



NS Proposed Agreement

As submitted by the General Chairmen
to the rank and file
August 1, 2008

ARTICLE I

THOROUGHBRED PERFORMANCE BONUS

- 2008 - payable in 2009 15%
- 2009 - payable in 2010 10% /15%
- 2010 - payable in 2011 10% /15%
- 2011 - payable in 2012 10% /15%
- 2012 - payable in 2013 10% /15%
- 2013 - payable in 2014 10% /15%
- 2014 - payable in 2015 10% /15%
- **BONUS ELIGIBILITY BASED ON JOB STARTS EFFECTIVE JANUARY 1, 2009**

THOROUGHBRED BONUS HISTORY

<u>Year</u>	<u>Potential</u>	<u>Actual</u>
1996	5%	5%
1997	5%	5%
1998	10%	9.86%
1999	10%	0
2000	10%	3.6%
2001	10%	6.73%
2002	10%	6.07%
2003	15%	12.54%
2004	15%	15%
2005	10%	10%
2006	10%	10%
2007	10/15%	5.39%
2008	<u>15%</u>	<u>???</u>
Total	135%	89.19%

(Average per year **7.43%** through 2007)

BONUS ELIGIBILITY

Two Qualification Levels:

- **15% Level**

- 260 factored starts in thru freight
- 248 factored starts in other than thru freight

- **10% Level**

- 235 factored starts in through freight
- 220 factored starts in other than through freight

Thru Freight Factored Starts

<u>Mileage of Run</u>	<u>Factor</u>
Less Than 150 Miles	1.25
150 to 199	1.35
200 to 225	1.40
226 to 274	1.50
275 and above	1.75

Thru Freight Service

<u>Factor</u>	<u>15% Bonus (260 starts)</u>	<u>10% Bonus (235 Starts)</u>
1.25	208 Starts (17.3/Month)	188 Starts (15.7/Month)
1.35	193 Starts (16.1/Month)	174 Starts (14.5/Month)
1.40	186 Starts (15.5/Month)	168 Starts (14.0/Month)
1.50	174 Starts (14.5/Month)	157 Starts (13.1/Month)
1.75	149 Starts (12.4/Month)	135 Starts (11.25/Month)

Other Than Thru Freight Service

	<u>15% Bonus (248 Starts)</u>	<u>10% Bonus (220 Starts)</u>
1.05	236 Starts (19.7/Month)	210 Starts (17.5/Month)

In the Q&As all starts are considered factored starts unless otherwise specified. Vacations, holidays, personal leave days and other Carrier compensated days are credited as starts.

ARTICLE II

Signing Bonus

\$1,200 Payable not later than three (3) months after effective date of Agreement.

ARTICLE III

Lump Sum

\$3,500 payable not later than January 1, 2009.

ARTICLE IV

GENERAL WAGE INCREASE

- July 1, 2009 - **5%**
- July 1, 2010 - **3%**
- July 1, 2011 - **5%**
- July 1, 2012 - **2%**
- July 1, 2013 - **2%**
- July 1, 2014 - **2%**

19% Total Wage Increase

20.5% Compounded

WAGE COMPARISON CHART

Norfolk Southern Agreement

vs

National Agreement

2008 through 2014

	Norfolk Southern	Agreement		National	Agreement	
Wage Increase	5 Day Yard Service without Fireman (Basic)	Through Freight Service without Fireman (Basic)	Bonus	5 Day Yard Service without Fireman (Basic)	Through Freight Service without Fireman (Basic)	Bonus
July 1, 2008	\$195.39	\$185.52	N/A	\$205.01	\$193.24	N/A
January 1, 2009	N/A	N/A	15%	N/A	N/A	N/A
July 1, 2009 - 5%	\$205.16	\$194.80	N/A	\$214.24	\$201.94	N/A
January 1, 2010	N/A	N/A	15%	N/A	N/A	N/A
July 1, 2010 - 3%	\$211.32	\$200.64				
January 1, 2011			15%	N/A	N/A	N/A
July 1, 2011 - 5%	\$221.88	\$210.68				
January 1, 2012			15%	N/A	N/A	N/A
July 1, 2012 - 2%	\$226.32	\$214.89				
January 1, 2013			15%	N/A	N/A	N/A
July 1, 2013 - 2%	\$230.85	\$219.19				
January 1, 2014			15%	N/A	N/A	N/A
Juy 1, 2014 - 2.0%	\$235.46	\$223.57				
Total Wage Increase	19.0%	Through 2014		11.5%	Through 2009	
	< compounds to 20.5%					
Weekend / Holiday Diff	\$7.00	\$30.00		N/A	N/A	
After January 1, 2010	\$21 (increase 200%)	\$45 (increase 50%)		N/A	N/A	

