

AGREEMENT

This agreement is hereby made between the Carriers listed on the signature page below (for convenience referred to hereafter as NSR) and the Brotherhood of Locomotive Engineers and Trainmen (for convenience referred to hereafter as BLET) this 1st day of September 2008.

ARTICLE I - THOROUGHBRED PERFORMANCE BONUS

Section 1

Effective January 1, 2009 and payable in 2010 and each year thereafter, locomotive engineers represented by the undersigned General Committees who work 235 or more starts in through freight service or 220 or more starts in other than through freight service in the year for which the bonus will be calculated will be eligible for a bonus up to ten percent (10%) of their engineer earnings in the preceding calendar year.

Section 2

Effective with the bonus payable in 2010 and each year thereafter, locomotive engineers who work 260 or more starts in through freight service or 248 starts in other than through freight service in the year for which the bonus will be calculated will be eligible for an additional five percent (5%) bonus opportunity.

Section 3

The terms and conditions for the administration of the Thoroughbred Performance Bonus remain as specified in Article I, Sections 3 and 4 of the June 1996 Agreement between the parties, subject to the maximums stated in Sections 1 and 2 above.

Section 4

BLET shall have the unilateral right to accept wage increases as provided in Side Letter No. 1 in lieu of the bonus provided for by Section 1 and 2 of this Article I effective on and after January 1, 2015 by providing written notice to the Carrier of its intention to do so between November 1, 2014 and November 30, 2014.

ARTICLE II – SIGNING BONUS

- (a) Not later than three months after the date of this Agreement each employee covered by this agreement who qualifies under subsection (b) shall be paid a signing bonus of \$1,200.00. Such signing bonus shall be paid in a separate payment and shall be subject to withholdings for applicable Federal, State, and Local Taxes.

- (b) To qualify for the signing bonus an employee must:
 - (1) have an employment relationship with the Carrier as of July 1, 2008 or have retired or died subsequent to the date of this Agreement; and
 - (2)
 - (i) have compensation for active service performed during the period May 1, 2008 through June 30, 2008, or
 - (ii) have been on authorized leave for such entire period of personal illness, on-duty injury, or pursuant to the Family and Medical Leave Act, and return to active service not later than November 1, 2009, or
 - (iii) have been out of service for such entire period due to Carrier disciplinary action that is subsequently rescinded or overturned with pay for all time lost.
- (c) The signing bonus may not be used to offset, construct or increase guarantees in protection agreements or arrangements.

ARTICLE III – LUMP SUM

- (a) Not later than January 1, 2009 each employee covered by this agreement who qualifies under subsection (b) shall be paid a Lump Sum of \$3,500.00. Such Lump Sum shall be paid in a separate payment and shall be subject to withholdings for applicable Federal, State, and Local Taxes.
- (b) To qualify for the Lump Sum an employee must:
 - (1) have an employment relationship with the Carrier as of November 1, 2008 or have retired or died subsequent to the date of this Agreement; and
 - (2)
 - (i) have compensation for active service performed during the period September 1, 2008 through October 31, 2008, or
 - (ii) have been on authorized leave for such entire period of personal illness, on-duty injury, or pursuant to the Family and Medical Leave Act, and return to active service not later than February 1, 2009, or
 - (iii) have been out of service for such entire period due to Carrier disciplinary action that is subsequently rescinded or overturned with pay for all time lost.
- (c) The Lump Sum may not be used to offset, construct or increase guarantees in protection agreements or arrangements.

ARTICLE IV - WAGES

Section 1 - First General Wage Increase

Effective July 1, 2009, all standard basic daily rates of pay for employees represented by BLET in effect on June 30, 2009 shall be increased by five percent (5.0%).

Section 2 - Second General Wage Increase

Effective July 1, 2010, all standard basic daily rates of pay for employees represented by the BLET in effect on June 30, 2010 shall be increased by three percent (3.0%).

Section 3 - Third General Wage Increase

Effective July 1, 2011, all standard basic daily rates of pay for employees represented by the BLET in effect on June 30, 2011 shall be increased by five percent (5.0%).

Section 4 - Fourth General Wage Increase

Effective July 1, 2012, all standard basic daily rates of pay for employees represented by the BLET in effect on June 30, 2012 shall be increased by two percent (2.0%).

Section 5 - Fifth General Wage Increase

Effective July 1, 2013, all standard basic daily rates of pay for employees represented by the BLET in effect on June 30, 2013 shall be increased by two percent (2.0%).

Section 6 - Sixth General Wage Increase

Effective July 1, 2014, all standard basic daily rates of pay for employees represented by the BLET in effect on June 30, 2014 shall be increased by two percent (2.0%).

