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July 14, 2009

HS-12

Mr. C. W. Davis, General Chairman
Brotherhood of Locomotive Engineers & Trainmen
509 W. Reed Street
Moberly, Missouri 65270

Mr. W. M. Overton General Chairman
Brotherhood of Locomotive Engineers & Trainmen
P. O. Box 885
Powell, Tennessee 37849

Mr. K. S. Peek, General Chairman
Brotherhood of Locomotive Engineers & Trainmen
P. O. Box 5959
Virginia Beach, Virginia 23471-0959

Gentlemen:

This refers to our various discussions regarding the implementation of the Rail Safety Improvement Act of 2008 (RSIA). As discussed, this letter of understanding confirms the manner in which employees assigned to unassigned pool freight service or guaranteed extra boards shall be handled in the event they become unavailable for service due to certain specific provisions of the RSIA.

During our discussions, you voiced concern regarding the potentially adverse ramifications on employee work opportunities due to the limitations set forth in the RSIA, specifically the 276 hour monthly cap and the consecutive calendar day requirement (6/48 and/or 7/72). To help partially address this concern, NS and BLET agree the following shall apply for pool freight and extra employees who are unavailable for service as a result of these specific requirements:

1. An employee assigned to a turn in an unassigned freight pool or to a position on a guaranteed extra board who becomes unavailable for service pursuant to the 276 hour monthly cap or the 6/48 and/or 7/72 requirement will retain and remain on the employee's turn in the applicable freight pool or position on the applicable extra board during the period the employee is unavailable for service.
 - a. During the period the employee is unavailable for service, the employee (and his/her turn) shall continue to advance in the freight pool or on the guaranteed extra board.
 - b. If the employee's turn reaches the first-out position before becoming available for service, the employee will hold turn in the first-out position (making the next out rested and available employee subject to call) until expiration of the employee's period of unavailability under RSIA.

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2. The provisions of this letter of understanding are made without prejudice to the parties' respective positions regarding the impact(s) of the RSIA on applicable collective bargaining agreement provisions, including, but not limited to, impact(s) of employee unavailability and rest, and the determination of guarantee benefits and applicable offsets.
3. The terms and conditions of this letter of understanding will be placed into effect on July 21, 2009.

The parties anticipate this arrangement will not significantly impact availability and operations. However, this letter of understanding may be automatically cancelled by the Carrier or the BLET (all signatories) by serving a 30-day written notice.

If the foregoing accurately reflects your understanding, please sign below.

Very truly yours,

S. R. Budzina

We concur:

C. W. Davis, General Chairman

W. M. Overton, General Chairman

K. S. Peek, General Chairman