in accordance with Article IV of the April 16, 2003 Agreement.

Following changes made in accordance with Article IV of the April 16, 2003 Agreement and the subsequently amended 2001 National Agreement **

ARTICLE V - HEALTH AND WELFARE PLAN **

Section 1 - Continuation of Health and Welfare Plan

The Railroad Employees National Health and Welfare Plan (“the Plan”), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Benefit Changes

- (a) The Plan’s Comprehensive Health Care Benefit (CHCB) is amended to include one routine physical examination (including diagnostic testing and immunizations in connection with such examination) each calendar year for covered employees and their eligible dependents. Such CHCB benefit shall cover 100% of the Covered Expenses involved up to \$150, and 75% of such Covered Expenses in excess of \$150.
- (b) Routine childhood (up to age 18) immunizations, including boosters, for Diphtheria, Pertussis or Tetanus (DPT), measles, mumps, rubella and polio shall be provided under the CHCB. This benefit is subject to the applicable deductible and percentage of Covered Expenses payable.
- (c) In addition to the Plan’s existing coverage for speech therapy, such therapy will be a Covered Expense under the CHCB and the Plan’s Managed Medical Care Program (“MMCP”), when given to children under three years of age as part of a treatment for infantile autism, development delay, cerebral palsy, hearing impairment or major congenital anomalies that affect speech.
- (d) Phenylketonurial blood tests (“PKU”) will be a Covered Expense under the MMCP and the CHCB when given to infants under the age of one in a hospital or on an out-patient basis.
- (e) The MMCP will continue to require a co-payment with respect to the first office visit by a participant or beneficiary to her obstetrician or gynecologist for treatment of a pregnancy but will not require a co-payment
- (f) with respect to any subsequent visit to that obstetrician or gynecologist for treatment of the same pregnancy.
- (g) The MMCP will not require a co-payment on behalf of a participant or beneficiary with respect to any visit to a physician’s office solely for the administration of an allergy shot.
- (h) The Plan’s Prescription Drug Card Program co-payments per prescription are revised as follows: (i) Generic Drug - \$5.00; (ii) Brand Name Drug - \$10.00. The Plan’s Mail Order Prescription Drug Program co-payment is revised as follows: (i) Generic Drug - \$10.00; (ii) Brand Name Drug - \$15.00.

- (i) All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions and exclusions. Existing Plan provisions not specifically amended by this Section shall continue in effect without change.
- (j) A Hearing Benefit will be provided. Such arrangement shall provide a Maximum Benefit of \$600.00 annually for each covered person for covered expenses. Covered expenses shall consist of charges for medically necessary tests and examinations to establish whether and to what extent there is a hearing loss and charges for a permanent hearing aid that is medically necessary to restore lost hearing or help impaired hearing. Such Benefit may, at the carriers' option, be administered through the Plan or as a separate arrangement administered by the National Carriers' Conference Committee, and will include standard limitations, conditions and exclusions.
- (k) The Plan life insurance benefit for active employees shall be increased to \$20,000, and the Plan's maximum accidental death and dismemberment benefit for active employees shall be increased to \$16,000.
- (l) This Section shall become effective with respect to employees covered by this Agreement on January 1, 2002.

Section 3 - Vision Care

Effective January 1, 2002, the benefits provided under the Vision Care Plan shall be changed from the Select to the Standard arrangement.

RULE 33

DISCIPLINARY PROCEDURE

- (a) Employees in service more than 60 calendar days shall not be disciplined or dismissed until after a fair and impartial investigation, unless they shall accept discipline to be assessed (other than dismissal) in writing and waive formal investigation. Employees may, however, in cases management determines to be serious (such as use of intoxicants, misappropriation of company property, insubordination, or vicious conduct, etc.) be held out of service pending such investigation.
- (b) An employee charged with an offense shall be furnished with a letter stating the precise charge or charges against him. No charge shall be made that involves any matter of which the employing officer has had knowledge fifteen days or more, except that in cases where an employee is subject to trial in the courts, the employing officer may, if he elects, withhold making a charge on the offense for which the employee is tried until not more than fifteen days after the court's determination of the employee's innocence or guilt.
- (c) The investigation shall be held within ten days from the date of the notice of the alleged offense, unless additional time is requested by the company, employee or his representative. A decision will be rendered within ten days after completion of the investigation.
- (d) Investigations shall be held when possible at home terminal of the employee involved, unless otherwise agreed between representatives of the parties. Employees shall have reasonable opportunity to secure the presence of representatives and/or necessary witnesses.
- (e) Employees may be accompanied by one or more duly accredited representatives of the organization, who shall be permitted to be present during the entire investigation and ask questions as might develop facts pertinent to the case.
- (f) If disciplinary action is taken, a record of the evidence taken at the investigation will be furnished to the employee and his duly accredited representative. Appeals from the decision may be made in accordance with the provisions of Rule 34, except that four months shall apply instead of the nine-month period.

(g) If charges against the employee are not sustained, they shall be stricken from the records. If withheld from service, suspended or discharged, the employee shall be returned to service and paid for all time lost, less any amount earned in other employment.

RULE 34

GRIEVANCE PROCEDURE

(a) All claims or grievances must be presented in writing by or on behalf of the employee involved, to the officer of the carrier authorized to receive same, within **60** days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the company shall, within 60 days from the date same is filed, notify whoever filed the claim or grievance (the employee or his duly accredited representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the company as to other similar claims or grievances.

(b) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within **60** days from receipt of notice of disallowance, and the representative of the company shall be notified in writing within that time of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employee as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, at any stage of the handling of a claim or grievance on the property, extend the **60**-day period for either a decision or appeal, up to and including the highest officer of the company designated for that purpose.

(c) The requirements outlined in paragraphs (a) and (b), pertaining to appeal by the employee and decision by the carrier, shall govern in appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest officer designated by the company to handle such disputes. All claims or grievances involved in a decision by the highest designated officer shall be barred unless within nine months from the date of said officer's decision, proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3, Second of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the nine month period herein referred to.

(d) A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than **60** days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(e) This rule recognizes the right of representatives of the Brotherhood to file and prosecute claims and grievances for and on behalf of the employees it represents.

(f) This agreement is not intended to deny the right of the employees to use any other lawful action for the settlement of claims or grievances provided such action is instituted within nine months of the date of the decision of the highest designated officer of the company.

(g) Discipline imposed and agreed to in accordance with paragraph (a) of this rule shall be final with no right of appeal.

(h) This rule shall not apply to requests for leniency.

(i) The time limit provisions specified in this rule may be extended by agreement between the parties.*

*** Changes in accordance with ARTICLE VI - GRIEVANCE PROCEDURE of the 1992 Agreement**

RULE 35

DULY ACCREDITED REPRESENTATIVE

Where the term "duly accredited representative" appears in this agreement, it shall be understood to mean the regularly constituted committee and/or the officers of the Brotherhood of Maintenance of Way Employees of which such committee or officers is a part.

RULE 36

PERSONAL LEAVE DAYS

(a) The carrier shall provided each employee seven (7) paid personal leave days in each calendar year at the daily pro rata rate of the last service performed.

(b) Personal leave day or days may be taken upon forty-eight (48) hours advance notice to the proper officer of the carrier, subject to availability of extra employees. (Note: In cases of emergency, due consideration shall be given to waiving the forty-eight (48) hours notice requirement.) If employees are not permitted to take one or more personal leave days during the calendar year,

(i) each such day shall be paid at the daily pro rata rate; or

(ii) At the option of the employee, payment for such day(s) shall be made to the employee's individual 401(K) account, provided that such payment will be subject to the individual maximum contribution amount pursuant to the Plan, and further that such payment will not be subject to any matching contribution by the carrier.

(c) Personal leave days granted herein must be taken within the calendar year such day or days are earned, except that employees may carry over unused personal leave days from an even year to an odd year (e.g., 1994 to 1995) but not from an odd year to an even year (e.g., 1995 to 1996).

(d) Employees taking personal leave days will not thereby be disqualified for holiday pay or Health Incentive Pay purposes.*

* Changes made in accordance with Article II of the 1992 Agreement.

RULE 37

COPY OF AGREEMENT

The carrier shall provide employees with a copy of this agreement and amendments thereto without cost, and employees will acknowledge receipt in writing.

RULE 38

BEREAVEMENT LEAVE

(a) Bereavement leave, not in excess of three calendar days, following the date of death will be allowed in case of death of an employee's brother, sister, parent, **stepparent, legal guardian**, *child, stepchild, spouse or spouse's parent. In such cases a minimum basic day's pay at the rate of the last service rendered will be allowed for the number of working days lost during bereavement leave. Employees involved will make provision for taking leave with their supervising officials in the usual manner.

* Changes made in accordance with Article VII of the 1992 Agreement.

AGREED TO QUESTIONS AND ANSWERS

Q-1: How are the three calendar days to be determined?

A-1: An employee will have the following options in deciding when to take bereavement leave:

- (a) three consecutive calendar days, commencing with the day of death, when the death occurs prior to the time an employee is scheduled to report for duty;
- (b) three consecutive calendar days, ending the day of the funeral service; or
- (c) three consecutive calendar days, ending the day following the funeral service.

* * * * *

Q-2: Does the three (3) calendar days allowance pertain to each separate instance, or do the three (3) calendar days refer to a total of all instances?

A-2: Three days for each separate death; however, there is no pyramiding where a second death occurs within the three-day period covered by the first death.

Example: Employee has a work week of Monday to Friday-off-days of Saturday and Sunday. His mother dies on Monday and his father dies on Tuesday. At the maximum, the employee would be eligible for bereavement leave on Tuesday, Wednesday, Thursday, and Friday.

* * * * *

Q-3: An employee working from an extra board is granted bereavement leave on Wednesday, Thursday and Friday. Had he not taken bereavement leave he would have been available on the extra board, but would not have performed service on one of the days on which leave was taken. Is he eligible for two days or three days or bereavement pay?

A-3: A maximum of two days.

* * * * *

Q-4 Will a day on which a basic day's pay is allowed account bereavement leave serve as a qualifying day for holiday pay purposes?

A-4: No; however, the parties are in accord that bereavement leave non-availability should be considered the same as vacation non-availability and that the first work day preceding or following the employee's bereavement leave, as the case may be, should be considered as the qualifying day for holiday purposes.

* * * * *

Q-5: Would an employee be entitled to bereavement leave in connection with the death of a half-brother or half-sister, stepbrother or stepsister?

A-5: Yes as to half-brother or half-sister, no as to stepbrother or stepsister. However, the rule is applicable to a family relationship covered by the rule through the legal adoption process.

* * * * *

Q-6: Would bereavement leave be applicable during an employee's vacation period?

A-6: No.

* * * * *

Q-7: An employee qualifies for holiday pay on a holiday which occurs on a day the employee also qualifies for bereavement leave pay. Under these circumstances, is the employee entitled to be paid both the holiday and bereavement leave allowance?

A-7: No. The employee would be entitled to only one basic day's pay.

RULE 39

TERMINATION OF SENIORITY

(a) The seniority of an employee covered by this Agreement shall be terminated provided such employee has been furloughed for 1,095 consecutive calendar days.

(b) The seniority of any employee covered by this Agreement who has less than three (3) years of seniority with the carrier shall be terminated provided such employee has been furloughed for 365 consecutive calendar days.

(c) The seniority of any employee covered by this Agreement who fails to report for work without proper authority for seven consecutive workdays shall be terminated. *

* Changes in accordance with ARTICLE VIII - TERMINATION OF SENIORITY of the 1992 Agreement

RULE 40

COST-OF-LIVING ADJUSTMENTS

(a) The carrier shall provide on January 1 of each calendar year a cost of living adjustment produced under the Consumer Price Index (CPI-W) as published by the Bureau of Labor Statistics, U.S. Department of Labor. The cost of living adjustments shall be adjusted up or down, whichever the case may be, subject to a maximum upward or downward adjustment of five (5) percent per annum. The first cost of living adjustments shall be effective on January 1, 1994, and each January 1 thereafter based on the change in the BLS Consumer Price Index during the Measurement Period as follows:

_____	<u>Measurement Periods</u>	_____	<u>Effective Date</u>
<u>Base Month</u>	<u>Measurement Month</u>	_____	<u>of Adjustment</u>
—(1)—	(2)	_____	(3)
September	September	_____	January 1

(b) Formula: The number of points change in the BLS Consumer Price Index during a Measurement Period will be converted into cents on the basis of one (1) cent equals 0.3 full point. (By "0.3 full point" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion will not be counted.)

(c) The cost of living wage adjustments shall apply to the pro rata daily rate of pay, overtime, and to all other wage allowances in the same manner as basic wage adjustments would apply.

(d) The cost of living wage adjustments provided for herein shall be rolled in and made a permanent part of the rates of pay on December 31 of each calendar year, commencing December 31, 1993.

(e) It is understood that this rule is suspended effective April 15, 1993, and shall be reinstated effective April 15, 1998. Any cost of living allowance in effect as of April 15, 1993, shall be rolled into and become a permanent part of the basic rates on that date.

Article 1 – Wages

Section 5 – Conversion to National Agreement Wage Adjustments

It is the intent of this agreement to allow rates of pay for former SouthRail (SRC) job classifications to converge with the average rate of pay applicable to the same job classification on the former MidSouth Rail Corporation (MSRC). Effective July 1, 2005 and thereafter, the May 31, 2001, BMW National Agreement cost-of-living adjustments and offsets will apply.

Section 6 – Cost-of-Living

Effective December 31, 2001, Rule 40 of the basic agreement shall be eliminated.

*Changes made in accordance with Article I – Wages of the April 16, 2003 Agreement.

RULE 41

WAGES

1. Lump Sum Payments

~~(a) Each employee who has an employment relationship as of April 15, 1993, and who has performed service during the base period from April 15, 1992 to April 14, 1993, equivalent to the number of days that would be required to qualify for an annual vacation based on the vacation rule in effect immediately prior to April 15, 1993, will receive a lump sum payment of \$1000.00. An employee who has retired or died during the base period, or an employee who has an employment relationship as of April 15, 1993, but has not performed the required service during the base period to qualify for the full lump sum payment, shall be entitled to a pro-rated portion of the lump sum payment based on his qualifying service during the base period.~~

~~(b) Each employee who has an employment relationship as of April 15, 1995, and who has performed service during the base period from April 15, 1994 to April 14, 1995, equivalent to the number of days that would be required to qualify for an annual vacation based on the vacation rule in effect immediately subsequent to April 15, 1993, will receive a lump sum payment of \$1000.00. An employee who has retired or died during the base period, or an employee who has an employment relationship as of April 15, 1995, but has not performed the required service during the base period to qualify for the full lump sum payment, shall be entitled to a pro-rated portion of the lump sum payment based on his qualifying service during the base period.~~

~~(c) Each employee who has an employment relationship as of April 15, 1997, and who has performed service during the base period from April 15, 1996 to April 14, 1997, equivalent to the number of days that would be required to qualify for an annual vacation based on the vacation rule in effect immediately subsequent to April 15, 1993, will receive a lump sum payment of \$1000.00. An employee who has retired or died during the base period, or an employee who has an employment relationship as of April 15, 1997, but has not performed the required service during the base period to qualify for the full lump sum payment, shall be entitled to a pro-rated portion of the lump sum based on his qualifying service during the base period.~~

2. General Wage Increases

~~(a) Effective April 15, 1994, the basic rates of pay in effect on April 14, 1994, shall be increased by two (2) percent.~~

~~(b) Effective April 15, 1996, the basic rates of pay in effect on April 14, 1996, shall be increased by two (2) percent.~~

(c) The hourly or daily rates of pay provided for herein shall be adjusted to reflect the wage increases under paragraphs (a) and (b) hereof.

(d) In determining new hourly or daily rates, fractions of .5 cent or higher shall be rounded to the next full cent and fractions of less than .5 cent shall be dropped.

TERM OF AGREEMENT

~~(a) This agreement shall become effective April 15, 1993, except where expressly stated otherwise, and shall remain in effect until and unless changed under the provisions of the Railway Labor Act, as amended.~~

~~(b) The parties signatory hereto shall not serve nor progress prior to October 1, 1997 (not to become effective before April 1, 1998) any notice or proposal for changing any provision contained herein.~~

Signed at Jackson, Mississippi this 1st day of August, 1992.

For the Organization: _____ For the Carrier: _____

Hayward J. Granier	Frank K. Turner
General Chairman	President and Chief
Brotherhood of Maintenance of	Executive Officer
Way Employes	Southrail Corporation

SOUTHRAIL/BMWE.AGT

APPENDIX 1

AGREEMENT POSITIONS - M-OF-W

<u>Position</u>	<u>Pay Class</u>	<u>Hourly Rate</u> <u>Effective 4/1/93</u>
Track Foreman/Bridge Foreman	V	\$14.00
Mechanics - Work Equipment	V	\$14.00
Welder	V	\$14.00
Assistant Foreman	IV	\$13.00
Heavy Machine Operators	IV	\$13.00
Light Machine Operators	III	\$12.24
Trackmen/Bridgemen	III	\$12.24
Bridge Carpenters/Painters	IV	\$13.00
Welder Helper	III	\$12.24

<u>Position</u>	<u>Pay Class</u>	01/01/05	COLA every six months	
			07/01/05	01/01/06
			COLA	COLA
Track Foreman	V	\$ 20.99		
Bridge Foreman	V	\$ 20.99		
Mechanics - Work Equipment	V	\$ 20.99		
Welder	V	\$ 20.99		
Assistant Foreman	IV	\$ 19.53		
Assistant B&BForeman	IV	\$ 19.53		
Heavy Machine Operators	IV	\$ 19.53		
Bridge Carpenters/Painters	IV	\$ 19.53		
Light Machine Operators	III	\$ 18.45		
Trackmen	III	\$ 18.45		
Bridgemen	III	\$ 18.45		
Welder Helper	III	\$ 18.45		

Employees included within the Scope of this Agreement shall perform all work in connection with the construction, maintenance, repair, and dismantling of tracks, roadbeds, structures, facilities, and appurtenances related thereto, located on the right-of-way and used in the operation of the carrier in the performance of common carrier service.

~~NOTE: Above rates include \$.21 COLA increase 1/1/93, which were rolled into and became a permanent part of the basic rates 4/15/93.~~

APPENDIX 2

RATES OF PAY - NON-OPERATING EMPLOYEES

All employees other than Train and Engine service and Management employees shall be classified as follows:

Pay Class

- I. Unskilled Labor
- II. Semi-Skilled Labor - A - Includes work requiring skills possessed by a secondary school graduate.
- III. Semi-Skilled Labor - B - Includes work requiring manipulative and cognitive skills possessed by a secondary school graduate and generally exercised in an environment on or about the track structure.
- IV. Technical Skills Labor - A - Includes work requiring manipulative and cognitive skills possessed by a secondary school graduate with additional technical skills developed through work experience or formal training.
- V. Technical Skills Labor - B - Includes work requiring manipulative and cognitive skills possessed by a secondary school graduate and generally exercised in an environment on, in, or about railway equipment.
- VI. Technical Skills Labor - C - Includes work requiring extensive manipulative and cognitive skills possessed by a secondary school graduate with additional technical skills developed through work experience or formal training and generally exercised in an environment on, in, or around railroad equipment or facilities.