ARTICLE V - DIFFERENTIALS

Section 1 - Weekend/Holiday Differential

Effective January 1, 2010, Article VI of the November 1, 2003 NSR-BLET agreement is revised in part to provide for the weekend/holiday differential payable to engineers operating in through freight service to be increased to \$45.00 and to provide for the weekend/holiday differential payable to engineers operating in other than through freight service to be increased to \$21.00. No other changes are made to such weekend/holiday differentials.

Section 2 - Extra Pay Days

For 2010 and for each calendar year thereafter, the Company will designate six (6) Extra Pay (EP) days. The Company will notify the union of the designated EP days (which may differ from year to year and from location to location) prior to the beginning of the involved calendar year. Through freight employees who go on duty between 12:00 a.m. and 11:59 p.m. on a designated EP day will be paid time and one half for the service they perform as well as an additional basic day's pay. Employees who

receive pay under this EP arrangement will not be eligible to receive a weekend/holiday differential for that same day nor will overtime be paid on overtime.

ARTICLE VI - AWAY FROM HOME MEAL ALLOWANCES

Effective January 1, 2010, the meal allowance provided for by Article II, Section 2, of the June 25, 1964 National Agreement, as amended, and as further amended by the NSR-BLET Agreement dated November 1, 2003, is increased from \$9.00 to \$12.00

ARTICLE VII- 401(k) SAVINGS PLAN

Effective January 1, 2010, paragraphs (a) and (b) in Section 2 of Article VIII of the November 1, 2003 NSR-BLET Agreement are revised to read as follows.

- (a) Commencing with the year 2010, and from year to year thereafter, the Carrier will match up to thirty percent (30%) of the contribution by an engineer to the BLET 401(k) plan. The Carrier's match (match) will be in the form of cash.
- (b) The match is subject to the following limitations:
 - (1) the match will apply to the first 10% of an employee's engineer earnings which are the basis for his or her contribution to the BLET 401(k) Plan, so that the match will not exceed three percent (3%) of the participating employee's annual earnings; and
 - (2) the match will not exceed the maximum prescribed by law; and
 - (3) the match is contingent upon the extent to which the Thoroughbred Performance Bonus is achieved. When the results achieved fall short of the maximum percentage pay out, the match will be prorated in the same manner as the Thoroughbred Performance Bonus. The match for 2010 will be delivered to the Trustee of the BLET 401(k) Plan during the first quarter of 2011, reflecting Thoroughbred Performance Bonus performance during 2009. Subsequent deliveries shall occur from year to year thereafter.

ARTICLE VIII – DESIGNATED SUPERVISOR OF LOCOMOTIVE ENGINEERS

Effective September 1, 2008, the rate of pay for Designated Supervisors of Locomotive Engineers (DSLE) will be increased to \$275.00 per day (not subject to future wage increases).

ARTICLE IX – DETENTION TIME

Effective January 1, 2010, provisions applicable to detention time are revised so as to provide that employees eligible to receive detention time will begin to be paid detention time after 14 hours at the away from home terminal (and if held 14 hours after the expiration of the first 22 hour period, they will be paid continuous time for the time so held during the next succeeding 8 hours, or until the end of the second 22 hour period, and similarly for each 22 hour period thereafter). All other provisions and practices respecting the timing of and amount paid for detention time remain unchanged.

ARTICLE X – DISABILITY

Effective September 1, 2008, the December 1, 2004 Letter Agreement (as amended January 1, 2008) is revised so as to increase the amount to be remitted by NSR to the designated BLET Short Term Disability (STD) Plan to \$57.68 per month for employees specified in that letter agreement. Each employee for whom NSR makes such a \$57.68 contribution will have his or her gross pay reduced by the sum of \$13.68 in the same pay period as NSR's contribution to the Plan. BLET and/or the BLET plan will continue to be responsible for the payment of employer taxes, if any, applicable to such STD benefits.

ARTICLE XI – SCOPE

Section 1 - Road Service

1. (a) On any job or assignment in any class of road service, an NSR locomotive engineer will operate every conventional (on-board, fixed control) and every non-conventional (remote control) locomotive or form of motive power used in assigned or unassigned service, whether such operation requires the use of conventional controls or any human control or any other operating equipment or system of controls. On any job or assignment in any class of road service, a locomotive engineer will be assigned use of any remote control locomotive equipment deployed by the company, provided such assignment would not preclude use of remote control equipment by others in addition to the engineer.
 - (b) On any job or assignment in any class of road service, an NSR locomotive engineer will operate any on-rail equipment that may come into use in the future, when such operation requires any human operation or control, conventional or otherwise.
 - (c) If operation of the train or locomotive or other on-rail equipment in any class of road service calls for any on-board human presence (e.g., an “attendant,” “overrider” or “lookout”), then an NSR locomotive engineer will perform that function on that train, locomotive, or other on-rail equipment.
 - (d) If, in any form of on-rail road service, no on-board presence is required, but any human remote control operation occurs, even from a distant, fixed location, then such human operation of remote control will be performed by an NSR locomotive engineer, provided such operation is not wholly incidental to another employee's duties (e.g., a dispatcher's).
 - (e) All locomotive engineer positions referred to in this Article VI, Section 1 will be filled from the engineers' seniority roster consistent with BLET agreements governing assignment and promotion from that roster.
2. (a) A locomotive engineer working engineer-only in road service will be paid a special allowance per tour of duty or working start paid on the basis of a new day in an amount equal to two hours' pay at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an engineer per tour of duty or working start paid on the basis of a new day.
 - (b) Each locomotive engineer operating remote control locomotive equipment will be paid a special allowance per tour of duty or working start paid on the basis of a new day in an amount equal to forty-six minutes at the straight time hourly rate of the applicable position in addition to

