

SMART
Transportation Division

JOHN D. WHITAKER, III
GENERAL CHAIRMAN (SCL)

3560 Cardinal Point Dr.
Suites 103 and 104
Jacksonville, FL 32257

TRAVIS RAYNES
GENERAL CHAIRMAN (CO)

DALE BARNETT
GENERAL CHAIRMAN (LN)

JAMES DARBY
GENERAL CHAIRMAN (AWP)

To : All CSRA Officers and Members

January 7, 2015

RE: SNAPBACK – GWIs towards GEBs/FRBs

This correspondence is to advise all Officers and Members of the Carrier's position and handling of 'snapback' provisions of the CSRA Moratorium and its application to the Guaranteed Extra Boards (GEB) and Furlough Retention Boards (FRB).

On December 3, 2014 the CSRA General Chairmen were advised, during conference, by CSX Labor Relations HDO Sam Macedonio that he felt the 8.2% GWIs from the snapback provisions of the CSRA Moratorium would not apply to the GEB's or FRB's. However, the 3% GWI, effective January 1, 2015, would be applied. His opinion was based upon the reference to the language of "standard basic daily rates" and his interpretation that guarantees are not daily rated.

"Effective January 1, 2015 all standard basic daily rates of pay for trainmen subject to Agreements between CSXT and the United Transportation Union shall be increased by taking the rates of pay in effect on December 31, 2009 and applying all subsequent General Wage Increases resulting from the UTU National Agreements prior to or on January 1, 2015."

The General Chairmen and Vice President Wier vigorously refuted his allegations and terminated our conference.

On December 5, 2014 the General Chairmen submitted a letter to Labor Relations relating to the topics discussed in order to provide clarification on the handling of the provisions of the snapback effective January 1, 2015. (See attached letter).

On December 19, 2014 we received the Carrier's response to our request, in which they changed their position and advised it was not their intent to apply the 8.2% or 3% GWI, to the GEBs and the FRBs. Upon notification of the Carrier's indented actions we immediately sought counsel with the SMART-TD International offices and our legal department concerning actions being considered by our offices. (See attached letter)

On December 23, 2014 our offices provided additional support to the Carrier in an effort to have them reconsider their position. We received confirmation of their receipt and were advised they would review the documentation provided and respond.

On December 31, 2014 contact was made with HDO Macedonio in order to obtain the Carrier's final position on the application of the GWI's to the GEB's and FRB's at which time we were advised that the Carrier was not willing to apply the GWIs. Another meeting was offered in order to look at other items of dispute in order to reach some kind of settlement. The offer was rejected based upon the Carrier's unfounded position and lack of professional handling. Over the holidays, Labor Relations tried to locate the General Chairmen to force us to commit to them whether we were going to seek a major dispute or resolve under a minor dispute. The Carrier has gone so far as to write up their draft to a federal court in Cleveland for a temporary injunction that they wanted to serve to the court and to our respective General Chairmen to prevent our declaring a major dispute.

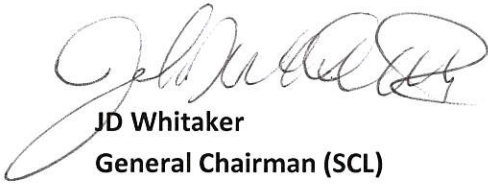
On January 5, 2015 the Organization declared this to be a major dispute and served a Non Acquiescence Letter demanding an immediate meeting to address the application of GWIs to the GEB's and FRB's, for which at this time we have not received a response. (See attached letter)

We find this to be a major dispute under the provisions of the Railway Labor Act and warrants us to seek authority from the International for work stoppage authority. CSX is stating this is an interpretation issue and thus a minor dispute. The International would, of course, have to approve such work stoppage action since the legal department would have to defend our Committees when the Carrier attempts to seek financial damages. The first step by the Carrier is to seek a temporary injunction with a federal court to prevent us from striking, while the issue of major and minor dispute is argued. If it is deemed a minor dispute by the court then there would be a permanent injunction issued and we would have to take the matter to an immediate expedited arbitration case, with a party pay system. If it is ruled a major dispute then the injunction will be lifted and we would seek and be granted work stoppage authority, to which the Carrier would seek Congress and the President to issue an order to return to work under the Interstate Commerce Act.