APPENDIX 3

401(K) PLAN

(a) SouthRail Corporation shall establish a 401(K) Plan effective April 15, 1993, or as soon as practicable thereafter, for all employees covered by this Agreement.

(b) SouthRail Corporation shall be responsible for all costs of establishing the Plan. SouthRail Corporation shall also be responsible for Plan administration, including the making of payroll deductions, the payments to the designated trustee and all other in-house services normally provided by an employer in connection with the operation of a 401(K) Plan.

(c) Trustee and investment fees will be covered by Trust Fund earnings. In the event trust earnings are not sufficient to cover these fees, SouthRail Corporation will be responsible for paying such fees. All other costs will be paid by SouthRail Corporation.

(d) It is understood that this 401(K) Plan shall become effective April 15, 1993, or as soon as practicable thereafter, and the employees will be able to participate effective the date it is established.

Effective two years from the date the Plan is established, the carrier shall begin contributing to each participating employee's personal account in the following manner:

(i) The carrier shall contribute \$1.00 for each \$1.00 contributed by the employee up to a maximum annual carrier contribution of \$300.00 for each participating employee.

(ii) In addition, the carrier shall contribute \$.50 for each \$1.00 contributed by the employee in excess of \$300.00 annually, up to an additional maximum annual carrier contribution of \$300.00 for each participating employee.

Effective three years from the date the Plan is established and annually thereafter, the carrier shall contribute to each participating employee's personal account in the following manner:

(i) The carrier shall contribute \$1.00 for each \$1.00 contributed by the employee up to a maximum annual carrier contribution of \$200.00 for each participating employee.

(ii) In addition, the carrier shall contribute \$0.50 for each \$1.00 contributed by the employee in excess of \$200.00 annually, up to an additional maximum annual carrier contribution of \$300.00 for each participating employee.

(e) The details concerning eligibility, enrollment, contributions, investment options, modification periods, and other provisions shall be outlined in the Plan Document.

* Changes made in accordance with Article III of the 1992 Agreement.

APPENDIX 4

UNION SHOP AGREEMENT

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employees of the carrier now or hereafter subject to the Rules and Working Conditions Agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this agreement within sixty calendar days of the date they first perform compensated service as such employees after they first perform compensated service as such employees after the effective date of this agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty days within a period of twelve consecutive calendar months. Nothing in this agreement shall alter, enlarge or otherwise change the coverage of the present or future Rules and Working Conditions Agreements.

Section 2.

(a) Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a period of thirty days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this agreement so long as they remain in such other employment or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements and continue therein thirty calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within thirty-five calendar days from date of their return to such service.

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leave of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-servicemen shall not be terminated by reason of any of the provisions of this agreement but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this agreement.

(c) Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who, for reasons other than those specified in subsections (a) and (b) of this section, are not in service covered by such agreements, or leave such service, will not be required to maintain membership as provided in Section 1 of this agreement so long as they are not in service covered by such agreements, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

(d) Employees who retain seniority under the Rules and Working Conditions Agreements of their class or craft, who are members of an organization signatory hereto representing Working Conditions Agreement of that class or craft temporarily performing work in another class of service shall not be required to be members or another organization party hereto whose agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the agreement covering such other class of service.

Section 3.

Nothing in this agreement shall require an employee to become or to remain a member of the organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties), uniformly required as a condition of acquiring or retaining membership. For purposes of this

agreement, dues, fees, and assessments shall be deemed to be "uniformly required"; if they are required of all employees in the same status at the same time in the same organizational unit.

Section 4.

(a) Each employee covered by the provisions of this agreement shall be considered by a carrier to have met the requirements of the agreement unless and until the carrier is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used shall be agreed upon by the carrier and the organizations involved and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon receipt of such notice, the carrier will within ten calendar days of such receipt, so notify the employee concerned in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the carrier in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefor. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the organization, by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the carrier of the request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreement not later than thirty calendar days from receipt of the above described notice from the organization, unless the carrier and the organization agree otherwise in writing.

(b) The carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this agreement and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employee and the organization shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision except as hereinafter provided or unless the carrier and the organization agree otherwise in writing.

If the decision is not satisfactory to the employee or to the organization it may be appealed in writing, by Registered or Certified Mail, Return Receipt Requested, directly to the highest officer of the Carrier designated to handle appeals under this agreement. Such appeals must be received by such officer within ten calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered, the carrier shall promptly notify the other party in writing of any such appeal by Registered or Certified Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty calendar days of the date the notice to appeal is received, and the employee and the organization shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the decision on such appeal is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the organization or the employee involved requests the selection of a neutral person to decide the dispute as provided in Section 4(c) below. Any request for selection of a neutral person as provided in Section 4(c) below shall operate to stay action on the termination of seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

(c) If within ten calendar days after the date of a decision on appeal by the highest officer of the carrier designated to handle appeals under this agreement the organization or the employee involved requests such highest officer in writing by Registered or Certified Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the carrier designated to handle appeals under this agreement or his designated representative, the Chief Executive of the organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the organization and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The carrier, the employee, and the organization shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the organization; if the employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employee.

(d) The time periods specified in this section may be extended in individual cases by written agreement between the carrier and organization.

(e) Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between the carrier and the organization will not apply to cases arising under this agreement.

(f) The general chairman of the organization shall notify the carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this agreement. The carrier shall notify the general chairman of the organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this agreement.

(g) In computing the time periods specified in this agreement, the date on which a notice is received or decision rendered shall not be counted.

Section 5.

Other provisions of this agreement to the contrary notwithstanding, the carrier shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The carrier may not, however, retain such employee in service under the provisions of this section for a period in excess of sixty calendar days from the date of the last decision rendered under the provisions of Section 4, or ninety calendar days from date of receipt of notice from the organization in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employee may remain on the position held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the carrier and the organization involved.

Section 6.

An employee whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this agreement or whose employment is extended under Section 5 shall have no time or money claims by reason thereof.

If the final determination under Section 4 of this agreement is that an employee's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employees based upon an alleged violation, mis-application or non-compliance with any part of this agreement shall arise or accrue during the period up to the expiration of the 60 or 90 day periods specified in Section 5, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the time or money

claim by or on behalf of any employee against the carrier predicated upon any action taken by the carrier in applying or complying with this agreement or upon an alleged violation, mis-application or non-compliance with any provision of this agreement. If the final determination under Section 4 of this agreement is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the carrier in favor of the organization or other employees based upon an alleged violation, mis-application or non-compliance with any part of this agreement.

Section 7.

In the event that seniority and employment under the Rules and Working Conditions Agreement is terminated by the carrier under the provisions of this agreement, and such termination of improper, unlawful, or unenforceable, the organization shall indemnify and save harmless the carrier against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided, however, that this section shall not apply to any case in which the carrier is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case the carrier acts in collusion with any employee; provided further, that the aforementioned liability shall not extend to the expense to the carrier in defending suits by employee whose seniority and employment are terminated by the carrier under the provisions of this agreement.

Section 8.

An employee whose employment is terminated as a result of non-compliance with the provisions of this agreement shall be regarded as having terminated his employment relationship for vacation purposes.

Section 9.

The carrier shall periodically deduct from the wages of employees subject to this agreement periodic dues, assessments and initiation fees, uniformly required as a condition of acquiring or retaining membership in such organization, and shall pay the amount so deducted to such officer of the organization as the organization shall designate; provided, however, that the requirements of this section shall not be effective with respect to any individual employee until he shall have furnished the carrier with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement whichever occurs sooner.

APPENDIX 5

UNION DUES DEDUCTION AGREEMENT

Section 1.

(a) The Company shall, subject to the terms and conditions of this agreement, periodically withhold and deduct sums for monthly membership dues and assessments (not including fines and penalties) uniformly required as a condition of retaining union membership, due the Brotherhood from the wages due and payable to employees working under agreements between the Company and the Brotherhood, who are members of the Brotherhood, and who have so authorized the Company by signed authorizations.

(b) The Brotherhood shall assume the full responsibility for the procurement and proper execution of said authorization forms, and for delivery of said forms to the Company no later than the first day of the second payroll period of the month from which the deductions are to be made. Likewise, revocation of authorization forms shall be delivered by the Brotherhood to the Company not later than the first day of the second payroll period of the month in which termination of deductions is to take place.

Section 2.

(a) Deductions, as provided herein, shall be made by the Company in accordance with a master deduction list prepared by the General Secretary-Treasurer of the Brotherhood, listing each affected employee in employee number order. Such list, together with authorization forms, shall be furnished to the Company on or before the first day of the month preceding the month in which deductions are to take effect under the provisions of this agreement.

(b) Thereafter, any deletions or additions to the master deduction list, or any changes in the amounts to be deducted from the wages of employees, shall be furnished to the Company not later than the first day of the second payroll period of the month in which such changes are to be made, such information to be accompanied by the proper authorization or revocation forms. Any changes shall be given to the Company not later than the first day of the second payroll period of the month on a copy of the list the Company will furnish the General Secretary-Treasurer, which is referred to in Section 4 of this agreement.

Section 3.

(a) Deductions will be made from the wages earned in the second payroll period of the month in which the aforementioned certified statements are furnished to the Company.

(b) The following payroll deductions will have priority over deductions in favor of the Brotherhood as covered by this agreement:

1. Federal, state, and municipal taxes.
2. Deductions required by law and court orders, including garnishments, liens, and other wage assignments which the Company must respect.
3. Amounts due the Company.
4. Group insurance premiums.

(c) If the earnings of any employee, after all deductions having priority have been made, are insufficient to remit the full amount of deductions authorized by the employee, no deduction for union dues or assessments shall be made by the Company from the wages of the employee and the Company shall not be responsible for such collection. In cases where no deduction is made from the wages of an employee due to insufficient earnings, or for other reasons, the amounts not deducted shall not be added to the deduction lists nor will that deduction be made for the employee in any subsequent payroll period.

(d) Responsibility of the Company under this agreement shall be limited to remitting to the Brotherhood amounts actually deducted from the wages of employees pursuant to this agreement. The Company shall not be responsible financially or otherwise for failure to make deductions or for making improper or inaccurate deductions. Any questions arising as to the correctness of the amounts deducted shall be handled between the employee involved and

the General Chairman. Nothing herein shall be construed as obligating the Company to collect any dues or assessments from employees who leave its service, or who give up membership in the Brotherhood for any reason, or whose wages shall be involved in any claim or litigation of any nature whatsoever.

Section 4.

The company will remit to the union official designated by the General Chairman the amounts due the Brotherhood deducted from the wages of members, making such remittances not later than the last day of the month following the month from which the deductions are made. The Company will, at the time of such remission, furnish the designated union officer a list of the employees, in employee number order, from whom deductions were made, showing the amount of such deductions.

Section 5.

Except for remitting to the Brotherhood monies deducted from the wages of employees, as described in Section 4 hereof, the Brotherhood shall indemnify, defend and save harmless the Company from and against any and all claims, demands, liability, loss or damage resulting from entering into this agreement or arising or growing out of any dispute or litigation from any deductions made by the Company from the wages of its employees for or on behalf of the Brotherhood.

Section 6.

(a) This agreement is subject to the provisions of the applicable federal and state laws now in existence or enacted in the future.

(b) This agreement is subject to immediate cancellation by written notice to the General Chairman of the Brotherhood if the Company is required by federal law or the law of any state procedures in such a manner as to make dues deduction an unreasonable burden.

(c) This agreement shall be automatically terminated as of the date official notification is received from the National Mediation Board of a change in the representation of employees now represented by the Brotherhood signatory to this agreement, or upon termination of the Rules and Working Conditions Agreement between the parties.

Section 7.

No part of this agreement shall be used in any manner whatsoever directly or indirectly as a basis for a grievance (except as provided in Section 3 (d) or time claim by or on behalf of an employee.

APPENDIX 6

PHYSICAL DISQUALIFICATION

For those employees who are physically disqualified by the Chief Medical Officer and who disagree with the findings, the following procedure is established:

- (1) When an employee is found by the Chief Medical Officer to be physically disqualified, he shall be notified in writing by the Chief Medical Officer of the specific medical reasons for the findings. If the employee questions the findings he or his representative shall, within thirty days of his notification of physical disqualification, notify the highest officer of the company designated to handle claims and grievances in writing of an appeal and submit to the Chief Medical Officer a statement of medical evidence from the physician of the employee's choice attesting to his meeting the company's physical standards with respect to those matters on which he was found disqualified. Should the Chief Medical Officer continue of the opinion that the employee does not meet the company's physical standards, he shall notify the employee in writing within fifteen days. If the Chief Medical Officer agrees that the employee met the company's physical standards at the time of disqualification, the employee will be made whole for wages lost.
- (2) Should the employee disagree with the Chief Medical Officer's decision following the latter's review of the medical evidence presented, he or his representative may, provided he does so within fifteen days after receipt of the decision, request a three-doctor panel, which shall be established as promptly as possible after receipt of his request. The panel shall be composed of a doctor of the employee's choice, a doctor of the company's choice and a third doctor selected by the other two. The partisan doctors may present to the third doctor any evidence bearing on the dispute they consider pertinent. The panel shall determine within thirty days of its establishment whether the employee's physical condition meets the company's standards. A majority decision shall govern.
- (3) Expenses involved in the application of the rule will be handled by the company paying its doctor, the employee paying the doctor of his choice, and the expenses of the third doctor including such x-rays, laboratory examinations, as he may require being divided equally between the company and the employee involved.
- (4) An employee returned to service on the basis of the decision of the three-doctor panel will be made whole as to wages lost due to disqualification in the event the three-doctor panel concludes his condition did not warrant disqualification at the time of disqualification.
- (5) Should the three-doctor panel find the employee physically disqualified, the employee may, when he considers his physical condition warrants, invoke again the procedures outlined hereinbefore except that he shall not do so earlier than 120 days after the decision of the three-doctor panel. If the employee's physical condition has improved to the extent he is found to meet the company's standards, he will be physically qualified to return to work but will not be made whole for loss of earnings incurred during the period of disability.
- (6) In the event the employee or his representative does not appeal the Chief Medical Officer's decision within the time limit specified herein, he shall be considered as having accepted the decision until the time he again presents himself for examination by the company doctor, in which event the procedure described hereinabove shall be followed.

NOTE: If the Company does not appoint a Chief Medical Officer, the doctor designated by the Company shall function under this Appendix.

SUMMARY OF AMENDMENTS
TO HEALTH AND WELFARE PLAN

- ~~o Individual and Family Deductible increased to \$250 and \$500, respectively.~~
- ~~o Maximum yearly out of pocket expense \$850 plus deductible and \$1,150 plus deductible for individual and family, respectively.~~
- ~~o Emergency Room \$50 deductible per use, if used between 8:00 a.m. and 8:00 p.m., except holidays, weekends, and for life threatening injuries or illnesses (maximum expense \$150 per year per individual).~~
- ~~o Elimination of the 100% out of pocket expense coverage when individual is covered by another group health plan. If other plan does not pay within sixty (60) days, SouthRail will pay.~~
- ~~o Adoption of a hospital pre certification plan similar to the Travelers Advocate Program.~~
- ~~o Employee monthly premium contribution will be increased \$1.00 effective January 1, 1994.~~
- ~~o SouthRail will establish a mail order prescription drug program.~~
- ~~o SouthRail will establish a Section 125 Cafeteria Plan for voluntary participation by employees.~~
- ~~o SouthRail will establish a Bonus Program whereby an employee's premium contribution during the calendar year will be repaid to such employee as a cash bonus, provided the employee and/or his family do not file any claims during that calendar year or such cash bonus will be pro-rated.~~
- ~~o AD&D coverage limits will be raised from \$20,000 to \$100,000.~~
- ~~o Employees will be eligible for coverage under the Plan upon their date of first service with SouthRail.~~
- ~~o Employees and their spouses will be entitled to reimbursement for physical exam expenses up to \$250.00 each, every two year period.~~
- ~~o SouthRail will provide a Retiree Life Insurance Policy Death Benefit of \$2,000, provided the retiree had thirty years of railroad service and was at least 62 years of age at time of retirement.~~
- ~~o All other elements of the Plan remain unchanged, except the Organizations and SouthRail agree that at the end of the first year of the agreement, they shall meet to discuss the establishment and implementation of a managed health care program.~~

MidSouth Corporation
Post Office Box 1232
Jackson, MS 39215-1232

Comprising:
MidSouth Rail Corporation
MidLouisiana Rail Corporation

MIDSOUTH

Edward L. Moyers
President and Chief Executive Officer

February 25, 1988

Mr. T. F. Vance
General Chairman
Brotherhood of Maintenance of Way Employees
104 Nelson Tripp
Fulton, KY 42041

Dear Mr. Vance:

It was agreed in our recent meeting that the following would apply in connection with agreement between SouthRail Corporation (SRC) and the Brotherhood of Maintenance of Way Employees (BMWE) which was recently executed:

Any employee holding an official, supervisory, or excepted position may elect to retain and accumulate seniority within the craft or class represented by the organization party to this agreement as long as he pays the currently applicable membership dues to the organization party to this agreement. In the event an employee who has exercised this option and is not delinquent in his dues payments is subsequently removed from such position by the company (other than through dismissal for cause), he shall be entitled to displace any employee with less seniority in the craft or class of bid on a bulletined vacancy on the seniority roster from which promoted. In the event an employee is not subsequently removed by action of the company from his promoted position but voluntarily demotes himself, he shall be entitled to displace the junior employee on the seniority roster of bid on a bulletin vacancy on said roster.

If this is your understanding of our conversation, please sign in the space provided below.

Sincerely,

CONCURRENCE:

T.F. Vance, General Chairman
Brotherhood of Maintenance of Way Employees

MidSouth Corporation _____ Comprising:
Post Office Box 1232 _____ MidSouth Rail Corporation
Jackson, MS 39215-1232 _____ MidLouisiana Rail Corporation
(601) 353-7508 _____ SouthRail Corporation
_____ TennRail Corporation

MIDSOUTH

Frank K. Turner
President and Chief Operating Officer _____

_____ May 17, 1993

Mr. H. J. Granier, General Chairman
Brotherhood of Maintenance of Way Employees
P.O. Box 329
Mayfield, Ky. 42066

Dear Mr. Granier:

Please refer to letter dated March 28, 1988, the General Chairman T.F. Vance, Brotherhood of Maintenance of Way Employees, from Mr. E.L. Moyers, and with particular reference to the rate of pay for Traveling Signal Maintainers.

The monthly rate is \$2,909.92 as of April 1, 1993, and includes \$.21 per hour COLA increase January 1, 1993.