all other earnings. In no event will there be more than one such payment to an engineer per tour of duty or working start paid on the basis of a new day.

Section 2 - Yard Service

1. (a) On any job or assignment in any class of yard service, an NSR locomotive engineer will operate every purely conventional (on-board, fixed control) locomotive or form of motive power used in yard service.

(b) On any job or assignment in any class of yard service, an NSR locomotive engineer may be required to operate a non-conventional (remote control) locomotive or motive power used in yard service. Each locomotive engineer operating remote control locomotive equipment will be paid a special allowance per tour of duty or working start paid on the basis of a new day in an amount equal to forty-six minutes at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an engineer per tour of duty or working start paid on the basis of a new day.
2. On any job or assignment in any class of yard service, on which both conventional (on-board, fixed) controls are used to operate at least some of that job or assignment and remote control locomotive equipment is in use, a locomotive engineer holding engineer seniority shall operate the conventional controls, except as indicated in Section 2, paragraph 3(a) below.
3. (a) The parties will identify the number of conventional yard engineer jobs and assignments at each location on August 1, 2008 and that number of jobs and assignments will be the "baseline" number of "protected" yard engineer jobs and assignments in the application of this Section 2, paragraph 3(a). The parties will identify the number of employees holding engineer seniority on each seniority district on the effective date of this Agreement including those who are in LET on that date (who later establish engineer seniority on each such district). Only those locomotive engineers are "covered" engineers in the application of this Section 2, paragraph 3(a).

On August 1, 2009 and every August 1 thereafter, the parties shall determine the percentage of covered engineers on each seniority district who have attrited from service since the date of this Agreement. Then, on each such August 1, the number of protected yard engineer jobs and assignments at each location shall be determined by applying that percentage reduction in covered engineers to the baseline number (original – on August 1, 2008) of conventional yard engineer jobs and assignments. Then, so long as that resulting number of protected yard engineer jobs and assignments (conventional and/or utility) is made available to all covered engineers remaining at that time on the pertinent seniority district, a locomotive engineer need not be assigned to or otherwise work on any yard job or assignment operated "hybrid" (part remote control/part conventional control by a ground service employee) at that location, and a ground service employee may use conventional controls to perform work of any such hybrid job or assignment, subject to paragraph 3(b) below.

(b) In the alternative, regardless of how many protected yard engineer jobs and assignments remain at a location under paragraph 3(a) above, whenever any protected yard job or assignment is not filled by an engineer bid sheet from a covered engineer, that job or assignment may be operated hybrid, i.e., without a locomotive engineer but with a ground service employee using conventional controls to perform work of that hybrid yard job or assignment, subject to paragraph 3(c) below. However, if a covered engineer later has displacement rights and desires to place to the protected job or assignment being operated hybrid in this situation, it will be made available to the covered engineer.

(c) Every hybrid operation also is conditioned on (1) a material portion of any such hybrid job's or assignment's work being performed by remote control operations, and (2) any ground service employee who uses the conventional controls on such hybrid job or assignment holding a "train service engineer" certification under Federal Railroad Administration regulations, or after November 1, 2014, any other appropriate certifications.

Prior to November 1, 2014, the company will not establish a new class or sub-class of engineer certification covering conventional (on-board, fixed) control operation less than "train service engineer" as established by NSR under applicable federal regulations as a means of changing the interpretation or application of this Article. Changes in purely remote control certification are not barred by this Article.

(d) There shall be no claim on behalf of, or penalty to, any locomotive engineer or LET based on a hybrid operation fully compliant with the terms of this Article VI, Section 2.