It is important that the Carrier's newfound position was never mentioned or discussed during the months of bargaining, even though we warned them many times that issues presented in bargaining were not meeting or exceeding what could be gained in snapback. This could very well be retaliating for us not being able to reach accord on an agreement. Whatever the reason, our offices do not feel the Carrier's position is warranted, nor do we feel they will prevail on this matter. This also further validates the reasons we could not trust them enough to reach a voluntary agreement.

Please bear with our Committees while we combat this issue. We will certainly keep all members advised on the status of this dispute.

Fraternally,



JD Whitaker
General Chairman (SCL)



Dale Barnett
General Chairman (LN)



James Darby
General Chairman (AWP)



Travis Raynes
General Chairman (CO)

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JAMES DARBY
GENERAL CHAIRMAN (AWP)

December 5, 2014

Mr. Sam Macedonio
Director, Labor Relations
CSX Transportation
6735 Southpoint Drive South, J-455
Jacksonville, FL 32216

CONFIDENTIAL

RE: 2014 CSRA SNAP-BACK, EFFECTIVE 1-1-15

Dear Sir:

This letter is in response to our discussions on December 3, 2014, concerning the above-referenced matter.

Below is a list of the agenda topics and our recount concerning each issue:

*** Adjustment of Standard Basic Daily Rates of Pay –**

The Carrier advised that they would use the B&O rates currently in effect and add an additional 3% effective January 1, 2015. This would equal an 11.2% GWI based upon the 8.2% snap-back provision and the additional 3% GWI covered under the 2011 UTU National Agreement.

We were advised that the GWI modifications would require programming, and that such was scheduled to be completed by January 12, 2015. Payroll Director Jennifer Gorneault advised that it was the Carrier's intent to have this completed by January 5, 2015, so that payments could be applied to the January 6, 2015 payment. If not corrected all retro-active payments would be made on the following pay period.

*** Adjustments of Extra Board Rates –**

You advised that the Carrier was still attempting to determine whether the 8.2% GWI snap-back provisions applied to the guaranteed extra boards and that you advised the 3% GWI, effective 1-1-15, would be applied in accordance with the Moratorium provision, D, 2, C. At that point,

we specifically asked you to explain what agreement language you were referencing to draw your comments that the 8.2% GWI would not apply to the GEBs. You referenced Article 5, Section 3, A and B, as your support.

Further you eluded that the guarantee extra board rates of pay and the furlough retention board rates of pay were not figured on a daily rate. The CSRA General Chairmen advised you that your allegations were improper concerning both statements of this application.

Finally, you stated that you had attempted to contact former HDO Myron Becker, one of the framers of the CSRA, to better understand the snap-back provisions. However, you stated that you had not received a return call.

Based upon the seriousness of this quandary, the CSRA General Chairmen offered to place a call to both former HDO Becker and former UTU GC Hancock during our meeting. If clarification was what the Carrier was seeking, then we were certainly willing to oblige your curiosity. Our offer was vehemently denied based upon your comments that we did not have enough time.

* **Payout of Last Stock Award –**

July 1 – December 31, 2014 – individual performance award stock will be paid out on January 15, 2015.

* **Handling of Last DDO Awards –**

2014 fourth quarter DDO entitlements will be available on January 1st or 2nd for use in the first quarter of 2015.

* **Payment of Last Bonus –**

The 2014 performance bonus will be paid on February 18, 2015. Employees will be allowed to view their bonus payments on February 6th by utilizing “My Pay” on the Employee Gateway.

Additionally, you advised that the 401”K” deferral letters would be sent to all employees at the end of next week to allow them to utilize their option to defer bonus payments to their 401”K”. Such election would have to take place in between December 15th and December 31st.

* **Termination of BF Payment on 12/31/14 –**

This claim will end for former L&N, NC&STL property based on the Twomey award and it is stated in the Moratorium.

Outstanding bus fare claims will be conference for payment.

Agreements.CSRA.Macedonio2014.snap-back meeting letter

* **Side-Letter 4 rates –**

Side –Letter 4 payments for each property will be increased by 11.2% and payable on January 1, 2015.

* **Timing of Increases –**


Previously covered in the above-referenced items.

* **Other Issues raised by either party –**

Further discussion was tabled until a later date.

Having summarized our discussions of December 3, 2014, be advised your statements implying that 8.2% in GWIs flowing from the 2011 National Agreement may not be applied by CSXT to guaranteed extra boards and furlough retention boards, carry with them potentially serious financial ramifications for our members, your employees, without any contractual support whatsoever. Consequently, should the Carrier decide to pursue such a misguided path, the CSRA General Chairmen find it necessary to request that you respond immediately providing CSXT's position, in writing, relative to their decision. We also find it necessary to place you on written notice that such action would be taken at your own peril, noting that we intend to pursue all avenues at our disposal to reverse such an overtly erroneous application of our agreement.