_____ Sincerely,

_____ Frank K. Turner

MidSouth Corporation _____ Comprising:
Post Office Box 1232 _____ MidSouth Rail Corporation
Jackson, MS 39215-1232 _____ MidLouisiana Rail Corporation

MIDSOUTH

Edward L. Moyers
President and Chief Executive Officer _____ March 28, 1988

VIA AIRBORNE EXPRESS

Mr. T.F. Vance
General Chairman
Brotherhood of Maintenance of Way Employees
104 Nelson Tripp
Fulton, KY. 42041

Dear Mr. Vance:

This will confirm our conversation concerning signalmen to be employed by SouthRail Corporation (SRC) upon the commencement of operations.

During the above mentioned conversation we agreed that the signalmen on SRC will continue to be represented by your organization. If we are able to negotiate an agreement with the signalmen's organization in the future, then they would at that time represent all signalmen employed by SRC. It was also agreed that for the present the signalmen would be governed by the agreement between SRC and BMW. The only difference would be in wages and assigned work days. These would be as follows:

1. _____ The rate of pay would be \$2,258.27 per month.
2. _____ The position title would be the Traveling Signal Maintainer.
3. _____ The work week would be Monday through Saturday as in the case on _____
MidSouth. However, work on Saturday is normally not performed except _____ in emergency situations.

If this is your understanding of our agreement, please sign in the space provided below and return one copy for my files.

Sincerely,

ELM:svh

Mr. T.F. Vance, General Chairman
Brotherhood of Maintenance of Way Employees

MidSouth Corporation _____ Comprising:
Post Office Box 1232 _____ MidSouth Rail Corporation
Jackson, MS 39215-1232 _____ Mid Louisiana Rail Corporation

MIDSOUTH

Edward L. Moyers
President and Chief Executive Officer _____ February 25, 1988

Mr. T.F. Vance, General Chairman
Brotherhood of Maintenance of Way Employees
104 Nelson Tripp
Fulton, KY 42041

Dear Mr. Vance:

~~This confirms our understanding regarding certain issues related to the labor agreement (Agreement) between the South Rail Corporation (SRC) and the Brotherhood of Maintenance of Way Employees (BMWE).~~

~~It is the intent of the Agreement for the SRC to utilize maintenance of way employees under rules of the Agreement to perform the work included within the scope of the Agreement; however, it is recognized that in certain specific instances the contracting out of such work may be necessary provided one or more of the following conditions are shown to exist:~~

~~1) _____ Special skills necessary to perform the work are not possessed by its Maintenance of Way Employees.~~

~~_____ 2) _____ Special equipment necessary to perform the work is not owned by the Carrier or is not available to the Carrier for its use and operation thereof by its Maintenance of Way Employees.~~

~~3) _____ Time requirements exist which present undertakings not contemplated by the Agreement that are beyond the capacity of its Maintenance of Way Employees.~~

~~In the event the SRC plans to contract out work because of one or more of the criteria described above, it shall notify the General Chairman in writing as far in advance of the date of the contracting transaction as it practicable and in any event, not less than fifteen (15) days prior thereto. Such notification shall clearly set forth a description of the work to be performed and the basis on which the SRC has determined it is necessary to contract out such work according to the criteria set forth above.~~

~~If the General Chairman, or his representative, requests a meeting to discuss matters relating to the said contracting transaction, the designated representative of SRC shall promptly meet with him for that purpose and the parties shall made a good faith effort to reach an agreement setting forth the manner in which the work will be performed. It is understood that when condition 3 is cited as criteria for contracting work, SRC, to the extent possible under the particular circumstances, shall engage its Maintenance of Way and Structures Department and construction work in the Track Sub department, with due consideration given to the contracting out of construction work in the Bridge and Building Sub department to the extent necessary. If no agreement is reached, SRC may nevertheless proceed with said contracting and the Organization may file and progress claims in connection therewith.~~

~~Nothing herein contained shall be construed as restricting the right of SRC to have work customarily performed by employees included with the Scope of the Agreement from being performed by contract in emergencies that prevent the movement of traffic when additional force or equipment is required to clear up such emergency condition in the shortest time possible. In such instances, SRC shall promptly notify the General Chairman of the work to be contracted and the reasons therefor, same to be confirmed in writing within fifteen (15) days of the date of such work commences.~~

~~Please indicate your concurrence with the arrangements described above by signing this letter in the appropriate space below.~~

Sincerely,

CONCURRENCE:

T.F. Vance, General Chairman
Brotherhood of Maintenance of Way Employees

MidSouth Corporation _____ Comprising:
Post Office Box 1232 _____ MidSouth Rail Corporation
Jackson, MS 39215-1232 _____ Mid Louisiana Rail Corporation
(601) 353-7508 _____ South Rail Corporation
_____ TennRail Corporation

MIDSOUTH

Frank K. Turner
President and Chief Operating Officer _____

_____ May 17, 1993

Mr. H. J. Granier, General Chairman
Brotherhood of Maintenance of Way Employees
P.O. Box 329
Mayfield, Ky. 42066

Dear Mr. Granier:

Please refer to letter dated February 19, 1988, to General Chairman T.F. Vance, Brotherhood of Maintenance of Way Employees, from Mr. E. L. Moyers, and with particular reference to the per diem expense amounts covered by paragraphs (f) and (g).

Effective January 1, 1993, the per diem expense as covered by paragraph (f) is \$38.50 and the per diem expense as covered by paragraph (g) is \$18.50. These amounts include \$.21 COLA increase January 1, 1993.

_____ Sincerely,

_____ Frank K. Turner

MidSouth Corporation
Post Office Box 1232
Jackson, MS 39215-1232

Comprising:
MidSouth Rail Corporation
MidLouisiana Rail Corporation

MIDSOUTH

Edward L. Moyers
President and Chief Executive Officer

February 19, 1988

Mr. T.F. Vance
General Chairman
Brotherhood of Maintenance
of Way Employees
104 Nelson Tripp
Fulton, KY. 42041

Dear Mr. Vance:

This confirms our understanding regarding certain issues related to the labor agreement between the SouthRail Corporation (SRC) and the brotherhood of Maintenance of Way Employees.

- (a) The regular assigned working territory for mobil gangs will be the entire SouthRail Corporation.
- (b) The basic workweek for mobil gangs will consist of either four consecutive ten-hour days or five consecutive eight-hour days. When gang is assigned a four-day workweek, overtime will be paid for all work performed after ten hours on any workday or forty hours in any week.
- (c) When a holiday falls or is observed on any day from Monday through Friday, employees assigned to mobil gangs working a four-day workweek will work two eleven-hour days and one ten-hour day. Employees will be paid at the pro rata rate for the 32 hours.
- (d) When any of the designated holidays fall on Tuesday, Wednesday or Thursday, employees assigned to mobil gangs working a five-day workweek may, at the option of the majority of the employees in the gang and, if agreeable to the supervisor, work on such holiday at the pro rata rate and, in lieu thereof, take Friday or the following Monday as the holiday. In the event work is performed on the day substituted for a holiday, the overtime rate will apply.
- (e) The traditional practice of stopping and starting the time of mobil employees at assembly points at or near the work site designated by management, whether or not a tool house or station building is located there, will continue.

Mr. T.F. Vance/BMWE
February 19, 1988
Page 2

(f) Except mobil gang members whose residence is within 50 miles of the assembly point, mobil gangs will be allowed ~~\$35.00~~~~\$43.70~~ **\$ 48.70** per diem expense for meals and lodging for each day worked in addition to their basic hourly rate. Employees who reside within 50 miles of the assembly point who are unable to return home because of ice storm or flood will be entitled to the benefits of this paragraph. The foregoing per diem shall be payable only for workdays on which the employee renders a complete workday of compensated service. ~~The foregoing per diem shall be increased to \$36.00 on the first anniversary of this agreement and to \$37.00 on the second anniversary of this agreement. The foregoing per diem shall be increased \$5.00 on January 1, 2005.~~

(g) Mobil gang members whose residence is within 50 miles of the assembly point will be allowed ~~\$15.00~~~~\$22.70~~ **\$ 23.70** per diem expense for meals and travel. The foregoing per diem shall be payable only for workdays on which the employee renders a complete workday of compensated service. ~~The foregoing per diem shall be increased to \$16.00 on the first anniversary of this agreement and to \$17.00 on the second anniversary of this agreement. The foregoing per diem shall be increased \$1.00 on January 1, 2005.~~

(h) Headquartered employees required to remain overnight at other than their regular headquarters will be allowed actual reasonable cost of meals and lodging, subject to dollar limit of ~~\$15.00-\$17.75~~ **\$ 18.75** per diem for meals and will be adjusted ~~with Cost of Living per Rule 41.~~ **in accordance with any increases provided within paragraph (g).**

(i) Employees using their personal automobiles for company business shall be reimbursed by the company for use of their automobiles at the rate of twenty-one (21) cents per mile. Relief employees will be allowed the same mileage allowance going to and returning from relief assignments.

~~(j) Per diem will be adjusted with COLA per Rule 41.~~

Further increases will be equal to any subsequent meal allowance increase provided for in Article I, Sections B (1), B (2), and B (3) of the Award of Arbitration Board No. 298 (rendered September 30, 1967), as adjusted.*

Please indicate your concurrence with the arrangements described above by signing this letter in the appropriate space below.

Sincerely,

ELM:svh

T.F. Vance, General Chairman
Brotherhood of Maintenance
MidSouth Corporation
Post Office Box 1232
Jackson, MS 39215-1232

Comprising:
MidSouth Rail Corporation
MidLouisiana Rail Corporation

*Changes made in accordance with Article III of the April 16, 2003 Agreement.

MIDSOUTH
Edward L. Moyers
President and Chief Executive Officer

February 19, 1988

Mr. T.F. Vance
General Chairman
Brotherhood of Maintenance
of Way Employees
104 Nelson Tripp
Fulton, KY. 42041

Dear Mr. Vance:

This letter is to confirm our understanding that bridgemen who are hired by the SouthRail Corporation (SRC), whether present ICG employees or others, will hold dual seniority as bridgemen and trackmen. This will be accomplished by placing the bridgemen at the bottom of the seniority roster of trackmen in the order that they appear on the bridgemen seniority roster. Any trackmen hired after our initial hiring period will be placed on the roster below the original bridgemen and trackmen. Also, trackmen will be placed on bridgemen seniority roster in the same manner.

If you are agreeable to this arrangement, please sign in the space provided below.

Sincerely,

ELM:svh

APPROVED BY:

T.F. Vance, General Chairman
Brotherhood of Maintenance of
Way Employees

~~AGREEMENT~~
~~BETWEEN~~
~~SOUTHRAIL CORPORATION~~
~~AND THE~~
~~BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES~~

This Agreement, as set forth below, made this ~~1st~~ day of ~~August~~, 1992,
by and between SouthRail Corporation and the Brotherhood of Maintenance of Way
Employees, is in settlement of negotiations between the parties concerning wages, rules and
working conditions for employees represented by the Brotherhood of Maintenance of Way
Employees.

It is hereby agreed:

Article I—Wages

~~Rule 41—Cost Of Living Adjustments of the current schedule agreement is~~
~~suspended effective April 15, 1993, and shall be reinstated effective April 15, 1998. Any~~
~~cost of living allowance in effect as of April 15, 1993, shall be rolled into and become a~~
~~permanent part of the basic rates on that date.~~

~~Appendix 7—General Wage Increases is eliminated in its entirety and replaced as~~
~~follows:~~

WAGES

1. Lump Sum Payments

~~(a) Each employee who has an employment relationship as of April 15, 1993, and~~
~~who has performed service during the base period from April 15, 1992 to April 14, 1993,~~
~~equivalent to the number of days that would be required to qualify for an annual vacation~~
~~based on the vacation rule in effect immediately prior to April 15, 1993, will receive a~~
~~lump sum payment of \$1000.00. An employee who has retired or died during the base~~
~~period, or an employee who has an employment relationship as of April 15, 1993, but has~~

~~not performed the required service during the base period to qualify for the full lump sum payment, shall be entitled to a pro-rated portion of the lump sum payment based on his qualifying service during the base period.~~

~~(b) Each employee who has an employment relationship as of April 15, 1995, and who has performed service during the base period from April 15, 1994 to April 14, 1995, equivalent to the number of days that would be required to qualify for an annual vacation based on the vacation rule in effect immediately subsequent to April 15, 1993, will receive a lump sum payment of \$1000.00. An employee who has retired or died during the base period, or an employee who has an employment relationship as of April 15, 1995, but has not performed the required service during the base period to qualify for the full lump sum payment, shall be entitled to a pro-rated portion of the lump sum payment based on his qualifying service during the base period.~~

~~(c) Each employee who has an employment relationship as of April 15, 1997, and who has performed service during the base period from April 15, 1996 to April 14, 1997, equivalent to the number of days that would be required to qualify for an annual vacation based on the vacation rule in effect immediately subsequent to April 15, 1993, will receive a lump sum payment of \$1000.00. An employee who has retired or died during the base period, or an employee who has an employment relationship as of April 15, 1997, but has not performed the required service during the base period to qualify for the full lump sum payment, shall be entitled to a pro-rated portion of the lump sum payment based on his qualifying service during the base period.~~

~~2. General Wage Increases~~

~~(a) Effective April 15, 1994, the basic rates of pay in effect on April 14, 1994, shall be increased by two (2) percent.~~

~~(b) Effective April 15, 1996, the basic rates of pay in effect on April 14, 1996, shall be increased by two (2) percent.~~

~~(c) The hourly or daily rates of pay provided for herein shall be adjusted to reflect~~

the wage increases under paragraphs (a) and (b) hereof.

~~(d) In determining new hourly or daily rates, fractions of .5 cent or higher shall be rounded to the next full cent and fractions of less than .5 cent shall be dropped.~~

ARTICLE II PERSONAL LEAVE DAYS

~~Rule 38 of the current schedule agreement is revised and replaced as follows:~~

~~(a) The carrier shall provide each employee seven (7) paid personal leave days in each calendar year at the daily pro rata rate of the last service performed.~~

~~(b) Personal leave day or days may be taken upon forty eight (48) hours notice to the proper officer of the Carrier, subject to availability of extra employees. (Note: In cases of emergency, due consideration shall be given to waiving the forty eight (48) hour notice requirement.) If employees are not permitted to take one or more personal leave days during the calendar year:~~

~~_____ (i) _____ each such day shall be paid to the employee at the daily pro rata _____
_____ rate or~~

~~_____ (ii) _____ at the option of the employee, payment for such day(s) shall be
_____ made to the employee's individual 401(K) account, provided that
_____ such payment will be subject to the individual maximum _____
_____ contribution amount pursuant to the Plan, and further that such
_____ payment will not be subject to any matching contribution by the
_____ carrier.~~

~~(c) Personal leave days granted herein must be taken within the calendar year such day or days are earned, except that employees may carry over unused personal leave days from an even year to an odd year, (e.g., 1994 to 1995) but not from an odd year to an even year (e.g., 1995 to 1996).~~

~~(d) Employees taking personal leave days will not thereby be disqualified for holiday pay or Health Incentive Pay purposes.~~

ARTICLE III 401(K) PLAN

~~Rule 3 Bonus and Appendix 3 Bonus of the current schedule agreement are canceled in their entirety and Rule 3 is replaced as follows:~~

401(K) PLAN

~~(a) SouthRail Corporation shall establish a 401(K) Plan effective April 15, 1993, or as soon as practicable thereafter, for all employees covered by this Agreement.~~

~~(b) SouthRail Corporation shall be responsible for all costs of establishing the Plan. SouthRail Corporation shall also be responsible for Plan administration, including the making of payroll deductions, the payments to the designated trustee and all other in-house services normally provided by an employer in connection with the operation of a 401(K) Plan.~~

~~(c) Trustee and investment fees will be covered by Trust Fund earnings. In the event trust earnings are not sufficient to cover these fees, SouthRail Corporation will be responsible for paying such fees. All other costs will be paid by SouthRail Corporation.~~

~~(d) It is understood that this 401 (K) Plan shall become effective April 15, 1993, or as soon as practicable thereafter, and the employees will be able to participate effective the date it is established.~~

~~Effective two years from the date the Plan is established, the Carrier shall begin contributing to each participating employee's personal account in the following manner:~~

~~_____ (i) _____ The Carrier shall contribute \$1.00 for each \$1.00 contributed by the
_____ employee up to a maximum annual Carrier contribution of \$300.00
_____ for each participating employee.~~

~~_____ (ii) _____ In addition, the Carrier shall Contribute \$.50 for each \$1.00
_____ contributed by the employee in excess of \$300.00 annually, up to an
_____ additional maximum annual Carrier contribution of \$300.00 for
_____ each participating employee.~~

~~Effective three years from the date the Plan is established and annually thereafter,
the Carrier shall contribute to each participating employee's personal account in the
following manner:~~

~~_____ (i) _____ The Carrier shall contribute \$1.00 for each \$1.00 contributed by the
_____ employee up to a maximum annual Carrier contribution of \$200.00
_____ for each participating employee.~~

~~(ii) In addition, the Carrier shall contribute \$0.50 for each \$1.00 contributed by the employee in excess of \$200.00 annually, up to an additional maximum annual Carrier contribution of \$300.00 for each participating employee.~~

~~(e) The details concerning eligibility, enrollment, contributions, investment options, modification periods, and other provisions shall be outlined in the Plan Document.~~

ARTICLE IV - SENIORITY DATUM

Rule 13, paragraphs (a) and (e) of the current schedule agreement are revised to read as follows:

~~(a) Persons entering the service will establish seniority when their compensation starts. An employee will establish seniority in a group in which seniority has not been previously established as of the date of the award to a position in such group, in accordance with Rule 18, provided such employee assumes such position at his first available opportunity.~~

~~(e) Employees now filling or hereafter promoted to excepted or official positions (including promotion to such positions with any company within the MidSouth Corporation family) shall retain all their seniority rights and shall continue to accumulate seniority, provided such employees remain members in good standing with the organization. The General Chairman will notify the employing officer of failure to maintain good standing. If good standing is not regained within thirty days of receipt of such notification, the employee will forfeit his seniority.~~

ARTICLE V - VACATION

Rule 33, paragraphs (e) and (f) of the current schedule agreement are revised to read as follows:

~~(e) Employees must perform one hundred forty (140) days of compensated service in any year to qualify for vacation provided under paragraph (a) above. Calendar days on~~

~~which an employee is available for service and on which days he performs no service, not exceeding forty (40) such days, will be included in the determination of qualification for vacation. Also, calendar days, not in excess of thirty (30), on which an employee is absent from or unable to perform service because of injury received on duty will be included.~~

~~(f) Employees must perform 140 days of compensated service in any year to qualify for benefits provided in (a) above. Employees not performing 140 day's service will be granted vacation pro-rated in proportion to days of compensated service.~~

~~(Example: Two years accumulated service, 70 days of service in preceding year. Eligible for 5 days vacation. Less than full days are dropped in the calculation.)~~

~~ARTICLE VI - GRIEVANCE PROCEDURE~~

~~Rule 36, paragraphs (a), (b) and (d) are amended to change all thirty (30) day time-limit periods referenced therein to sixty (60) day periods.~~

~~ARTICLE VII - BEREAVEMENT LEAVE~~

~~Rule 40, paragraph (a) of the current schedule agreement is revised to additionally include and cover the death of an employee's stepparent or legal guardian.~~

~~ARTICLE VIII - TERMINATION OF SENIORITY~~

~~A new Rule 42 - Termination of Seniority shall be established and read as follows:~~

~~(a) The seniority of any employee covered by this Agreement shall be terminated provided such employee has been furloughed for 1,095 consecutive calendar days.~~

~~(b) The seniority of any employee covered by this Agreement who has less than three (3) years of seniority with the carrier shall be terminated provided such employee has been furloughed for 365 consecutive calendar days.~~

~~(c) The seniority of any employee covered by this Agreement who fails to report for work without proper authority for seven consecutive workdays shall be terminated.~~

ARTICLE IX – HEALTH AND WELFARE

~~The parties have separately disposed of all matters pertaining to amendments to the health and welfare benefit plan for employees covered by this Agreement. By reference, such disposition is incorporated herein and made part of this Agreement. Appendix A is attached hereto as a summary illustration of such disposition.~~

ARTICLE X – SCHEDULE AGREEMENT

~~The parties shall, within one hundred twenty (120) days of this Agreement, meet for the purpose of rewriting the current schedule agreement to incorporate the changes agreed to herein, as well as other previously agreed to changes, and to clarify any and all other matters of mutual interest and concern. Upon completion of the rewritten agreement, copies shall be furnished to all employees without cost.~~

ARTICLE XI – TERMS OF AGREEMENT

- ~~(a) This Agreement shall become effective April 15, 1993, and shall remain in effect until or unless changed under the provisions of the Railway Labor Act, as amended.~~
- ~~(b) The parties signatory hereto shall not serve nor progress prior to October 15, 1997 (not to become effective before April 15, 1998) any notice or proposal for the purpose of changing any provision contained herein, or which propose matters presented by the parties during negotiations, and any proposals in pending notices relating to such subject matters are hereby withdrawn.~~
- ~~(c) This article will not bar the Carrier and Organization from agreeing upon any subject of mutual interest.~~

Signed at Jackson, Mississippi this _____ day of _____, 1992.