5 DAY YARD / LOCAL WAGE COMPARISON

(Rest Days Sunday - Monday)

Norfolk Southern Agreement

vs

National Agreement

July 1, 2008

Factors	Norfolk Southern Agreement 5 Day Yard Service without Fireman (Basic)	National Agreement 5 Day Yard Service without Fireman (Basic)
Daily Rate:	\$195.39	\$205.01
Certification Pay	Included	\$5.00 per day
40 Hours Per Week	\$976.95	\$1,050.05
Weekend / Holiday Differential:	\$14.00	N / A
Weekly Income:	\$990.95	\$1,050.05
Signing Bonus:	\$1,200.00	
Annual Before Bonus:	\$52,729.40	\$53,760.90
Bonus Potential: 15%	\$7,729.41	N / A
Historical Bonus: 7.4%	\$3,813.18	
Total Annual Income:	\$60,458.80	\$53,760.90
(Historical)	\$56,542.58	
Income Differential:	\$6,879.91	
(Historical)	\$2,781.68	

5 DAY YARD / LOCAL WAGE COMPARISON

(Rest Days Sunday - Monday)

Norfolk Southern Agreement

vs

National Agreement

July 1, 2009

Factors	Norfolk Southern Agreement 5 Day Yard Service without Fireman (Basic)	National Agreement 5 Day Yard Service without Fireman (Basic)
Daily Rate:	\$205.16	\$214.24
Certification Pay	Included	\$5.00 per day
40 Hours Per Week	\$1,025.80	\$1,096.20
Weekend / Holiday Differential:	\$14.00	N / A
Weekly Income:	\$1,039.80	\$1,096.20
Lump Sum:	\$3,500.00	
Annual Before Bonus:	\$57,569.60	\$55,802.50
Bonus Potential: 15%	\$8,110.44	N / A
Historical Bonus: 7.4%	\$4,001.15	
Total Annual Income:	\$65,680.04	\$55,802.50
(Historical)	\$61,570.75	
Income Differential:	\$9,877.54	
(Historical)	\$5,768.25	
		* Including July 1, 2009 4% Wage Increase

5 DAY YARD / LOCAL WAGE COMPARISON

(Rest Days Sunday - Monday)

Norfolk Southern Agreement

vs

National Agreement

July 1, 2010

Factors	Norfolk Southern Agreement 5 Day Yard Service without Fireman (Basic)	National Agreement 5 Day Yard Service without Fireman (Basic)
Daily Rate:	\$211.32	\$214.24
Certification Pay	Included	\$5.00 per day
40 Hours Per Week	\$1,056.50	\$1,096.20
Weekend / Holiday Differential:	\$42.00	N / A
Weekly Income:	\$1,098.60	\$1,096.20
Annual Before Bonus:	\$57,127.20	\$57,002.40
Bonus Potential: 15%	\$8,569.08	N / A
Historical Bonus: 7.4%	\$4,227.41	
Total Annual Income:	\$65,696.28	\$57,002.40
(Historical)	\$61,354.61	
Income Differential:	\$8,693.88	
(Historical)	\$4,352.21	

5 DAY YARD / LOCAL WAGE COMPARISON

(Rest Days Sunday - Monday)
Norfolk Southern Agreement

vs
National Agreement
July 1, 2011

Factors	Norfolk Southern Agreement 5 Day Yard Service without Fireman (Basic)	National Agreement 5 Day Yard Service without Fireman (Basic)
Daily Rate:	\$221.88	\$214.24
Certification Pay	Included	\$5.00 per day
40 Hours Per Week	\$1,109.40	\$1,096.20
Weekend / Holiday Differential:	\$42.00	N / A
Weekly Income:	\$1,151.40	\$1,096.20
Annual Before Bonus:	\$59,872.80	\$57,002.40
Bonus Potential: 15%	\$8,980.92	N / A
Historical Bonus: 7.4%	\$4,356.59	
Total Annual Income:	\$68,853.72	\$57,002.40
(Historical)	\$64,229.39	Last Wage Increase
Income Differential:	\$11,851.32	July 1, 2009
(Historical)	\$7,226.99	

5 DAY YARD / LOCAL WAGE COMPARISON**(Rest Days Sunday - Monday)****Norfolk Southern Agreement****vs****National Agreement****July 1, 2012**