4. In the application of Section 2 of this Article, hybrid operations are geographically limited to switching limits in effect on the effective date of this Agreement, or the road-yard service zones established under Article VIII, Section 2 of the 1986 Arbitrated Agreement, whichever are larger. And, if such an operation is at a location where the switching limits have been expanded since 1978, a subsequent expansion of the switching limits will not have the effect of expanding the area in which hybrid operations under Section 2 may occur. Further, if such an operation is at a location where the switching limits have not been expanded since 1978, a subsequent expansion of the switching limits may expand the area in which hybrid operations under Section 2 may occur, but not more than 20 miles beyond the original switching limits.
5. All locomotive engineer positions referred to in this Article VI will be filled from the engineer seniority roster consistent with BLET agreements governing assignment and promotion from that roster.

Section 3 - General

The exclusive duties and responsibilities of engineers, as identified in this Article, will not be assigned to others. Nothing in this Article requires, or is ever to be taken to require, more than one engineer per train, locomotive, or other on-rail equipment. Nothing in this Article limits or affects, or is ever to be taken to limit or affect, yard service that operates exclusively by use of remote control locomotive equipment.

ARTICLE XII – UTILITY ENGINEERS

Wherever the company has yard service, it may establish utility yard engineer positions to operate as regular or extra service. A utility yard engineer, with or without a ground crew, may perform any service currently performed by a yard engineer and will work under and be paid according to all effective BLET/NSR schedule rules governing yard service. A utility yard engineer may be attached to more than one ground crew during the engineer's tour of duty, but not to more than one ground crew at any one time.

Engineers assigned to work as utility yard engineers will be paid an additional amount of \$20.80. That amount will be increased by subsequent general wage increases. In no event will there be more than one such payment to an engineer per tour of duty.

All locomotive engineer positions referred to in this Article will be filled from the engineers' seniority roster consistent with BLET agreements governing assignment and promotion from that roster.

ARTICLE XIII - TRAINER (COACH) ALLOWANCE

Effective January 1, 2010, the Letter Agreement dated December 23, 1998 is amended to increase the trainer (coach) allowance from \$15.00 to \$20.00.

ARTICLE XIV – STANDING BID ARRANGEMENT

When technology and other necessary administrative support is available, the company may implement and utilize a standing bid arrangement as more fully described below.

A standing bid list may be established at any engineer supply point and will serve as the exclusive method for assignments to permanent positions. The standing bid list will include all engineer positions (including the extra board) for the involved supply point.

Engineers will electronically indicate their individual preferences for all positions (including the position they currently hold, if any). An Engineer's most preferred position would be denoted as "one," his or her next most preferred position would be denoted as "two," the third most preferred position would be denoted as "three" and so on.

ARTICLE XV - ADJUSTMENT OF GUARANTEED EXTRA BOARDS

Effective January 1, 2010, NSR will not make adjustments in order to reduce the number of positions assigned to a guaranteed extra board more often than three times in a calendar month. All other provisions respecting the establishment, adjustment, or use of guaranteed (or non-guaranteed extra boards) are not changed.

ARTICLE XVI - GENERAL PROVISIONS

Section 1

This Agreement shall remain in effect through December 31, 2014 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 November 1, 2014 (not to become effective before January 1, 2015) any notice or proposal (and any pending notices or proposals are hereby withdrawn).

Section 2

It is expected that following the moratorium period contained in the July 1, 2007 National BLET Agreement, another national agreement (hereafter Next National Agreement or NNA) will be reached. It is agreed that provisions applicable to health and welfare (H&W), cost saving, productivity improvement and classification (under these or similar designations) contained in the NNA will be applicable to NSR.

It is intended that adoption of the H&W provisions from the NNA will a) cause the same plan design changes as are contained in the NNA to apply to employees covered by the NSR Agreement; and

b) except as provided below, require NSR employees to make H&W contributions in the same amounts and on the same periodic basis as employees covered by the NNA.

While the Thoroughbred Performance Bonus is in effect, the parties agree that retroactive H&W employee contributions may be deducted from bonus amounts that otherwise would have been payable in lieu of recovering such retroactive contributions through payroll deduction. In that event, the applicable bonus amount(s) will be recalculated so as to reduce them by the amount of the required retroactive contributions.

Signed at Norfolk, Virginia, this 24th day of July 2008.

FOR THE CARRIERS:

H.R.M. subject to ratification
H. R. Mobley
Vice President Labor Relations
Norfolk Southern Railway Company

FOR THE EMPLOYEES REPRESENTED BY
THE BROTHERHOOD OF LOCOMOTIVE
ENGINEERS AND TRAINMEN:

C.W.D. Subject to Ratification
C. W. Davis, General Chairman

W.E.K. subject to ratification
W. E. Knight, General Chairman

R.C.W. subject to ratification
R. C. Wallace, General Chairman

PARTICIPATING CARRIERS:

Norfolk Southern Railway Company
The Alabama Great Southern Railway Company
Central of Georgia Railway Company
The Cincinnati, New Orleans & Texas Railway Company
Georgia Southern and Florida Railway Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company