For the Organization: _____ For the Carrier:

Hayward J. Granier	Frank K. Turner
General Chairman	President and Chief
Brotherhood of Maintenance of	Executive Officer
Way Employes	SouthRail Corporation

SUMMARY OF AMENDMENTS
TO HEALTH AND WELFARE PLAN

- o ~~Individual and Family Deductible increased to \$250 and \$500, respectively.~~
- o ~~Maximum yearly out of pocket expense \$850 plus deductible and \$1,150 plus deductible for individual and family, respectively.~~
- o ~~Emergency Room \$50 deductible per use, if used between 8:00 a.m. and 8:00 p.m., except holidays, weekends, and for life threatening injuries or illnesses (maximum expense \$150 per year per individual).~~
- o ~~Elimination of the 100% out of pocket expense coverage when individual is covered by another group health plan. If other plan does not pay within sixty (60) days, SouthRail will pay.~~
- o ~~Adoption of a hospital pre certification plan similar to the Travelers Advocate Program.~~
- o ~~Employee monthly premium contribution will be increased \$1.00 effective January 1, 1994.~~
- o ~~SouthRail will establish a mail order prescription drug program.~~
- o ~~SouthRail will establish a Section 125 Cafeteria Plan for voluntary participation by employees.~~
- o ~~SouthRail will establish a Bonus Program whereby an employee's premium contribution during the calendar year will be repaid to such employee as a cash bonus, provided the employee and/or his family do not file any claims during that calendar year or such cash bonus will be pro-rated.~~
- o ~~AD&D coverage limits will be raised from \$20,000 to \$100,000.~~
- o ~~Employees will be eligible for coverage under the Plan upon their date of first service with SouthRail.~~
- o ~~Employees and their spouses will be entitled to reimbursement for physical exam expenses up to \$250.00 each, every two year period.~~
- o ~~SouthRail will provide a Retiree Life Insurance Policy Death Benefit of \$2,000, provided the retiree had thirty years of railroad service and was at least 62 years of age at time of retirement.~~
- o ~~All other elements of the Plan remain unchanged, except the Organizations and SouthRail agree that at the end of the first year of the agreement, they shall meet to discuss the establishment and implementation of a managed health care program.~~

June 29, 1992

Mr. Hayward J. Granier
General Chairman
Brotherhood of Maintenance
of Way Employes
P.O. Box 659
Fulton, KY 42041

Dear Mr. Granier:

This is to confirm our understanding reached concerning Article I - Wages, paragraph (1), Lump Sum Payments.

It is understood and agreed that in the application of Article I, paragraph (1) (a), employees must perform compensated service on 160 days during the twelve month base period from 4/15/92 to 4/14/93 in order to qualify for the full lump sum payment. In the application of Article I, paragraphs (b) and (c), employees must perform compensated service on 140 days during the twelve month base periods from 4/15/94 to 4/14/95 and 4/15/96 to 4/14/97, respectively, to qualify for the full lump sum payments. It is further understood that certain days on which an employee performs no compensated service may be included in such qualification, as provided and limited by Rule 33 of the schedule agreement.

Eligible employees who do not qualify for the full lump sum payments may qualify for partial payments based on their service in the applicable base period.

Example

Employee Jones works 40 days during the base period from 4/15/92 to 4/14/93. Provided Jones has an employment relationship as of 4/15/93, Jones is entitled to one fourth of \$1000.00 since Jones worked one fourth of the 160 days necessary to qualify for the full lump sum payment.

Example

Employee Smith works 70 days during the base period from 4/15/94 to 4/14/95. Provided Smith has an employment relationship as of 4/15/95, Smith is entitled to one half of \$1000.00 since Smith worked one half of the 140 days necessary to qualify for the full lump sum payment.

It is also understood and agreed that there shall be no duplication of lump sum payments by virtue of employment under an agreement with any other labor organization.

Lump sum payments provided for in Article I of our Agreement shall be paid by May 15 of the applicable calendar year.

Please indicate your concurrence in this matter by signing your name in the space provided below.

Sincerely,
Frank K. Turner

I concur:

Hayward J. Granier
General Chairman
Brotherhood of Maintenance
of Way Employes

June 29, 1992

Mr. Hayward J. Granier
General Chairman
Brotherhood of Maintenance
—of Way Employees
P.O. Box 659
Fulton, KY 42041

Dear Mr. Granier:

This is to confirm our understanding reached concerning Article I—Wages, paragraph (1), Lump Sum Payments.

It was understood and agreed that in the application of Article I, paragraph (1), employees, at their option, may have such Lump Sum Payments, or a portion thereof, paid into their individual 401(K) accounts, provided that such payments will be subject to the individual maximum contribution amount pursuant to the Plan, and further that such payments will be subject to matching contribution by the Carrier, pursuant to the schedule in the Agreement.

Please indicate your concurrence in this matter by signing your name in the space provided below.

Sincerely,

Frank K. Turner

I concur:

Hayward J. Granier
General Chairman
Brotherhood of Maintenance
—of Way Employees

June 29, 1992

Mr. Hayward J. Granier
General Chairman
Brotherhood of Maintenance
of Way Employees
P.O. Box 659
Fulton, KY 42041

Dear Mr. Granier:

This is to confirm our understanding reached during negotiation of our tentative agreement dated August 1, 1992, concerning wages, rules and working conditions.

It was understood and agreed that since we have reached a tentative agreement under which SouthRail, in exchange for other considerations, would forgo application of the April 15, 1992 3.2% general wage decrease provided for in Appendix 7 of the schedule agreement, SouthRail will continue to delay application of the wage decrease pending finalization of this agreement with your organization. However, if our tentative agreement is not finalized by August 1, 1992, SouthRail reserves its right to immediately implement the wage reduction retroactive to April 15, 1992.

Please indicate your concurrence in this matter by signing your name in the space provided below.

Sincerely,

Frank K. Turner

I concur:

Hayward J. Granier
General Chairman
Brotherhood of Maintenance
of Way Employees

MEMORANDUM OF AGREEMENT

Between

SOUTHRAIL CORPORATION

And

~~BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES~~

The Organization signatory hereto recognizes the necessity for SouthRail Corporation (hereinafter SR) to contract out work coming within the scope of the current Agreement because of the presence of one or more of the prerequisites described within the February 25, 1988, Letter of Understanding permitting the contracting out of work. Therefore, IT IS HEREBY AGREED:

SECTION I

The Carrier may employ the services of outside contractor(s) to perform any maintenance of way work that has been or is presently being performed by Maintenance of Way Employees without the restrictions specified in the February 25, 1988, Letter of Understanding, provided that not less than **seventy-eight (78) Maintenance of Way Employees** are actively employed by SR (or a total of not less than 133 positions on SR and MidSouth Rail Corporation combined) during the month of January, 1994 and during each month thereafter.

SECTION II

The 78 positions stated in Section I of this Agreement will be retained by SR for an additional period of months equal to the period of time the Carrier utilizes this Agreement. Carrier may cancel this Agreement at any time by providing the Organization's General Chairman notice of cancellation via Certified Mail.

SECTION III

In the event active employees (those covered by this Agreement) are furloughed for reasons other than emergency conditions (such as flood, snow, storm, hurricane, derailments or train wreck, tornado, earthquake, fire or labor dispute) such employees will receive, while in furlough status eight (8) hours pay per day (5 days per week) at their respective straight time rate while furloughed during the time period referred to in Section I and II above.

SECTION IV

In the event the Carrier acquires additional trackage and employees through an Interstate Commerce Commission approved transaction, the requisite number of actively employed employees (78) will be increased by the number of positions required as a result of such transaction.

SECTION V

The twelve senior SR employees not receiving the equivalent of the Heavy Machine Operator's rate of pay will receive such rate during the period this Agreement is in effect.

SECTION VI

Carrier may use Kansas City Southern Railway Company Maintenance of Way forces without restriction to perform Maintenance of Way work on SR property provided that (1) not less than 78 Maintenance of Way Employees are actively employed by SR during each month employees of KCS are utilized and (2) such use is approved by the KCS General Chairman.

SECTION VII

This Agreement is made without prejudice to the position of either party concerning the contracting out of work and will not establish a precedent, nor will it be cited in future negotiations.

Signed at Kansas City, Missouri, this 6th day of January, 1994.

FOR THE EMPLOYEES: _____ FOR THE CARRIER:

BROTHERHOOD OF MAINTENANCE _____ SOUTHRAIL CORPORATION
OF WAY EMPLOYEES

H. J. Granier, General Chairman _____ H. I. Salmons

Vice President - Human Resources

APPROVED:

R. A. Lau, Vice President

Cancelled by the Carrier September 1997

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

111 East Capitol Street, Suite 500
Jackson, MS 39201

Post Office Box 1232
Jackson, MS 39215-1232

H. J. Granier
General Chairman, BMW
302 E. Broadway, Suite B
Post Office Box 329
Mayfield, KY 42066

Dear Mr. Granier:

This has reference to Memorandum of Agreement between SouthRail Corporation and Brotherhood of Maintenance of Way Employees dated January 6, 1994 concerning contracting out of work.

With respect to Section 5, the following is a list of twelve (12) senior SouthRail employees not receiving the equivalent of heavy machine operators' rate of pay. They are:

<u>Name</u>	<u>Employment Date</u>
B. R. Triplett	09/06/66
W. L. Miller	09/22/66
A. Sims, Jr.	10/17/66
R. Crumb	09/11/67
J. E. Carter	04/07/69
J. Ivey	11/04/69
J. Gordon	04/13/71
S. Gillespie	06/21/71
L. C. Adams	01/17/72
M. A. Petaway	03/15/77
B. W. Green	11/04/85
J. Gordon	04/14/88

By copy of this letter, I am instructing the Roadmasters to start posting heavy duty machine operators' rate of pay for each of the employees effective immediately.

Also, a copy of this letter will be sent to Kansas City for any adjustments necessary.

Sincerely,

O. F. Waltman
Division Engineer

OFW/kj

cc: D. W. Brookings
J. S. Jacobsen

H. I. Salmons

APPENDIX B
Engineer Certification Drug Prevention Program

Federal Regulations require that the certification be suspended of any certified engineer who is determined to have an active substance abuse disorder. The certification may be reinstated only after:

1. ~~The engineer is evaluated by an Employee Assistance Counselor and~~
2. ~~Successfully completes any program of counseling or treatment determined to be necessary by the EAP Counselor prior to return to service and~~
3. ~~Provides a urine sample that tests negative for alcohol and drugs.~~

An engineer returned to service shall:

1. ~~Continue any program of counseling or treatment deemed necessary by the EAP Counselor and~~
2. ~~Submit to follow up alcohol and drug testing without prior notice for at least 24 months and~~
3. ~~Pass at least 6 alcohol and 6 drug tests during the first 12 months after return to service.~~

APPENDIX C

~~Testing in compliance with Federal Highway Administration Regulations on controlled substances testing for commercial motor vehicle drivers.~~

~~The Federal Highway Administration (FHWA) requires such drivers to be tested:~~

1. ~~Prior to employment or use as a driver.~~
2. ~~Periodically.~~
3. ~~Upon reasonable cause.~~
4. ~~After a reportable accident.~~
5. ~~Randomly.~~

~~Those subject to testing are:~~

1. ~~Drivers of commercial vehicles having a gross weight of 26,001 pounds or more.~~
2. ~~Drivers of vehicles designed to transport more than 15 passengers, including the driver.~~
3. ~~Drivers of any vehicle used in the transportation of hazardous materials in a quantity requiring placarding.~~

~~Any driver who refuses to be tested:~~

1. ~~Will not be permitted to operate a commercial motor vehicle.~~
2. ~~Any refusal is treated as a positive test.~~

New Appendix

*Changes and/or additions made in accordance with the November 14, 2001 letter.

FEBRUARY 7, 1965 AGREEMENT

Excerpts from the
February 7, 1965 Agreement

ARTICLE I - PROTECTED EMPLOYEES

Section 1 -

All employees, other than seasonal employees, who are in active service and who have or attain ten (10) or more years' of employment relationship will be retained in service subject to compensation as herein provided unless or until retired, discharged for cause, or otherwise removed by natural attrition. For the purpose of this Agreement, the term "active service" is defined to include all employees working, or holding an assignment, or in the process of transferring from one assignment to another (whether or not the date on which such ten or more years of employment relationship is acquired was a work day). An employee who is not regularly assigned on the date the employee is otherwise eligible to achieve protected status under this Section will be deemed to be protected on the first day assigned to a regular position in accordance with existing rules of the BMW Agreement

Section 2 -

Seasonal employees, who had compensated service during each of the years 1995, 1996, and 1997 who otherwise meet the definition of "protected" employees under Section 1, will be offered employment in future years at least equivalent to what they performed in 1997 unless or until retired, discharged for cause, or otherwise removed by natural attrition.

Section 3 -

In the event of a decline in a carrier's business in excess of 5 per cent in the average percentage of both gross operating revenue and net revenue ton miles in any 30-day period compared with the average of the same period for the years 1963 and 1964, a reduction in forces in the crafts represented by each of the organizations signatory hereto may be made at any time during the said 30-day period below the number of employees entitled to preservation of employment under this Agreement to the extent of one per cent for each one per cent the said decline exceeds five per cent. The average percentage of decline shall be the total of the percent of decline in gross operating revenue and percent of decline in net revenue ton-miles divided by two. Advance notice of any such force reduction shall be given as required by the current Schedule Agreements of the organizations signatory hereto. Upon restoration of a carrier's business following any such force reduction, employees entitled to preservation of employment must be recalled in accordance with the same formula within 15 calendar days.

Section 4 -

Notwithstanding other provisions of this Agreement, a carrier shall have the right to make force reductions under emergency conditions such as flood, snowstorm, hurricane, earthquake, fire or strike, provided that operations are suspended in whole or in part and provided further that because of such emergencies the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employees involved in the force reductions no longer exists or cannot be performed. Sixteen hours advance notice will be given to the employees affected before such reductions are made. When forces have been so reduced and thereafter operations are restored employees entitled to preservation of employment must be recalled upon the termination of the emergency. In the event the carrier is required to make force reductions because of the aforesaid emergency conditions, it is agreed that any decline in gross operating revenue and net revenue ton miles resulting there from shall not be included in any computation of a decline in the carrier's business pursuant to the provisions of Section 3 of this Article I.

Section 5 -

Subject to and without limiting the provisions of this Agreement with respect to furloughs of employees, reductions in forces, employee absences from service or with respect to cessation or suspension of an employee's status as a protected employee, the carrier agrees to maintain work forces of protected employees represented by each organization signatory hereto in such manner that force reductions of protected employees below the established base as defined herein shall not exceed six per cent (6%) per annum. The established base shall mean

the total number of protected employees in each craft represented by the organizations signatory hereto who qualify as protected employees under Section 1 of this Article I.

ARTICLE II - USE AND ASSIGNMENT OF EMPLOYEES AND LOSS OF PROTECTION

Section 1 -

An employee shall cease to be a protected employee in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to retain or obtain a position available to him in the exercise of his seniority rights in accordance with existing rules or agreements, or failure to accept employment as provided in this Article. A protected furloughed employee who fails to respond to extra work when called shall cease to be a protected employee. If an employee dismissed for cause is reinstated to service, he/she will be restored to the status of a protected employee as of the date of his reinstatement.

Section 2 -

An employee shall cease to be a protected employee in the event of his failure to accept employment in his craft offered to him by the carrier in any seniority district or on any seniority roster throughout the carrier's railroad system as provided in implementing agreements made pursuant to Article III hereof, provided, however, that nothing in this Article shall be understood as modifying the provisions of Article V hereof.

Section 3 -

When a protected employee is entitled to compensation under this Agreement, he/she may be used in accordance with existing seniority rules for vacation relief, holiday vacancies, or sick relief, or for any other temporary assignments, which do not require the crossing of craft lines. Traveling expenses will be paid in instances where they are allowed under existing rules. Where existing agreements do not provide for traveling expenses, in those instances, the representatives of the organization and the carrier will negotiate in an endeavor to reach an agreement for this purpose.

ARTICLE III - IMPLEMENTING AGREEMENTS

Section 1 -

The organizations recognize the right of the carriers to make technological, operational and organizational changes, and in consideration of the protective benefits provided by this Agreement the carrier shall have the right to transfer work and/or transfer employees throughout the system which do not require the crossing of craft lines. The organizations signatory hereto shall enter into such implementing agreements with the carrier as may be necessary to provide for the transfer and use of employees and the allocation or rearrangement of forces made necessary by the contemplated change. One of the purposes of such implementing agreements shall be to provide a force adequate to meet the carrier's requirements.