Factors	Norfolk Southern Agreement 5 Day Yard Service without Fireman (Basic)	National Agreement 5 Day Yard Service without Fireman (Basic)
Daily Rate:	\$226.32	\$214.24
Certification Pay	Included	\$5.00 per day
40 Hours Per Week	\$1,131.60	\$1,096.20
Weekend / Holiday Differential:	\$42.00	N / A
Weekly Income:	\$1,173.60	\$1,096.20
Annual Before Bonus:	\$61,027.20	\$57,002.40
Bonus Potential: 15%	\$9,154.08	N / A
Historical Bonus: 7.4%	\$4,516.01	
Total Annual Income:	\$70,181.28	\$57,002.40
(Historical)	\$65,543.21	
Income Differential:	\$13,178.88	
(Historical)	\$8,540.81	
		Last Wage Increase July 1, 2009

5 DAY YARD / LOCAL WAGE COMPARISON

**(Rest Days Sunday - Monday)
Norfolk Southern Agreement**

**vs
National Agreement
July 1, 2013**

Factors	Norfolk Southern Agreement 5 Day Yard Service without Fireman (Basic)	National Agreement 5 Day Yard Service without Fireman (Basic)
Daily Rate :	\$230.85	\$214.24
Certification Pay	Included	\$5.00 per day
40 Hours Per Week	\$1,154.25	\$1,096.20
Weekend / Holiday Differential:	\$42.00	N / A
Weekly Income :	\$1,196.25	\$1,096.20
Annual Before Bonus:	\$62,205.00	\$57,002.40
Bonus Potential: 15%	\$9,330.76	N / A
Historical Bonus: 7.4%	\$4,603.17	
Total Annual Income:	\$71,535.75	\$57,002.40
(Historical)	\$66,808.17	
Income Diefferential: (Historical)	\$14,533.35 \$9,805.77	
		Last Wage Increase July 1, 2009

5 DAY YARD / LOCAL WAGE COMPARISON

**(Rest Days Sunday - Monday)
Norfolk Southern Agreement**

vs

National Agreement

July 1, 2014

Factors	Norfolk Southern Agreement 5 Day Yard Service without Fireman (Basic)	National Agreement 5 Day Yard Service without Fireman (Basic)
Daily Rate:	\$235.46	\$214.24
Certification Pay	Included	\$5.00 per day
40 Hours Per Week	\$1,177.30	\$1,096.20
Weekend / Holiday Differential:	\$42.00	N / A
Weekly Income:	\$1,219.30	\$1,096.20
Annual Before Bonus:	\$63,403.60	\$57,002.40
Bonus Potential: 15%	\$9,510.54	N / A
Historical Bonus: 7.4%	\$4,691.87	
Total Annual Income:	\$72,914.14	\$57,002.40
(Historical)	\$68,095.47	
Income Differential:	\$15,911.74	
(Historical)	\$11,093.07	
		Last Wage Increase July 1, 2009

ARTICLE V

WEEKEND/HOLIDAY DIFFERENTIALS

- **Effective January 1, 2010** - Through Freight \$45 (currently \$30) per tour of duty. Other than Through Freight \$21 (currently \$7) per tour of duty.
- **Extra Pay Days** - The Carrier will designate six (6) days each calendar year that will be considered extra paydays. Through Freight employees will be paid time and one-half (at applicable trip rates) for service performed and an additional days pay for each of these days.

ARTICLE VI

MEAL ALLOWANCES

January 1, 2010 - Increased to \$12 and \$24 (currently \$9 and \$18).

ARTICLE VII

401k SAVINGS PLAN

January 1, 2010 - Match will increase to a potential of 30% (currently 20%).

ARTICLE VIII

DESIGNATED SUPERVISOR OF LOCOMOTIVE ENGINEERS (DSLE)

September 1, 2008 - DSLE rate will be increased to \$275 per day (not subject to future wage increases).

ARTICLE IX

DETENTION TIME

January 1, 2010 - Detention Time will commence after 14 hours and accrue until the end of 22 hours.

ARTICLE X

DISABILITY INSURANCE

- Effective September 1, 2008:
- Carrier will increase monthly contribution \$31.00 to \$44.00. Employee contribution will return to \$13.68.
- **DECREASE IN MONTHLY COST TO EMPLOYEE OF \$20.52!**
- \$10.23 per month per employee to be escrowed towards future premium increases.

ARTICLE XI

SCOPE RULE

- Provides a definition of current work and any future work that is exclusively owned by Locomotive Engineers. The rule covers both road and yard operations and offers a clear definition of work that will be assigned to Locomotive Engineers and not to any other craft.

ARTICLE XI

SCOPE RULE (continued)

A Brief History on why we need a Scope Rule

- 2001 UTU makes an Agreement with the Carriers (including NS) to operate remotely controlled locomotives in yard service.
- January 10, 2003 Neutral Gil Vernon rules in SBA 1141 that technology has replaced the Engineer, NOT the Remote Control Operator.
- BLET rules do not serve as a Crew Consist such as UTU.
- Are the BLET's rules regarding rights to service easier to break than UTU's Crew Consist?
- It is the Carrier's strong desire to establish a single person crew in road service, as evident in the recent round of negotiations.