Section 2 -

Except as provided in Section 3 hereof, the carrier shall give at least 60 days' (90 days in cases that will require a change of an employee's residence) written notice to the organization involved of any intended change or changes referred to in Section 1 of this Article whenever such intended change or changes are of such a nature as to require an implementing agreement as provided in said Section 1. Such notice shall contain a full and adequate statement of the proposed change or changes, including an estimate of the number of employees that will be affected by the intended change or changes. Any change covered by such notice which is not made within a reasonable time following the service of the notice, when all of the relevant circumstances are considered, shall not be made by the carrier except after again complying with the requirements of this Section 2.

Section 3 -

The carrier shall give at least 30 days' notice where it proposes to transfer no more than five employees across seniority lines within the same craft and the transfer of such employees will not require a change in the place of residence of such employee or employees, such notice otherwise to comply with Section 2 hereof.

Section 4 -

In the event the representatives of the carrier and organizations fail to make an implementing agreement within 60 days after notice is given to the general chairman or general chairmen representing the employees to be affected by the contemplated change, or within 30 days after notice where a 30-day notice is required pursuant to Section 3 hereof, the matter may be referred by either party to the Disputes Committee as hereinafter provided. The issues submitted for determination shall not include any question as to the right of the carrier to make the change but shall be confined to the manner of implementing the contemplated change with respect to the transfer and use of employees, and the allocation or rearrangement of forces made necessary by the contemplated change.

Section 5 -

The provisions of implementing agreements negotiated as hereinabove provided for with respect to the transfer and use of employees and allocation or reassignment of forces shall enable the carrier to transfer such protected employees and rearrange forces, and such movements, allocations and rearrangements of forces shall not constitute an infringement of rights of unprotected employees who may be affected thereby.

ARTICLE IV - COMPENSATION DUE PROTECTED EMPLOYEES

Section 1 -

Subject to the provisions of Section 3 of this Article IV, protected employees who hold regularly assigned positions shall not be placed in a worse position with respect to compensation than the normal rate of compensation for said regularly assigned position as of the date they become protected; provided, however, that in addition thereto such compensation shall be adjusted to include subsequent wage increases

Section 2 -

Subject to the provisions of Section 3 of this Article IV, all other employees entitled to preservation of employment shall not be placed in a worse position with respect to compensation than that earned during a base period comprised of the last twelve months in which they performed compensated service immediately preceding the date of this Agreement. For purposes of determining whether, or to what extent, such an employee has been placed in a worse position with respect to his compensation; his total compensation and total time paid for during the base period will be separately divided by twelve. If his compensation in his current employment is less in any month (commencing with the first month following the date of this agreement) than his average base period compensation (adjusted to include subsequent general wage increases), he/she shall be paid the difference less compensation for any time lost on account of voluntary absences to the extent that he/she is not available for service equivalent to his average time paid for during the base period, but he/she shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the time paid for during the base period; provided, however, that in determining compensation in his current employment the employee shall be treated as occupying the position producing the highest rate of pay and compensation to which his seniority entitles him under the working agreement and which does not require a change in residence.

Section 3 -

Any protected employee who in the normal exercise of his seniority bids in a job or is bumped as a result of such an employee exercising his seniority in the normal way by reason of a voluntary action, will not be entitled to have his compensation preserved as provided in Sections 1 and 2 hereof, but will be compensated at the rate of pay and conditions of the job he/she bids in; provided, however, if he/she is required to make a move or bid in a position under the terms of an implementing agreement made pursuant to Article III hereof, he/she will continue to be paid in accordance with Sections 1 and 2 of this Article IV.

Section 4 -

If a protected employee fails to exercise his seniority rights to secure another available position, which does not require a change in residence, to which he/she is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position he/she elects to retain, he/she shall thereafter be treated for the purposes of this Article as occupying the position which he/she elects to decline.

Section 5 -

A protected employee shall not be entitled to the benefits of this Article during any period in which he/she fails to work due to disability, discipline, leave of absence, military service, or other absence from the carrier's service, or during any period in which he/she occupies a position not subject to the working agreement; nor shall a protected employee be entitled to the benefits of this Article IV during any period when furloughed because of reduction in force resulting from seasonal requirements (including lay-offs during Miners' Holiday and the Christmas Season) or because of reductions in forces pursuant to Article I, Sections 3 and 4, provided, however, that employees furloughed due to seasonal requirements shall not be furloughed in any 12-month period for a greater period than they were furloughed during the 12 months preceding the date of this Agreement.

Section 6 -

The carrier and the organizations signatory hereto will exchange such data and information as are necessary and appropriate to effectuate the purposes of this Agreement.

ARTICLE V - MOVING EXPENSES AND SEPARATION ALLOWANCES

In the case of any transfers or rearrangement of forces for which an implementing agreement has been made, any protected employee who has 15 or more years of employment relationship with the carrier and who is requested by the carrier pursuant to said implementing agreement to transfer to a new point of employment requiring him to move his residence shall be given an election, which must be exercised within seven calendar days from the date of request, to make such transfer or to resign and accept a lump sum separation allowance in accordance with the following provisions:

If the employee elects to transfer to the new point of employment requiring a change in residence, such transfer and change of residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Agreement notwithstanding anything to the contrary contained in said provisions and in addition to such benefits shall receive a transfer allowance of eight hundred dollars (\$800.) and five working days instead of the "two working days" provided by Section 10(a) of said Agreement.

If the employee elects to resign in lieu of making the requested transfer as aforesaid he/she shall do so as of the date the transfer would have been made and shall be given (in lieu of all other benefits and protections to which he/she may have been entitled under the Protective Agreement and Washington Agreement) a lump sum separation allowance which shall be computed in accordance with the schedule set forth in Section 9 of the Washington Agreement; provided, however, that force reductions permitted to be made under this Agreement shall be in addition to the number of employees who resign to accept the separation allowance herein provided.

Those protected employees who do not have 15 years or more of employment relationship with the carrier and who are required to change their place of residence shall be entitled to the benefits contained in Sections 10 and 11 of the Washington Agreement notwithstanding anything to the contrary contained in such provisions and in addition to such benefits shall receive a transfer allowance of eight hundred dollars \$(800) and five working days instead of "two working days" provided in Section 10(a) of said Agreement.

ARTICLE VI - APPLICATION TO MERGERS, CONSOLIDATIONS AND OTHER AGREEMENTS

Section 1 -

Any merger agreement now in effect applicable to merger of two or more carriers, or any job protection or employment security agreement which by its terms is of general system-wide and continuing application, or which is not of general system-wide application but which by its terms would apply in the future, may be preserved by the employee representatives so notifying the carrier within sixty days from the date of this agreement, and in that event this agreement shall not apply on that carrier to employees represented by such representatives.

Section 2 -

In the event of merger or consolidation of two or more carriers, parties to this Agreement on which this agreement is applicable, or parts thereof, into a single system subsequent to the date of this agreement, the merged, surviving or consolidated carrier will constitute a single system for purposes of this agreement, and the provisions hereof shall apply accordingly, and the protections and benefits granted to employees under this agreement shall continue in effect.

Section 3 -

Without in any way modifying or diminishing the protection, benefits or other provisions of this agreement, it is understood that in the event of a coordination between two or more carriers as the term "coordination" is defined in the Washington Job Protection Agreement, said Washington Agreement will be applicable to such coordination, except that Section 13 of the Washington Job Protection Agreement is abrogated and the disputes provisions and procedures of this agreement are substituted therefore.

Section 4 -

Where prior to the date of this agreement the Washington Job Protection Agreement (or other agreements of similar type whether applying inter-carrier or intra-carrier) has been applied to a transaction, coordination allowances and displacement allowances (or their equivalents or counterparts, if other descriptive terms are applicable on a particular railroad) shall be unaffected by this agreement either as to amount or duration, and allowances payable under the said Washington Agreement or similar agreements shall not be considered compensation for purposes of determining the compensation due a protected employee under this agreement.

ARTICLE VII - DISPUTES COMMITTEE

Section 1 -

Any dispute involving the interpretation or application of any of the terms of this agreement and not settled on the carrier may be referred by either party to the dispute for decision to a committee consisting of two members of the Carrier's Conference Committees signatory to this agreement, two members of the Employees' National Conference Committee signatory to this agreement, and a referee to be selected as hereinafter provided. The referee selected shall preside at the meetings of the committee and act as chairman of the committee. A majority vote of the partisan members of the committee shall be necessary to decide a dispute, provided that if such partisan members are unable to reach a decision, the dispute shall be decided by the referee. Decisions so arrived at shall be final and binding upon the parties to the dispute.

Section 2 -

The parties to this agreement will select a panel of three potential referees for the purpose of disposing of disputes pursuant to the provisions of this section. If the parties are unable to agree upon the selection of the panel of potential referees within 30 days of the date of the signing of this agreement, the National Mediation Board shall be requested to name such referee or referees as are necessary to fill the panel within five days after the receipt of such request. Each panel member selected shall serve as a member of such panel for a period of one year, if available. Successors to the members of the panel shall be appointed in the same manner as the original appointees.

Section 3 -

Disputes shall be submitted to the committee by notice in writing to the Chairman of the National Railway Labor Conference and to the Chairman of the Employees' National Conference Committee, signatories to this agreement, who shall within 10 days of receipt of such notice, designate the members of their respective committees who shall serve on the committee and arrange for a meeting of the committee to consider such disputes as soon as a panel referee is available to serve, and in no event more than 10 days thereafter. Decision shall be made at the close of the meeting if possible (such meeting not to continue for more than five days) but in any event within five days of the date such meeting is closed, provided that the partisan members of

the committee may by mutual agreement extend the duration of the meeting and the period for decision. The notice provided for in this Section 3 shall state specifically the questions to be submitted to the committee for decision; and the committee shall confine itself strictly to decisions as to the questions so specifically submitted to it.

Section 4 -

Should any representative of a party to a dispute on any occasion fail or refuse to meet or act as provided in Section 3, then the dispute shall be regarded as decided in favor of the party whose representatives are not guilty of such failure or refusal and settled accordingly but without establishing a precedent for any other cases; provided that a partisan member of the committee may, in the absence of his partisan colleague, vote on behalf of both.

Section 5 -

The parties to the dispute will assume the compensation, travel expense and other expense of their respective partisan committee members. Unless other arrangements are made, the office, stenographic and other expenses of the committee, including compensation and expenses of the referee, shall be shared by the parties to the dispute.

ARTICLE VIII - EFFECT OF THIS AGREEMENT

This Agreement is in settlement of the disputes growing out of notices served on the carriers listed in Exhibits A, B and C on or about May 31, 1963 relating to Stabilization of Employment, and out of proposals served by the individual railroads on organization representatives of the employees involved on or about June 17, 1963 relating to Technological, Organizational and Other Changes and Employee Protection. This Agreement shall be construed as a separate Agreement by and on behalf of each of said carriers and its employees represented by each of the organizations signatory hereto. The provisions of this Agreement shall remain in effect until July 1, 1967, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

No party to this agreement shall serve, prior to January 1, 1967, any notice or proposal on a national, regional or local basis for the purpose of changing the provisions of this Agreement, or which relates to the subject matter contained in the proposals of the parties referred to in this Article, and that portion of pending notices relating to such subject matters, whether local, regional or national in character, are withdrawn. Any notice or proposal of the character referred to in this paragraph served on or after January 1, 1967 shall not be placed into effect before July 1, 1967.

ARTICLE IX - COURT APPROVAL

This Agreement is subject to approval of the courts with respect to carriers in the hands of receivers or trustees.

*Changes and/or additions made in accordance with Article IV of the April 16, 2003 Agreement.

ARTICLE V - DENTAL BENEFITS

Section 1 - Continuation of Plan

The benefits now provided under, the Railroad Employees National Dental Plan (Dental Plan), modified as provided in Section 2 below, will be continued subject to the provisions of the Railway Labor Act, as amended.

Section 2 - Eligibility

Existing eligibility requirements under the Dental Plan are amended, effective on October 1, 1996, to provide that in order for an employee and his eligible dependents to be covered for Covered Dental Expenses (as defined in the Dental Plan) during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Existing Dental Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect. (See Side Letter No. 6)

Section 3 - Benefit Changes

The following changes will be made effective as of January 1, 1999.

- (a) The maximum benefit (exclusive of any benefits for orthodonture) which may be paid with respect to a covered employee or dependent in any calendar year beginning with calendar year 1999 will be increased from \$1,000 to \$1,500.
- (b) The lifetime aggregate benefits payable for all orthodontic treatment rendered to a covered dependent, regardless of any interruption in service, will be increased from \$750 to \$1,000.
- (c) The exclusion from coverage for implantology (including synthetic grafting) services will be deleted and dental implants and related services will be added to the list of Type C dental services for which the Plan pays benefits.
- (d) Repair of existing dental implants will be added to the list of Type B dental services for which the Plan pays benefits.
- (e) One application of sealants in any calendar year for dependent children under 14 years of age will be added to the list of Type A dental services for which the Plan pays benefits.
- (f) The Plan will pay 80%, rather than 75%, of covered expenses for Type B dental services.
- (g) The Plan will establish and maintain an 800 telephone number that employees and dependents may use to make inquiries regarding the Plan.

ARTICLE VI - VISION CARE

Section 1 - Establishment and Effective Date

The railroads will establish a Vision Care Plan to provide specified vision care benefits to employees and their dependents, to become effective January 1, 1999 and to continue thereafter subject to provisions of the Railway Labor Act, as amended, according to the following provisions:

- (a) **Eligibility and Coverage.** Employees and their dependents will be eligible for coverage under the Plan beginning on the first day of the calendar month after the employee has completed a year of service

for a participating railroad, but no earlier than the first day of January 1999. An eligible employee who renders compensated service on, or receives vacation pay for, an aggregate of at least seven (7) calendar days in a calendar month will be covered under the Plan, along with his eligible dependents, during the immediately succeeding calendar month. (See Side Letter No. 6)

(b) **Managed Care.** Managed vision care networks that meet standards developed by the National Carriers' Conference Committee concerning quality of care, access to providers and cost effectiveness shall be established wherever feasible. Employees who live in a geographical area where a managed vision care network has been established will be enrolled in the network along with their covered dependents. Employees who live in a geographical area where a managed vision care network has been established will be enrolled in the network along with their covered dependents. Employees enrolled in a managed vision care network will have a point-of-service option allowing them to choose an out-of-network provider to perform any vision care service covered by the Plan that they need. The benefits provided by the Plan when services are performed by in-network providers will be greater than the benefits provided by the Plan when the services are performed by providers who are not in-network providers, including providers in geographic areas where a managed vision care network has not been established. These two sets of benefits will be as described in the table below.

Plan Benefit	In-Network	Other Than In-Network
One vision examination per 12-month period.	100% of reasonable and customary charges maximum	100% of reasonable and customary charges up to a \$35
One set of frames of any kind per 24-month period	100% of reasonable and customary charges¹ maximum	100% of reasonable and customary charges up to a \$35
One set of two lenses of any kind, including contact lenses, per 24-month period.	100% of reasonable and customary charges²	100% of reasonable and customary charges up to the following maximums: up to \$25 for single vision lenses up to \$40 for bifocals up to \$55 for trifocals up to \$80 for lenticulars up to \$210 for medically necessary contact lenses up to \$105 for contact lenses that are not medically necessary

Where the employee or dependent requires only one lens

100% of reasonable and customary charges 2/ maximum of one-half of the maximum benefit payable for a set of two lenses of the same kind

100% of reasonable and customary charges up to a

1 Patients who select frames that exceed a wholesale allowance established under the program may be required to pay part of the cost of the frames selected.

2 Patients may be required to pay part of the cost of spectacle lenses or lens characteristics that are not necessary for the patient's visual welfare. Moreover, patients who choose contact lenses in lieu of spectacles may be required to pay part of a contact lens evaluation fee and part of the cost of fitting and materials.

Section 2 - Administration

The Vision Car Plan will be administered by the National Carriers' Conference Committee, which will bear the same responsibilities and perform the same function as it does with respect to The Railroad Employees National Dental Plan, including the development of detailed plan language describing the Plan's eligibility, coverage, benefit and other provisions.

ARTICLE VII - NATIONAL HEALTH AND WELFARE PLAN

The Railroad Employees National Health and Welfare Plan ("the Plan") is amended, effective on October 1, 1996, as provided in this Section. In order for an Eligible Employee (as defined by the Plan) to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Existing Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect. (See Side Letter No. 6)

Dear Mr. Fleming:

This will confirm our understanding with respect to the application of the seven (7) calendar days per month eligibility requirement for benefit coverage under the health and welfare, dental and vision plans. The understanding is as follows:

1. Nothing contained in this letter shall in any way add to, diminish or alter existing rights and/or obligations of both carriers and employees with regard to eligibility requirements for benefit coverage for employees going on furlough, furloughed or returning from furlough.
2. An employee whose assignment commences on one (1) calendar day and ends on the following calendar day shall be deemed to have rendered compensated service on one (1) calendar day. This remains true even if the employee works overtime on that assignment during the following calendar day unless
 - (a) such employee's overtime on the following calendar day continues into his/her regularly scheduled work hours; or
 - (b) the employee's overtime on the following calendar day occurs on his/her rest day and such overtime continues into the hours of what would have been the employee's regular work day, based on the employee's assignment immediately preceding the rest day, had the rest day been a regular work day.

In the event 2(a) or 2(b) occurs the employee shall be deemed to have rendered compensated service on two (2) calendar days. If the overtime continues uninterrupted for more than two (2) calendar days, the same principles will apply in determining for purposes of benefit eligibility the number of calendar days on which the employee shall be deemed to have rendered compensated service.

3. An employee whose assignment commences on one (1) calendar day and ends on the following calendar day, and who then works another assignment during that following day shall be deemed to have rendered compensated service on two (2) calendar days.
4. An employee who works (or who reports to work but is instructed not to work by carrier because of inclement weather) on an eight (8) hours day's assignment shall be deemed to have rendered compensated service on one (1) calendar day for each calendar day his/her works such assignment or reports to work for such assignment but is instructed not to work because of inclement weather. An employee who works (or who reports to work but is instructed not to work by carrier because of inclement weather) on a ten (10) hours day's assignment in lieu of an eight (8) hour day's assignment will be deemed to have rendered compensated service on one and one-quarter (1.25) calendar days for each calendar day he/she works such assignment or reports to work for such assignment but is instructed not to work because of inclement weather. Similarly, an employee on assignment where the regular work day is programmed to consist of more than eight (8) hours (e.g. 9, 11, 12, 13 hours) shall be deemed to have rendered compensated service on one and on a fraction of another calendar day worked, on the same principle as described above.
5. An employee called in to work on his/her rest day shall be deemed to have rendered compensated service on one (1) calendar day.
6. A new employee who reports for duty on the first day allowed, who has less than seven (7) calendar days on which his/her is assigned to work remaining in the month, will be eligible for benefits in the following month provided the employee works all regularly assigned days in such month.
7. The change in eligibility requirements is not intended to alter current practices with respect to whether vacations, holidays, personal leave days, bereavement leave and jury duty are considered as days of compensated service for purposes of the health, dental and vision plans.
8. An employee who is called to military duty to respond to an emergency (e.g. The Gulf War) and as a result is not able to meet the seven (7) day eligibility requirement shall remain eligible for benefits for four (4) months after the month in which compensated service was last performed.
9. An employee who is suspended, dismissed or retires and, consequently, does not meet the seven (7) calendar days per month eligibility requirement shall receive the same extension of coverage as such person received prior to such change.
10. Any lapse in benefits occurring as a result of this eligibility change shall not continue beyond the month so affected, provided such employee meets the eligibility requirements governing the immediately following month.

Please acknowledge your agreement by signing your name in the space provided below.

I agree:

(Original signed by M. A. Fleming)

Yours very truly,

(Original signed by Robert F. Allen)

ARTICLE IX - SUPPLEMENTAL SICKNESS

The January 9, 1980 Supplemental Sickness Benefit Agreement, as amended effective July 1, 1991 (Sickness Agreement), shall be further amended as provided in this Article.

Section 1 - Adjustment of Plan Benefits

- (a) Benefits shall be provided under the Plan established pursuant to the Sickness Agreement as set forth in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on December 31, 1999 under the terms of that Agreement.
- (b) Section 4 of the Sickness Agreement shall be revised as follows:

	<u>Per Hour</u>	<u>Per Month</u>
Class I Employees Earning (as of December 31, 1999)	\$17.36 or more	\$3,021 or more
Class II Employees Earning (as of December 31, 1999)	\$16.03 or more but less than \$17.36	\$2,789 or more, but less than \$3,021
Class III Employees Earning (as of December 31, 1999)	Less than \$16.03	Less than \$2,789

Basic and Maximum Amount Per Month

<u>Classification</u>	<u>Basic</u>	<u>RUIA</u>	<u>Maximum</u>
Class I	\$992	\$1,044	\$2,036
Class II	\$873	\$1,044	\$1,917
Class III	\$738	\$1,044	\$1,782

Combined Benefit Limit

<u>Classification</u>	<u>Maximum Monthly Amount</u>
Class I	\$2,185
Class II	\$2,054
Class III	\$1,911

Section 2 - Adjustment of Plan Benefits During Agreement Term

Effective December 31, 2004, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

Section 3 - Return to Work

- (a) When an employee's physician determines that the employee's disability (as that term is defined by the Plan) has ended and the employee is medically qualified to return to work, and the carrier's designated medical officer finds in his medical judgment that such employee is not medically qualified to return to work, the employee shall be promptly notified in writing. The employee's disability payments due under the Plan shall continue until the sooner of the date the employee is found to be medically qualified to return to service by the carrier's designated medical officer or the expiration of the twelve-month limitation on Plan benefits for such disability.
- (b) Nothing contained herein shall be construed to extend the amount or duration of payments under the Plan to any employee beyond that currently provided.

ARTICLE X
OFF TRACK VEHICLE INSURANCE
(as amended by PEB 229, September 26, 1996)

Where employees sustain personal injuries or death under the conditions set forth in paragraph (a) below, the carrier will provide and pay such employees, or their personal representative, the applicable amounts set forth in paragraph (b) below, subject to the provisions of other paragraphs in this Article.

(a) Covered Conditions -

This Article is intended to cover accidents involving employees covered by this agreement while such employees are operating, riding in, boarding, or alighting from off-track vehicles authorized by the carrier and any accident which occurs while an employee is under pay.

(b) Payments to be Made -

In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs (1), (2) and (3) below, the carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or any other medical or insurance policy or plan paid for in its entirety by the carrier, the following benefits:

Accidental Death or Dismemberment

The carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	\$300,000
Loss of Both Hands	300,000
Loss of Both Feet	300,000
Loss of Sight of Both Eyes	300,000
Loss of One Hand and One Foot	300,000
Loss of One Hand and Sight of One Eye	300,000
Loss of One Foot and Sight of One Eye	300,000
Loss of One Hand or One Foot or Sight of One Eye	150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight. Not more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

(2) Medical and Hospital Care

The carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries incurred as a result of such accident, subject to limitation of \$3,000 for any employee for any one accident, less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or under any other medical or insurance policy or plan paid for in its entirety by the carrier.

(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80 % percent of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of \$1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions or the Railroad Unemployment Insurance Act.

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to \$10,000,000 for any one accident and the carrier shall not be liable for any amount in excess of \$10,000,000 for any one accident irrespective of the

number of injuries or deaths, which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the carrier shall not be required to pay as respects each separate employee a greater proportion of such payments than the aggregate limit set forth herein bears to the aggregate amount of all such payments.

(c) Payment in Case of Accidental Death -

Payment of the applicable amount for accidental death shall be made to the employee's personal representative for the benefit of the persons designated in, and according to the apportionment required by the Federal Employers Liability Act (45 U.S.C. 51 et seq., as amended), or if no such person survives the employee, for the benefit of his estate.

(d) Exclusions -

Benefits provided under paragraph (b) shall not be payable for or under any of the following conditions:

- (1) Intentionally self-inflicted injuries, suicide or any attempt thereat, while sane or insane;
- (2) Declared or undeclared war or any act thereof;
- (3) Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound;
- (4) Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;
- (5) While an employee is a driver or an occupant of any conveyance engaged in any race or speed test;
- (6) While an employee is commuting to and/or from his residence or place of business.

(e) Offset -

It is intended that this Article V is to provide a guaranteed recovery by an employee or his personal representative under the circumstances described, and that receipt of payment there under shall not bar the employee or his personal representative from pursuing any remedy under the Federal Employers Liability Act or any other law; provided, however, that any amount received by such employee or his personal representative under this Article may be applied as an offset by the railroad against any recovery so obtained.

(f) Subrogation -

The carrier shall be subrogated to any right of recovery an employee or his personal representative may have against any party for loss to the extent that the carrier has made payments pursuant to this Article.

The payments provided for above will be made, as above provided, for covered accidents on or after May 1, 1971.

It is understood that no benefits or payments will be due or payable to any employee or his personal representative unless such employee, or his personal representative, as the case may be, stipulates as follows:

“In consideration of the payment of any of the benefits provided in Article V of the Agreement of February 10, 1971, _____
(employee or personal representative)
agrees to be governed by all of the conditions and provisions said and set forth by Article V.”

FAMILY & MEDICAL LEAVE - ACTIVE

April 1994

Dear KCS Employee:

Effective August 5, 1993 (February 5, 1994, for those covered by a collective bargaining agreement), the FMLA requires employers with 50 or more employees to provide eligible employees up to 12 weeks of unpaid, job protected leave in any 12-month period (at KCS the designated 12 month measurement period is the Calendar Year) for the following reasons: (1) to care for a child upon birth or upon placement for adoption or foster care; (2) to care for a parent, spouse, or child with a serious health condition; or (3) when an employee is unable to work because of a serious health condition. The FMLA defines eligible employees as employees who: (1) have worked for the Company for at least 12 months; (2) have worked for the Company for at least 1250 hours in the previous 12 months; and (3) work at or report to a worksite which has 50 or more employees or is within 75 miles of worksites that taken together have a total of 50 or more employees.

Employees who want to take FMLA leave ordinarily must provide the Company at least 30 days notice of the need for leave, if the need for leave is foreseeable. If the employee's need is not foreseeable, the employee should give as much notice as is practicable. In addition, employees who need leave for their own or a family member's serious health condition must provide medical certification of the serious health condition. The Company also may require a second or third opinion (at the employer's expense), periodic recertifications of the serious health condition, and, when the leave is the result of the employee's own serious health condition, a fitness for duty report to return to work. The Company may deny leave to employees who do not provide proper advance leave notice or medical certification.

Employees taking leave under the FMLA are entitled to receive health benefits during the leave at the same level and terms of coverage as if they had been working throughout the leave. In addition, the Company must reinstate an employee returning from FMLA leave to the same or equivalent position with equivalent pay, benefits, and other employment terms. Certain highly compensated key employees may be denied reinstatement when necessary to prevent "substantial and grievous economic injury" to the Company's operations.

The employee's use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave. However, the employee must first use any accrued vacation, personal, and sick days during a FMLA leave for the employee's own serious health condition or for a seriously ill family member. In addition, the employee must use any accrued paid vacation or personal days (but not sick days) during FMLA leave to care for a newborn or newly placed child.

The FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

It is illegal for the Company to interfere with, restrain, or deny the exercise of any right provided by the FMLA, or to discharge or discriminate against any person for opposing any practice made unlawful by the FMLA or for being involved in any proceeding under or relating to the FMLA.

The U.S. Department of Labor is authorized to investigate and resolve employee complaints of violations of the FMLA. An eligible employee may also bring a civil action against the employer for violations.

Enclosed is a copy of the U.S. Department of Labor Program Highlights (fact sheet) concerning FMLA. Also enclosed is a copy of the form which is to be used when requesting leave under the FMLA.

H. I. Salmons
Vice President - Human Resources

MidSouth Corporation
Post Office Box 1232
Jackson, MS 39215-1232
(601) 949-4363

Comprising:
MidSouth Rail Corporation
MidLouisiana Rail Corporation
SouthRail Corporation

MIDSOUTH

John S. Jacobsen
Vice President & Chief Engineer

February 15, 1989

Mr. H. J. Granier, Gen. Chairman
Brotherhood of Maintenance of Way Employees
P.O. Box 659
Fulton, KY 42041

Dear Mr. Granier:

Please refer to our various conversations with regard to the MidSouth Rail Corporation BMW agreement referring only to heavy and light machine operator positions, which would, for example, mean that heavy positions would cover both B and C machine operator positions as they were identified on the former ICG Railroad on March 31, 1986.

In an effort to comply with the provisions of our current schedule agreement we concurred in changing the B and C designations to merely state "Heavy " on the January 1, 1989 seniority roster. As we discussed today, this has created inequities for certain employees.

In an effort to protect the B or C rights employees may have held prior to December 31, 1988, we have today agreed to "grandfather" the B and/or C seniority dates on a new roster dated February 15, 1989, which is to replace the January 1, 1989 roster. We also agreed to arbitrarily assign a Heavy Machine Operator seniority date of February 15, 1989 for each Track Subdepartment employee holding Trackman seniority as of Feb. 15, 1989, but who did not hold Machine Operator seniority. No B or C designation will be established for Machine Operator seniority established on or after Feb. 15, 1989.

If this correctly states our interpretation and agreement, please sign and return the attached copy, indicating your concurrence.

Yours truly,

J. S. Jacobsen
Vice President and
Chief Engineer

I concur: _____
H. J. Granier, Gen. Chairman

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

H.I. Salmons

Vice President-Human Resources
Relations

114 West Eleventh Street

Kansas City, Missouri 64105-1804

C.A. Harrison

Asst. Vice President-Labor Relations
Relations

(816) 556-0294

FAX: (816) 556-0108

J.M. Morales

Director of Labor

M.L. Torbett

Asst. Director of Labor

March 7, 1995

013.293 SR

013.293 MRC

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Mr. H. J. Granier, General Chairman
Brotherhood of Maintenance of Way Employees
P.O. Box 329
Mayfield, Kentucky 42066

Dear Sir:

As you are probably aware, the Rule G Bypass and Prevention Program Companion Agreements are only applicable to certain employees on The Kansas City Southern Railway Company's Eastern Division (former MidSouth Rail Corporation, SouthRail Corporation, and MidLouisiana Rail Corporation), while the other KCS employees are subject to The Kansas City Southern Railway Company's Co-Worker Referral Policy. Because of KCS's desire to have its Co-Worker Referral Policy applicable to all its employees, this is to advise that the Rule G Bypass Agreements and Prevention Program Companion Agreements found in the current Agreements between The Brotherhood of Maintenance of Way Employees and the MidSouth Rail Corporation are cancelled effective April 1, 1995.

In connection with the cancellation of the aforementioned agreements, this is to further advise that the Kansas City Southern Railway Company's Co-Worker Referral Policy will be placed in effect on KCS' Eastern Division on April 1, 1995 (copy of KCS' Co-Worker Referral Policy is attached).

Should you have any questions concerning this matter, please let me know.

Yours very truly,

H.I. Salmons

Vice President - Human Resources

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

CO-WORKER REFERRAL POLICY

In the interest of safety and accident prevention and in order to encourage the identification of railroad employees who abuse alcohol or drugs and to eliminate the "conspiracy of silence" existing on the railroad, The Kansas City Southern Railway Company hereby establishes the policy which hereinafter will be known as the Co-Worker Referral Policy. The intent of this policy is to allow an employee to come forth and identify a co-worker who has reported for work while under the influence of drugs or alcohol - without causing the co-worker to be disciplined for violation of the railway's alcohol and drug rule (Rule G).

An employee who has been reported by a co-worker for a violation of the railway's alcohol and drug rule (Rule G) and chooses to waive an investigation on a Rule G charge, as provided herein, may invoke the privileges of this CO-Worker Referral Policy one time only.

GENERAL PROVISIONS

1. The alleged violation must come to the attention of the railway as a result of a report by a co-worker that the reported employee is apparently unsafe to work with or appears to be in violation of Rule G.
2. After receiving a report of a violation of Rule G, as specified above, a railway official will arrange to promptly observe and talk to the employee reported to be in violation of Rule G. If the railway official reasonably determines that the employee is in violation of Rule G he will remove the employee from service immediately, advising the employee that if this is his first Rule G offense he has the right to waive an investigation on the rule charge, but, in doing so, he must contact the railway's Employee Assistant Program (EAP) Counselor within forty-eight (48) hours of the date removed from service.
3. Upon being contacted by an employee removed from service under this policy, the E.A.P. Counselor will schedule an interview with the employee and complete an evaluation of the employee, both to be done within ten (10) days of the date contacted by the employee unless it becomes necessary to refer the employee for further evaluation. In each case, all necessary evaluations will be completed within twenty (20) days of the date on which the employee contacts the counselor.
4. If, after evaluating the employee, the Counselor determines that the employee is not affected by an identifiable and treatable mental or physical disorder related to the employee's use of alcohol or drugs, the employee will be returned to service within five (5) days of the completion of such evaluation. If deemed necessary by the Counselor, the employee will be required to participate in a program of education and training concerning the effects of alcohol and drugs on occupational or transportation safety.

TREATMENT REQUIRED

1. If it is determined by the Counselor, after evaluation, that the employee is affected by psychological or chemical dependency on alcohol or drugs, the affected employee must:
 - a) Undertake and successfully complete a course of treatment deemed acceptable by the Counselor;
 - b) Upon the Counselor's recommendation that the employee be returned to service, pass a return-to-work medical examination which will include a drug and alcohol screen;
 - c) If deemed necessary by the Counselor, the employee must participate in a follow-up treatment program not to exceed two years from the date employee is returned to service.

If the alcohol or drug dependent employee fails to comply with the provisions of (a) or (c) above, the employee will be subject to discipline under the applicable railway rules. If the employee fails to pass the required medical examination or drug and alcohol screen mentioned in (b) above, such employee will not be allowed to return to service until he/she does pass the required medical examination and drug and alcohol screen. A drug-alcohol screen which detects the presence of a drug or controlled substance or alcohol will be considered a failure.

2. When an employee has been evaluated by the Counselor as being psychologically or chemically dependent on alcohol or drugs, the railway will:

a) Immediately grant the affected employee a leave of absence sufficient to complete the course of treatment recommended by the Counselor;

b) Allow the employee to return to service upon the recommendation of the Counselor and successful completion of the required medical examination and drug and alcohol screen.

3. Expenses incurred and wages lost by the affected employee as a result of undertaking the counseling and treatment recommended by the Counselor will be the responsibility of such employee. The railway assumes no liability for such expenses or lost compensation, however, it recommends that the employee check with his/her medical insurance carrier to determine which, if any, expenses are covered by such policy.

It cannot be over emphasized that the employee co-operation and participation in this policy, and any other policy designed to promote safety in the railroad industry, is essential to its success. Evidence indicates that for too many years employees have helped protect their co-workers' jobs by not reporting Rule G violations to officers of the railway. With this Co-Worker Referral Policy, employees now have the means available whereby they can report such violations, yet they can still protect their fellow worker's job and, in some cases, help that individual by causing him/her to get needed professional counseling necessary to arrest an alcohol or drug dependency. While protecting a fellow worker's job has its merits, what greater satisfaction can a person have than to help a fellow worker arrest their alcohol or drug dependency?

While this Company has no intention of coercing any employee into reporting Rule G violations by fellow employees, it does hope that each employee will consider the positive results that can be derived from co-worker reports.

The E.A.P. Counselor may be contacted at the following telephone numbers:

Outside Kansas City	Inside Kansas City
Toll Free (800) 624-5544	281-7647

Any questions concerning the Co-Worker Referral Policy should be directed to:

Human Resources Department
114 West 11th Street
Kansas City, MO 64105

Agreement
between
KANSAS CITY SOUTHERN
and its employees represented by the
BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES
(former SouthRail Corporation)

Article I – Wages

Section 1 – First General Wage Increase

~~_____ On January 1, 2002, hourly rates of pay of positions covered by this agreement will be increased by the amount of the cost of living wage adjustment provided for in Article I, Section 2 of the May 31, 2001 National BMW Agreement.~~

Section 2 – Second General Wage Increase

~~_____ On January 1, 2003, hourly rates of pay of positions covered by this agreement will be increased as described herein. The hourly rate of pay of each such position shall be increased by the amount equal to one-third (1/3) of the difference between such rate of pay and the average hourly rate of pay applicable on that date to the same job classification on the KCS.~~

Section 3 – Third General Wage Increase

~~_____ On January 1, 2004, hourly rates of pay of positions covered by this agreement will be increased as described herein. The hourly rate of pay of each such position shall be increased by the amount equal to one-half (1/2) of the difference between such rate of pay and the average hourly rate of pay applicable on that date to the same job classification on the KCS.~~

Section 4 – Fourth General Wage Increase

~~_____ On January 1, 2005, hourly rates of pay of positions covered by this agreement will be increased as described herein. The hourly rate of pay for each such position shall be increased by the amount needed to equalize such rate of pay with the average hourly rate of pay applicable as of that date to the same job classification on the MSRC.~~

Section 5 – Conversion to National Agreement Wage Adjustments

~~It is the intent of this agreement to allow rates of pay for former SouthRail (SRC) job classifications to converge with the average rate of pay applicable to the same job classification on the former MidSouth Rail Corporation (MSRC). Effective July 1, 2005 and thereafter, the May 31, 2001, BMW National Agreement cost of living adjustments and offsets will apply.~~

Section 6 – Cost of Living

~~Effective December 31, 2001, Rule 40 of the basic agreement shall be eliminated.~~

Article II – Optional Alternative Compensation Program

Section 1

A carrier may offer employees, by notice addressed to their designated representative(s), alternative compensation arrangements. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401 (k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that no carrier may be compelled to offer any alternative compensation arrangement, and conversely, the organization cannot be compelled to agree to any carrier proposal made under this Article.