ARTICLE XI

SCOPE RULE (continued)

- An FRA final report published May 2006, “Remote Control Locomotive Operations: Results of Focus Group with RCO’s, Final Report”, reference the Executive Summary on page 2:

“Three focus groups each were conducted in four different locations across the U.S. and Canada. Each focus group used the same set of questions, which concentrated around five major topics:

1. Implementing of Remote Control Locomotive operations
2. Remote Control Operations
3. Current Remote Control Locomotive operations and safety
4. Switchman / Engineer experience
- 5. Other-than-yard Remote Control Locomotive operations**

ARTICLE XI

SCOPE RULE (continued)

- The Scope Rule ensures that Engineers will be on every road assignment as long as a human presence is required.
- Road assignments include *all* assignments other than those working under yard schedule rules.
- Creation of the “Hybrid Job” concept in the yard. The “Hybrid Job” is where a demoted Engineer (holding seniority on applicable rosters) operates a Remote Control Locomotive or can operate conventionally from the cab.

ARTICLE XI

SCOPE RULE (continued)

- In yard service where “Hybrid Engineers” are utilized:
 1. The Carrier must maintain a baseline number of conventional assignments (Engineer in cab using control handles) linked to a ratio of protected Engineers that can only be reduced through attrition.
 2. The baseline number is taken from a “snapshot” of all conventional yard assignments from August 1, 2008.

ARTICLE XI

SCOPE RULE (continued)

- BNSF (as well as the other Class 1s) has been more aggressive at replacing conventional yard assignments with Remote Control assignments and have already lost half (50%) of their yard assignments.
- NS has been much less aggressive. We will preserve much more of our yard assignments where the Carrier intends on using hybrid operations.
- Attrition is based annually by comparing the number of “protected” Engineers with the baseline number of protected Engineers established on August 1, 2008. The attrition percentage derived on each seniority district becomes the percentage that the number of conventional yard assignments can be reduced from the baseline at each yard in the seniority district.
- Currently, NS has the option to forgo the benefits of hybrid operation and rely exclusively on conventional remote control operations. In yards where it elects this option, it does not incur the obligation to maintain any conventional assignments. Absent hybrid jobs, all yard assignments may be converted to remote control.

ARTICLE XI

SCOPE RULE (continued)

- When working Engineer only in road service, Engineers are entitled to a two hour allowance. Nothing in the current Agreements bar engineers from being required to do this, nor provide for any additional compensation.
- If required to operate a locomotive in remote mode, the Engineer will receive a forty six minute allowance.
- ***Neither of these allowances serves to eliminate any train service positions!***
- Unless UTU and NS agree to negotiate sooner, we do not expect the UTU/NS Crew Consist Agreement to become amendable until the last NS trainman hired prior to 1991 retires or otherwise attrites.
- This is expected to occur sometime around 2025 or 2030.

ARTICLE XII

UTILITY ENGINEERS

Creates a position in *yard service*. Allows for payment of an additional \$20.80 per tour of duty. Yard rules will be applicable where any Utility Engineer position is created.

ARTICLE XIII

TRAINER (COACH) ALLOWANCE

January 1, 2010 - Increased to \$20 (currently \$15).

ARTICLE XIV

STANDING BID ARRANGEMENTS

Allows for Carrier to apply technology that will aid in the assignment of permanent vacancies. All Locomotive Engineers will maintain a standing bid sheet that will be used when filling permanent vacancies. This process allows Engineers to list in preference all assignments and will allow for a more immediate assignment of permanent vacancies.

- Applies only to permanent vacancies.
- Does not apply to or eliminate any displacement rules.
- Does not apply to or eliminate any temporary vacancy rules.
- Does not alter any calling orders.
- Eliminates “sharp shooting” practices.
- Favorably received on other properties where it has been in effect.

ARTICLE XV

ADJUSTMENT OF GUARANTEED EXTRA BOARDS

- **Effective January 1, 2010** - The Carrier will not make adjustments in order to reduce the number of positions on the Extra Board more often than three (3) times in a calendar month.

Changes From Last Proposed Agreement

- Eliminated any changes to vacation qualifications.
- Additional 5.5% GWI.
- Added \$1,200.00 signing bonus.
- Added \$3,500.00 lump sum.
- Defined thru freight mileage qualifier for bonus.
- Uncapped limit for banking personal leave days.
- Previously limited to thirty (30) days



Collinwood Yard, circa 1976
Cleveland, Ohio