Article III – Per Diems

~~Amend paragraphs (f), (g), (h) of the February 19, 1988 Letter Agreement concerning per diems to read as follows:~~

- ~~(f) Mobile gang members whose residence is more than 50 miles from the assembly point, will be allowed \$43.70 per diem expense for meals and lodging for each day worked in addition to their basic hourly rate. Employees who reside within 50 miles of the assembly point who are unable to return home because of ice storm or flood will be entitled to the benefits of this paragraph. The foregoing per diem shall be payable only for workdays on which the employee renders a complete workday of compensated service. The foregoing per diem shall be increased \$5.00 on January 1, 2005.~~
- ~~(g) Mobile gang members whose residence is within 50 miles of the assembly point will be allowed \$22.70 per diem expense for meals and travel. The foregoing per diem shall be payable only for workdays on which the employee renders a complete workday of compensated service. The foregoing per diem shall be increased \$1.00 on January 1, 2005.~~
- ~~(h) Headquartered employees required to remain overnight at other than their regular headquarters will be allowed actual reasonable cost of meals and lodging, subject to dollar limit of \$17.75 per diem for meals and will be adjusted in accordance with any increases provided within paragraph (g).~~

~~Paragraph (j) is eliminated.~~

~~Further increases will be equal to any subsequent meal allowance increase provided for in Article I, Sections B (1), B (2), and B (3) of the Award of Arbitration Board No. 298 (rendered September 30, 1967), as adjusted.~~

Article IV – Health & Welfare

~~Effective January 1, 2001, employees will be covered by the Railroad Employees National Health and Welfare Plan (Articles V, VI, VII, IX and X) as amended below by the Mediation Agreement dated September 26, 1996, between the Carriers represented by the National Carriers' Conference Committee and employees of such railroads represented by the Brotherhood of Maintenance of Way Employees. Further, the parties agree that any future amendments to the Railroad Employee National Health and Welfare Plan will also be applicable~~

~~Any former SouthRail Corporation employee, retiree, who is currently covered under the SouthRail Corporation health & welfare plan will convert to coverage under the National Health and Welfare Plan pursuant to the provisions of this Article.~~

Article V – Entry Rates

Section 1

Article III of the October 17, 1986 National Agreement (as amended), including all applicable Side Letters, and all other local rules governing entry rates are amended to provide that covered employees shall be paid at 90 percent of the applicable rates of pay (including COLA) for the first twelve (12) calendar months of employment and shall be paid at 95 percent of the applicable rates of pay (including COLA) for the second twelve (12) calendar months of employment for all service performed on positions by an agreement with the organization.

Section 2

Employees covered by the aforementioned Article III or local rules governing entry rates on the date of this Agreement shall be credited, for purposes of the application of Section 1, for all calendar months of employment rendered as of the effective date of this Article.

Section 3

This Article shall be effective ten (10) days after the effective date of this Agreement.

Article VI – Seniority Retention

Employees shall not be required to file their names and addresses with the carrier when furloughed to protect seniority. However, employees have the obligation to keep the carrier advised as to their current address and telephone numbers.

Article VII – Direct Deposit

Employees will be paid on the 15th and 30th of each month. All payments will be made by direct deposit with the Carriers' direct deposit program outlined in Attachment A to this agreement.

Article VIII – Moratorium

~~(a) — The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement, and to settle the disputes growing out of the notice dated July 12, 1999. This Agreement shall remain in effect through December 31, 2005 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.~~

~~(b) — Neither party to this Agreement shall serve, prior to November 1, 2005 (not to become effective before January 1, 2006) any notice or proposal for the purpose of changing the subject matter of the provisions of this Agreement or which proposes matters covered by the proposals of the parties, and any proposals in pending notices related to such subject matters are hereby withdrawn.~~

~~(c) — This Article will not bar management and the organization from agreeing upon any subject of mutual interest.~~

Signed at _____ this _____ day of _____.

For the Organization: _____ For the Carrier: _____

H. J. Granier _____ Kathleen A. Alexander
General Chairman _____ Director Labor Relations

Vice President _____ Emerson M. Bouchard

Vice President Labor Relations

KANSAS CITY SOUTHERN
114 West Eleventh Street
Kansas City, Missouri 64105-1804

Emerson Bouchard
Vice President - Labor Relations

Fax: (816) 983-1686
Phone: (816) 983-1294

John S. Morse
Director of Labor Relations

Kathleen A. Alexander
Director of Labor

Relations

James D. Freeman
Director of Labor

Relations

Side Letter #1

November 14, 2001

Mr. H. J. Granier, General Chairman
Brotherhood of Maintenance of Way Employees
302 East Broadway
Mayfield, KY 42066

Dear Sir:

This will confirm the following understandings on the effective date of this agreement:

1. The parties' adopt the February 7, 1965 Mediation Agreement, as subsequently amended, with respect to former SouthRail employees.
2. All claims/grievances concerning the required number of employees to be employed on the former SouthRail Corporation in accordance with Section II of the Memorandum of Agreement dated January 6, 1994, or any other claims or grievances alleging violations of that agreement are hereby withdrawn.

Yours truly,

Emerson Bouchard
Vice President - Labor

Relations
ACCEPTED:

H. J. Granier
General Chairman

KANSAS CITY SOUTHERN RAILWAY COMPANY

Emerson Bouchard *114 West Eleventh Street*
Vice President - Labor Relations *Kansas City, Missouri 64105-1804*

Kathleen A. Alexander
Director of Labor Relations

John S. Morse
Director of Labor Relations

Fax: (816) 983-1686

Side Letter #2

November 14, 2001

Mr. H. J. Granier
General Chairman, BMW
302 E. Broadway, Suite B
P. O. Box 329
Mayfield, KY 42066

Dear Sir:

It has come to our attention that some of your members have expressed concern that they could be treated differently from the other carrier employees due to the Health and Welfare offset provisions contained in the Tentative Agreements. Let me assure you and your members that this is not our intention. In our view, there is a National Health and Welfare Plan under which all covered employees should receive the same coverage and bear the same responsibilities. Our Tentative Agreements are the pattern agreements for health and welfare.

Therefore, we assure you that in the event we negotiate with the other rail labor organizations during this round a health and welfare package and/or health and welfare offsets that differ from those contained in our Tentative Agreements, BMW will have the option to elect such alternative arrangement.

Yours truly,

Emerson M. Bouchard
Vice President-Labor Relations

Agreement
between
Kansas City Southern
and
The Brotherhood of Maintenance of Way Employes
(former MidSouth Rail Corporation, SouthRail and the Gateway Western Railway Company)

The purpose of this Agreement is to expand work opportunities to all employees of the former MidSouth, SouthRail and Gateway Western. Therefore, it is agreed:

1. The Carrier shall have the right to operate one (1) maintenance of way gang without regard for existing maintenance of way seniority district boundaries, to perform brushcutting. Each gang will consist of at least three (3) machines unless otherwise agreed to by the parties.
2. The maintenance of way gangs identified in Paragraph 1 above, shall be governed by the collective bargaining agreement between the Kansas City Southern Railway Company ("KCS") and the Union revised July 1, 1979, as subsequently amended, which is currently in effect on the KCS, except as otherwise provided below:
 - a. The rates of pay for positions established in the gangs shall be the highest rate of pay applicable under the agreement between the BMWE/KCS CBA.
 - b. Seniority for purposes of assignment of positions and other exercises of seniority within the gangs shall be determined on the basis of each employee's relative standing of the "System Bid and Displacement List" (hereafter "the List"). The List shall be created as follows:
 1. The seniority rosters of the involved seniority districts will be dovetailed for the purpose of establishing the "List" to be used solely to administer bids and displacements to the Gangs established under this Agreement.
 2. Positions on the Gangs established under this Agreement will be advertised to all seniority districts. Employees on the "List" shall be awarded positions based on seniority, qualifications being sufficient.
 3. Employees on the "List" that apply for positions on Gangs established under this Agreement in a class in which they have not seniority, will, if qualifications are sufficient, be awarded the position and will acquire seniority in that class on their home seniority district roster.

An employee who establishes seniority in a classification on his/her home seniority district will have his/her name and seniority in that classification placed on the "List" concurrent with the establishment of the new seniority.
 4. Except as other wise provided, an employee may exercise seniority to a position for which he/she is qualified in a gang established under this Agreement based upon his/her relative ranking on the "List".
 5. The "List" will be published and distributed to all employees subject to this Agreement on its effective date and every January 1 thereafter.
 - c. Whenever a Gang established under this Agreement enters a previously separate seniority district, employees holding seniority rights in that territory who do not hold assignments in the Gang may, within fifteen (15) days of the Gang entering the territory, exercise seniority to displace a junior employee from another territory in the Gang occupying a position in the classification in which the displacing employee holds seniority. Displacements will be governed by the overall ranking on the "List".

- d. The work week of a Gang established under this Agreement will be established under either a Four-Ten Hour work week, a Five-Eight Hour Day work week, or an Accumulated Rest Day work arrangement to be agreed upon by the parties.

Changes in the work week of gangs working a four or five day work week cannot be made without four (4) working days notice to the employees. An employee working in the Gang who receives such notice, if requested within five (5) calendar days, will be given a cut-off letter allowing him /her an exercise of seniority.

Changes in the work week of gangs working an Accumulated Rest Day arrangement may only be made within the last five (5) working days of the cycle.

- e. Each employee assigned to a gang established under this Agreement who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five percent of his/her compensation earned during the calendar year on that gang. Such compensation shall not exceed \$1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the Carrier disbands the gang in less than six (6) months, the Carrier will be responsible for payment of the production incentive earned as of that date.

- 1. Except as otherwise provided herein, this Agreement makes no change to existing agreements between the Carrier and the Union, nor shall this Agreement be construed to change existing seniority district boundaries except as expressly provided herein.

The Agreement will become effective March 16, 2003, and will remain in effect until amended or changed in accordance with the Railway Labor Act, as amended.

Signed this 6th day of March 2003, at Kansas City, Missouri.

FOR THE EMPLOYEES:

FOR THE CARRIER:

(Original signatures not reproduced)

Hayward J. Granier
General Chairman, BMW

(Original signatures not reproduced)

Kathleen A. Alexander
Director of Labor Relations

(Original signatures not reproduced)

Emerson M. Bouchard
Vice President of Labor Relations

APPROVED:

(Original signatures not reproduced)

E. R. Spears
Vice President, BMW

Agreement
between
Kansas City Southern
and
The Brotherhood of Maintenance of Way Employees
(former MidSouth Rail Corporation, SouthRail and the Gateway Western Railway Company)

The purpose of this Agreement is to expand work opportunities to all employees of the former MidSouth, SouthRail and Gateway Western. Therefore, it is agreed:

2. The Carrier shall have the right to operate one (1) maintenance of way gang without regard for existing maintenance of way seniority district boundaries, to perform crossing construction work. Each gang will consist of at least eight (8) employees unless otherwise agreed to by the parties.
2. The maintenance of way gangs identified in Paragraph 1 above, shall be governed by the collective bargaining agreement between the Kansas City Southern Railway Company ("KCS") and the Union revised July 1, 1979, as subsequently amended, which is currently in effect on the KCS, except as otherwise provided below:
 - a. The rates of pay for positions established in the gangs shall be the highest rate of pay applicable under the agreement between the BMWE/KCS CBA.
 - b. Seniority for purposes of assignment of positions and other exercises of seniority within the gangs shall be determined on the basis of each employee's relative standing of the "System Bid and Displacement List" (hereafter "the List"). The List shall be created as follows:
 6. The seniority rosters of the involved seniority districts will be dovetailed for the purpose of establishing the "List" to be used solely to administer bids and displacements to the Gangs established under this Agreement.
 7. Positions on the Gangs established under this Agreement will be advertised to all seniority districts. Employees on the "List" shall be awarded positions based on seniority, qualifications being sufficient.
 8. Employees on the "List" that apply for positions on Gangs established under this Agreement in a class in which they have not seniority, will, if qualifications are sufficient, be awarded the position and will acquire seniority in that class on their home seniority district roster.

An employee who establishes seniority in a classification on his/her home seniority district will have his/her name and seniority in that classification placed on the "List" concurrent with the establishment of the new seniority.
 9. Except as other wise provided, an employee may exercise seniority to a position for which he/she is qualified in a gang established under this Agreement based upon his/her relative ranking on the "List".
 10. The "List" will be published and distributed to all employees subject to this Agreement on its effective date and every January 1 thereafter.
 - c. Whenever a Gang established under this Agreement enters a previously separate seniority district, employees holding seniority rights in that territory who do not hold assignments in the Gang may, within fifteen (15) days of the Gang entering the territory, exercise seniority to displace a junior employee from another territory in the Gang occupying a position in the classification in which the displacing employee holds seniority. Displacements will be governed by the overall ranking on the "List".

- d. The work week of a Gang established under this Agreement will be established under either a Four-Ten Hour work week, a Five-Eight Hour Day work week, or an Accumulated Rest Day work arrangement to be agreed upon by the parties.

Changes in the work week of gangs working a four or five day work week cannot be made without four (4) working days notice to the employees. An employee working in the Gang who receives such notice, if requested within five (5) calendar days, will be given a cut-off letter allowing him /her an exercise of seniority.

Changes in the work week of gangs working an Accumulated Rest Day arrangement may only be made within the last five (5) working days of the cycle.

- e. Each employee assigned to a gang established under this Agreement who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five percent of his/her compensation earned during the calendar year on that gang. Such compensation shall not exceed \$1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the Carrier disbands the gang in less than six (6) months, the Carrier will be responsible for payment of the production incentive earned as of that date.

2. Except as otherwise provided herein, this Agreement makes no change to existing agreements between the Carrier and the Union, nor shall this Agreement be construed to change existing seniority district boundaries except as expressly provided herein.

The Agreement will become effective March 16, 2003, and will remain in effect until amended or changed in accordance with the Railway Labor Act, as amended.

Signed this 6th day of March 2003, at Kansas City, Missouri.

FOR THE EMPLOYEES:

FOR THE CARRIER:

(Original signatures not reproduced)

Hayward J. Granier
General Chairman, BMWE

(Original signatures not reproduced)

Kathleen A. Alexander
Director of Labor Relations

(Original signatures not reproduced)

Emerson M. Bouchard
Vice President of Labor Relations

APPROVED:

(Original signatures not reproduced)

E. R. Spears
Vice President, BMWE

Agreement
between
Kansas City Southern
and
The Brotherhood of Maintenance of Way Employees
(former MidSouth Rail Corporation, SouthRail and the Gateway Western Railway Company)

The purpose of this Agreement is to expand work opportunities to all employees of the former MidSouth, SouthRail and Gateway Western. Therefore, it is agreed:

3. The Carrier shall have the right to operate one (1) maintenance of way gang without regard for existing maintenance of way seniority district boundaries, to perform surfacing functions. Each gang will consist of at least ten (10) machines unless otherwise agreed to by the parties.
2. The maintenance of way gangs identified in Paragraph 1 above, shall be governed by the collective bargaining agreement between the Kansas City Southern Railway Company ("KCS") and the Union revised July 1, 1979, as subsequently amended, which is currently in effect on the KCS, except as otherwise provided below:
 - a. The rates of pay for positions established in the gangs shall be the highest rate of pay applicable under the agreement between the BMWE/KCS CBA.
 - b. Seniority for purposes of assignment of positions and other exercises of seniority within the gangs shall be determined on the basis of each employee's relative standing of the "System Bid and Displacement List" (hereafter "the List"). The List shall be created as follows:
 11. The seniority rosters of the involved seniority districts will be dovetailed for the purpose of establishing the "List" to be used solely to administer bids and displacements to the Gangs established under this Agreement.
 12. Positions on the Gangs established under this Agreement will be advertised to all seniority districts. Employees on the "List" shall be awarded positions based on seniority, qualifications being sufficient.
 13. Employees on the "List" that apply for positions on Gangs established under this Agreement in a class in which they have not seniority, will, if qualifications are sufficient, be awarded the position and will acquire seniority in that class on their home seniority district roster.

An employee who establishes seniority in a classification on his/her home seniority district will have his/her name and seniority in that classification placed on the "List" concurrent with the establishment of the new seniority.
 14. Except as other wise provided, an employee may exercise seniority to a position for which he/she is qualified in a gang established under this Agreement based upon his/her relative ranking on the "List".
 15. The "List" will be published and distributed to all employees subject to this Agreement on its effective date and every January 1 thereafter.
 - c. Whenever a Gang established under this Agreement enters a previously separate seniority district, employees holding seniority rights in that territory who do not hold assignments in the Gang may, within fifteen (15) days of the Gang entering the territory, exercise seniority to displace a junior employee from another territory in the Gang occupying a position in the classification in which the displacing employee holds seniority. Displacements will be governed by the overall ranking on the "List".

- d. The work week of a Gang established under this Agreement will be established under either a Four-Ten Hour work week, a Five-Eight Hour Day work week, or an Accumulated Rest Day work arrangement to be agreed upon by the parties.

Changes in the work week of gangs working a four or five day work week cannot be made without four (4) working days notice to the employees. An employee working in the Gang who receives such notice, if requested within five (5) calendar days, will be given a cut-off letter allowing him /her an exercise of seniority.

Changes in the work week of gangs working an Accumulated Rest Day arrangement may only be made within the last five (5) working days of the cycle.

- e. Each employee assigned to a gang established under this Agreement who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five percent of his/her compensation earned during the calendar year on that gang. Such compensation shall not exceed \$1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the Carrier disbands the gang in less than six (6) months, the Carrier will be responsible for payment of the production incentive earned as of that date.

3. Except as otherwise provided herein, this Agreement makes no change to existing agreements between the Carrier and the Union, nor shall this Agreement be construed to change existing seniority district boundaries except as expressly provided herein.

The Agreement will become effective March 16, 2003, and will remain in effect until amended or changed in accordance with the Railway Labor Act, as amended.

Signed this 6th day of March 2003, at Kansas City, Missouri.

FOR THE EMPLOYEES:

FOR THE CARRIER:

(Original signatures not reproduced)

Hayward J. Granier
General Chairman, BMWE

(Original signatures not reproduced)

Kathleen A. Alexander
Director of Labor Relations

(Original signatures not reproduced)

Emerson M. Bouchard
Vice President of Labor Relations

APPROVED:

(Original signatures not reproduced)

E. R. Spears
Vice President, BMWE

Agreement
between
Kansas City Southern
and
The Brotherhood of Maintenance of Way Employees
(former MidSouth Rail Corporation, SouthRail and the Gateway Western Railway Company)

The purpose of this Agreement is to expand work opportunities to all employees of the former MidSouth, SouthRail and Gateway Western. Therefore, it is agreed:

4. The Carrier shall have the right to operate three (3) maintenance of way gangs without regard for existing maintenance of way seniority district boundaries, to operate burro and locomotive cranes. Each gang will consist of at least two (2) employees unless otherwise agreed to by the parties.
2. The maintenance of way gangs identified in Paragraph 1 above, shall be governed by the collective bargaining agreement between the Kansas City Southern Railway Company ("KCS") and the Union revised July 1, 1979, as subsequently amended, which is currently in effect on the KCS, except as otherwise provided below:
 - a. The rates of pay for positions established in the gangs shall be the highest rate of pay applicable under the agreement between the BMWE/KCS CBA.
 - b. Seniority for purposes of assignment of positions and other exercises of seniority within the gangs shall be determined on the basis of each employee's relative standing of the "System Bid and Displacement List" (hereafter "the List"). The List shall be created as follows:
 16. The seniority rosters of the involved seniority districts will be dovetailed for the purpose of establishing the "List" to be used solely to administer bids and displacements to the Gangs established under this Agreement.
 17. Positions on the Gangs established under this Agreement will be advertised to all seniority districts. Employees on the "List" shall be awarded positions based on seniority, qualifications being sufficient.
 18. Employees on the "List" that apply for positions on Gangs established under this Agreement in a class in which they have not seniority, will, if qualifications are sufficient, be awarded the position and will acquire seniority in that class on their home seniority district roster.

An employee who establishes seniority in a classification on his/her home seniority district will have his/her name and seniority in that classification placed on the "List" concurrent with the establishment of the new seniority.
 19. Except as other wise provided, an employee may exercise seniority to a position for which he/she is qualified in a gang established under this Agreement based upon his/her relative ranking on the "List".
 20. The "List" will be published and distributed to all employees subject to this Agreement on its effective date and every January 1 thereafter.
 - c. Whenever a Gang established under this Agreement enters a previously separate seniority district, employees holding seniority rights in that territory who do not hold assignments in the Gang may, within fifteen (15) days of the Gang entering the territory, exercise seniority to displace a junior employee from another territory in the Gang occupying a position in the classification in which the displacing employee holds seniority. Displacements will be governed by the overall ranking on the "List".

- d. The work week of a Gang established under this Agreement will be established under either a Four-Ten Hour work week, a Five-Eight Hour Day work week, or an Accumulated Rest Day work arrangement to be agreed upon by the parties.

Changes in the work week of gangs working a four or five day work week cannot be made without four (4) working days notice to the employees. An employee working in the Gang who receives such notice, if requested within five (5) calendar days, will be given a cut-off letter allowing him /her an exercise of seniority.

Changes in the work week of gangs working an Accumulated Rest Day arrangement may only be made within the last five (5) working days of the cycle.

- e. Each employee assigned to a gang established under this Agreement who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five percent of his/her compensation earned during the calendar year on that gang. Such compensation shall not exceed \$1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the Carrier disbands the gang in less than six (6) months, the Carrier will be responsible for payment of the production incentive earned as of that date.

- 4. Except as otherwise provided herein, this Agreement makes no change to existing agreements between the Carrier and the Union, nor shall this Agreement be construed to change existing seniority district boundaries except as expressly provided herein.

The Agreement will become effective March 16, 2003, and will remain in effect until amended or changed in accordance with the Railway Labor Act, as amended.

Signed this 6th day of March 2003, at Kansas City, Missouri.

FOR THE EMPLOYEES:

FOR THE CARRIER:

(Original signatures not reproduced)
Hayward J. Granier
General Chairman, BMWE

(Original signatures not reproduced)
Kathleen A. Alexander
Director of Labor Relations

(Original signatures not reproduced)
Emerson M. Bouchard
Vice President of Labor Relations

APPROVED:

(Original signatures not reproduced)
E. R. Spears
Vice President, BMWE

Agreement
between
Kansas City Southern
and
The Brotherhood of Maintenance of Way Employees
(former MidSouth Rail Corporation, SouthRail and the Gateway Western Railway Company)

The purpose of this Agreement is to expand work opportunities to all employees of the former MidSouth, SouthRail and Gateway Western. Therefore, it is agreed:

5. The Carrier shall have the right to operate two (2) maintenance of way gangs without regard for existing maintenance of way seniority district boundaries, to perform tie or rail renewal functions. Each gang must be heavily mechanized and mobile, continuously performing specific programmed major repair and replacement work. Each gang will consist of at least twenty (20) employees unless otherwise agreed to by the parties.
2. The maintenance of way gangs identified in Paragraph 1 above, shall be governed by the collective bargaining agreement between the Kansas City Southern Railway Company ("KCS") and the Union revised July 1, 1979, as subsequently amended, which is currently in effect on the KCS, except as otherwise provided below:
 - a. The rates of pay for positions established in the gangs shall be the highest rate of pay applicable under the agreement between the BMWE/KCS CBA.
 - b. Seniority for purposes of assignment of positions and other exercises of seniority within the gangs shall be determined on the basis of each employee's relative standing of the "System Bid and Displacement List" (hereafter "the List"). The List shall be created as follows:
 21. The seniority rosters of the involved seniority districts will be dovetailed for the purpose of establishing the "List" to be used solely to administer bids and displacements to the Gangs established under this Agreement.
 22. Positions on the Gangs established under this Agreement will be advertised to all seniority districts. Employees on the "List" shall be awarded positions based on seniority, qualifications being sufficient.
 23. Employees on the "List" that apply for positions on Gangs established under this Agreement in a class in which they have not seniority, will, if qualifications are sufficient, be awarded the position and will acquire seniority in that class on their home seniority district roster.

An employee who establishes seniority in a classification on his/her home seniority district will have his/her name and seniority in that classification placed on the "List" concurrent with the establishment of the new seniority.
 24. Except as other wise provided, an employee may exercise seniority to a position for which he/she is qualified in a gang established under this Agreement based upon his/her relative ranking on the "List".
 25. The "List" will be published and distributed to all employees subject to this Agreement on its effective date and every January 1 thereafter.
 - c. Whenever a Gang established under this Agreement enters a previously separate seniority district, employees holding seniority rights in that territory who do not hold assignments in the Gang may, within fifteen (15) days of the Gang entering the territory, exercise seniority to displace a junior employee from another territory in the Gang occupying a

position in the classification in which the displacing employee holds seniority. Displacements will be governed by the overall ranking on the "List".

- d. The work week of a Gang established under this Agreement will be established under either a Four-Ten Hour work week, a Five-Eight Hour Day work week, or an Accumulated Rest Day work arrangement to be agreed upon by the parties.

Changes in the work week of gangs working a four or five day work week cannot be made without four (4) working days notice to the employees. An employee working in the Gang who receives such notice, if requested within five (5) calendar days, will be given a cut-off letter allowing him /her an exercise of seniority.

Changes in the work week of gangs working an Accumulated Rest Day arrangement may only be made within the last five (5) working days of the cycle.

- e. Each employee assigned to a gang established under this Agreement who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five percent of his/her compensation earned during the calendar year on that gang. Such compensation shall not exceed \$1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the Carrier disbands the gang in less than six (6) months, the Carrier will be responsible for payment of the production incentive earned as of that date.
- 5. Except as otherwise provided herein, this Agreement makes no change to existing agreements between the Carrier and the Union, nor shall this Agreement be construed to change existing seniority district boundaries except as expressly provided herein.

The Agreement will become effective March 16, 2003, and will remain in effect until amended or changed in accordance with the Railway Labor Act, as amended.

Signed this 6th day of March 2003, at Kansas City, Missouri.

FOR THE EMPLOYEES:

FOR THE CARRIER:

(Original signatures not reproduced)
Hayward J. Granier
General Chairman, BMW

(Original signatures not reproduced)
Kathleen A. Alexander
Director of Labor Relations

(Original signatures not reproduced)
Emerson M. Bouchard
Vice President of Labor Relations

APPROVED:

(Original signatures not reproduced)
E. R. Spears
Vice President, BMW

#6
Agreement
between
Kansas City Southern
and
The Brotherhood of Maintenance of Way Employes
(former MidSouth Rail Corporation, SouthRail and the Gateway Western Railway Company)

The purpose of this Agreement is to expand work opportunities to all employees of the former MidSouth, SouthRail and Gateway Western. Therefore, it is agreed:

6. The Carrier shall have the right to operate two (2) maintenance of way gang without regard for existing maintenance of way seniority district boundaries, to perform frog grinding/lubricating. Each gang will consist of at least two (2) employees unless otherwise agreed to by the parties.
2. The maintenance of way gangs identified in Paragraph 1 above, shall be governed by the collective bargaining agreement between the Kansas City Southern Railway Company ("KCS") and the Union revised July 1, 1979, as subsequently amended, which is currently in effect on the KCS, except as otherwise provided below:
 - a. The rates of pay for positions established in the gangs shall be the highest rate of pay applicable under the agreement between the BMWE/KCS CBA.
 - b. Seniority for purposes of assignment of positions and other exercises of seniority within the gangs shall be determined on the basis of each employee's relative standing of the "System Bid and Displacement List" (hereafter "the List"). The List shall be created as follows:
 26. The seniority rosters of the involved seniority districts will be dovetailed for the purpose of establishing the "List" to be used solely to administer bids and displacements to the Gangs established under this Agreement.
 27. Positions on the Gangs established under this Agreement will be advertised to all seniority districts. Employees on the "List" shall be awarded positions based on seniority, qualifications being sufficient.
 28. Employees on the "List" that apply for positions on Gangs established under this Agreement in a class in which they have not seniority, will, if qualifications are sufficient, be awarded the position and will acquire seniority in that class on their home seniority district roster.

An employee who establishes seniority in a classification on his/her home seniority district will have his/her name and seniority in that classification placed on the "List" concurrent with the establishment of the new seniority.
 29. Except as other wise provided, an employee may exercise seniority to a position for which he/she is qualified in a gang established under this Agreement based upon his/her relative ranking on the "List".
 30. The "List" will be published and distributed to all employees subject to this Agreement on its effective date and every January 1 thereafter.
 - c. Whenever a Gang established under this Agreement enters a previously separate seniority district, employees holding seniority rights in that territory who do not hold assignments in the Gang may, within fifteen (15) days of the Gang entering the territory, exercise seniority to displace a junior employee from another territory in the Gang occupying a position in the classification in which the displacing employee holds seniority. Displacements will be governed by the overall ranking on the "List".

- d. The work week of a Gang established under this Agreement will be established under either a Four-Ten Hour work week, a Five-Eight Hour Day work week, or an Accumulated Rest Day work arrangement to be agreed upon by the parties.

Changes in the work week of gangs working a four or five day work week cannot be made without four (4) working days notice to the employees. An employee working in the Gang who receives such notice, if requested within five (5) calendar days, will be given a cut-off letter allowing him /her an exercise of seniority.

Changes in the work week of gangs working an Accumulated Rest Day arrangement may only be made within the last five (5) working days of the cycle.

- e. Each employee assigned to a gang established under this Agreement who does not leave the gang voluntarily for a period of at least six (6) months shall be entitled to a lump sum payment annually equal to five percent of his/her compensation earned during the calendar year on that gang. Such compensation shall not exceed \$1,000 and, it shall be paid within 30 days of the completion of the employee's service on the gang. If the Carrier disbands the gang in less than six (6) months, the Carrier will be responsible for payment of the production incentive earned as of that date.
6. Except as otherwise provided herein, this Agreement makes no change to existing agreements between the Carrier and the Union, nor shall this Agreement be construed to change existing seniority district boundaries except as expressly provided herein.

The Agreement will become effective immediately and will remain in effect until amended or changed in accordance with the Railway Labor Act, as amended.

Signed this 6th day of March 2003, at Kansas City, Missouri.

FOR THE EMPLOYEES:

FOR THE CARRIER:

(Original signatures not reproduced)
Hayward J. Granier
General Chairman, BMWE

(Original signatures not reproduced)
Kathleen A. Alexander
Director of Labor Relations

(Original signatures not reproduced)
Emerson M. Bouchard
Vice President of Labor Relations

APPROVED:

(Original signatures not reproduced)
E. R. Spears
Vice President, BMWE

February 25, 2003

Side Letter #1

Mr. H. J. Granier
General Chairman, BMW
302 East Broadway, Suite B
Mayfield, KY 42066

Dear Sir:

This is in reference to the system agreements dated March 6, 2003. Paragraph d of the agreements allows the work week of the gang(s) established to be under a Four-Ten hour work week, a Five-Eight hour work week or on an Accumulated Rest day basis.

It is agreed that the provisions of the July 1, 1979 basic agreement and Article X of the July 29, 1991 National Agreement will apply to paragraph d when gangs are working on either a Four-Ten hour work week or a Five-Eight hour work week.

Please indicate your concurrence in the space provided below.

Yours truly,

(Original signatures not reproduced)
Emerson M. Bouchard
Vice President of Labor Relations

I CONCUR:

(Original signatures not reproduced)
Hayward J. Grainier
General Chairman, BMW

February 25, 2003

Side Letter #2

Mr. H. J. Granier
General Chairman, BMW
302 East Broadway, Suite B
Mayfield, KY 42066

Dear Sir:

This is in reference to the system agreements dated March 6, 2003. We agreed that an employee who is entitled to protection under the terms of the February 7, 1965 Agreement, as amended, may:

1. Elect to not exercise seniority to other than his/her home territory. If an employee elects not to exercise seniority, that employee's entitlements under the upgraded Feb. 7 Agreements are suspended until such time as the employee voluntarily returns to service, is recalled to service, or there is no position the employee could hold in the normal exercise of seniority on his expanded work district(s).
2. Nothing in paragraph 1 above diminishes the obligation of employees to exercise their seniority in accordance with the particular employee's collective bargaining agreement.

Please indicate your concurrence in the space provided below.

Yours truly,

(Original signatures not reproduced)

Emerson M. Bouchard
Vice President of Labor Relations

I CONCUR:

(Original signatures not reproduced)

Hayward J. Grainier
General Chairman, BMW

February 25, 2003

Side Letter #3

Mr. H. J. Granier
General Chairman, BMW
302 East Broadway, Suite B
Mayfield, KY 42066

Dear Sir:

This is in reference to the system agreements dated March 6, 2003. Paragraph e of the agreements provides for a \$1,000.00 bonus if certain conditions are met. We agreed in the application of this rule that the following will also apply in order for employees to qualify for the bonus:

2. An employee displaced from a system gang position who exercises seniority within this gang or on any other system gang will remain eligible for the incentive bonus (upon satisfaction of the six continuous months of service) computed from the first day the employee reported to his initial assignment on a system gang.
2. Employees with less than six months continuous of service on a system gang who are displaced and no longer able to hold a position on any system gang, will be eligible for a pro rated incentive bonus earned up to the date of displacement from the system gang.

Please indicate your concurrence in the space provided below.

Yours truly,

(Original signatures not reproduced)
Emerson M. Bouchard
Vice President of Labor Relations

I CONCUR:

(Original signatures not reproduced)
Hayward J. Grainier
General Chairman, BMW

AGREEMENT

BETWEEN

KANSAS CITY SOUTHERN RAILWAY

AND THE

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

To provide an additional source of candidates for employees being considered for promotion, the following provisions will govern employees that are assigned to Engineering Supervisor positions. Accordingly,

IT IS HEREBY AGREED:

Section 1. The Company may establish positions indicated in Section 2 hereof that are excepted from the promotion, assignment and displacement rules of the Collective Bargaining Agreement. The monthly salary shall compensate for all services rendered seven (7) days a week and is not subject to any overtime or holiday rules of the Collective Bargaining Agreements.

It is further understood that only the following provisions of the Collective Bargaining Agreement effective April 1, 1991, as revised, are applicable to positions identified in Section 2 hereof.

- Rule 1 – Customer Service
- Rule 11 – Applications
- Rule 12(c) – Seniority Datum
- Rule 25 – Leave of Absence
- Rule 26 – Leave of Absence – Employee Representatives
- Rule 29 – Jury Duty
- Rule 31 – Vacation
- Rule 38 – Bereavement Leave
- Effective Date
- Addendum 4 – Union Shop
- Addendum 5 – Union Dues Deduction
- Addendum 6 – Physical Disqualification
- BMW National Health and Welfare Plan

Section 2. Monthly salaries will be as indicated below subject only to future wage adjustments based on recommendations of management. In determining whether an employee is qualified in Level 1 or Level 2, time assigned to previous non-agreement and/or union positions may be included if deemed appropriate by management. Management will be the judge as to which level will be paid to an employee.

Engineering Supervisor Level 1 - \$4,700.00
Engineering Supervisor Level 2 - \$4,400.00

Qualifications

Engineering Supervisor Level 1- Five (5) or more years experience
Engineering Supervisor Level 2 - Less than Five (5) years experience

An individual will be advanced from a Level 2 to a Level 1 at the beginning of a quarter period, i.e., January 1, April 1, July 1, or October 1, immediately following the month in which the individual attains the five years of supervisory experience.

There is nothing contained in this Agreement nor any other Agreements that requires positions' established pursuant to this Agreement to be filled on rest days, vacations, or whenever the position is vacant and in the judgment of management does not require being filled.

Section 3. Positions identified in Section 2 hereof will be filled on the basis of qualifications and fitness, management to be the judge. An employee appointed to one of these positions may be released from such assignment at the discretion of management.

Section 4. Positions established pursuant to the Agreement will be filled by appointment. An employee desiring one of these positions should submit a written request to the designated company manager. There will be no seniority established as a result of being appointed to, or while occupying, one of these positions.

Section 5. The positions identified herein may be utilized anywhere on the entire MidSouth system at the discretion of management.

When an employee is released from a position identified in Section 2 of this Agreement, the employee if covered by the Collective Bargaining Agreement, April 1, 1991, as revised, must return to their previous position which was occupied immediately prior to promotion to a position identified in Section 2. In the event the former position has been abolished or occupied by a senior incumbent, the employee must exercise seniority within ten (10) days of his release.

Section 7. It is recognized that the positions identified in Section 2 hereof are non-agreement, however, the employees in such positions may perform incidental tasks, which are covered by the collective bargaining agreement. Furthermore, such agreement or non-agreement work cannot be used as a basis for a claim on behalf of any employees.

Section 8. This agreement shall become effective December 16, 2004, and shall remain in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

Signed this _____ day of December, 2004.

**For the Brotherhood of Maintenance of Way
Employees:**

For the Kansas City Southern Railway:

(Original signatures not reproduced)
General Chairman – BMWE

(Original signatures not reproduced)
Director Labor Relations

(Original signatures not reproduced)

Vice President – BMWE

(Original signatures not reproduced)

Vice President Labor Relations

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