Sincerely,



JD Whitaker
General Chairman (SCL)



Dale Barnett
General Chairman (LN)



James Darby
General Chairman (AWP)



Travis Raynes
General Chairman (CO)

Cy: David Wier, Vice President, SMART – TD
CSRA Local Chairpersons



Sam Macedonio
Director-Labor Relations

Labor Relations Department
6735 Southpoint Dr. South J-455
Jacksonville, Florida 32216

Writer's Direct Contact Information:
Phone: (904) 279-3938
Fax: (904) 279-3329
E-Mail: Salvatore_Macedonio@csx.com

December 19, 2014

Mr. J. D. Whitaker, General Chairman
United Transportation Union
3560 Cardinal Point Drive – Suite 104
Jacksonville, FL 32257

Mr. T. M. Raynes, General Chairman
United Transportation Union
1319 Chestnut Street
Kenova, WV 25530

Mr. J. Darby, General Chairman
United Transportation Union
1160 County Road 499
Valley, AL 36854

Mr. Dale Barnett
United Transportation Union
3560 Cardinal Point Drive – Suite 103
Jacksonville, FL 32257

RE: Follow-up to December 3, 2014, Meeting

Gentlemen:

This letter serves as a follow up to our December 3, 2014, meeting regarding the CSRA Snap Back and your subsequent letter dated December 5, 2014. The points addressed in our meeting are summarized below.

- Adjustment of Standard Basic Daily Rates of Pay
 - Effective January 1, 2015, the rates of pay will match the National / B&O UTU rates of pay, which are posted on the Gateway.
 - Due to the need for programming changes, the updated rates will not be reflected on January 1. Payroll is planning to have the rates in place by January 12. If the programming changes are implemented according to plan, all adjustments to rates will be included in the first pay date which includes 2015 earnings – January 16, 2014. If the programming process does not go according to plan, all necessary retroactive payments will be made.
- Adjustment of Extra Board and Other Rates
 - By its terms, the Snap Back provision of Paragraph D.2.c. of the CSRA is limited to “standard basic daily rates.” The Snap Back clearly does not apply to other than such rates. Therefore, it is clear that other rates such as guaranteed extra board rates and furlough retention board rates do not receive the increases associated with Snap Back.

At our meeting, you stated the position that not applying Snap Back to guaranteed rates is a misapplication of the Agreement. Further, you stated the guaranteed extra board rates are inseparably based upon the standard basic daily rates.

However, at our meeting and in your subsequent letter, you have not presented any agreement language which supports your position.

Guaranteed extra board rates clearly are not standard basic daily rates. In fact, the practice for creating guaranteed extra board rates is not based upon standard basic daily rates. As you know, standard basic daily rates are fixed, published, national rates. On the other hand, guaranteed rates are set by the conditions of local agreements, and do not consist of a formula using a standard basic daily rate multiplied by a number of days.

The separate treatment of standard basic daily rates and guaranteed extra board rates in the CSRA shows that the parties understood that guaranteed extra board rates and other such rates are not standard basic daily rates. CSRA Article 5, Section 3, which provides GWIs from 2012 through 2014, outlines GWIs for standard basic daily rates separate and apart from other rates. Paragraph A addresses standard rates of pay. The application of GWIs to other rates, including guaranteed extra board rates, is addressed separately under Paragraph B. CSRA Article 5, Section 3, stipulates GWIs will be applied to standard rates *and* other rates.

Similarly, the National Agreement addresses standard daily rates separate and apart from other rates. In Article I of the National Agreement, Sections 1-6 specifically address the GWIs for standard basic daily rates of pay. Other rates, including guaranteed rates, are addressed separately under Section 8. Like CSRA Article 5, Section 3, the National Agreement stipulates the application of GWIs to standard basic daily rates *and* other rates.

In contrast to the 2011 UTU National Agreement and CSRA Article 5, the Snap Back language only provides for increases to the standard basic daily rates. There is no provision in the Snap Back language for rates other than the standard basic daily rates. This distinction between standard basic daily rates and other rates contained in the National Agreement and CSRA Article 5 indicates the Snap Back GWIs are not applied to rates other than the standard basic daily rates. If the parties had intended that they apply to extra board and other rates, they would have used different language in Paragraph D.2.c.

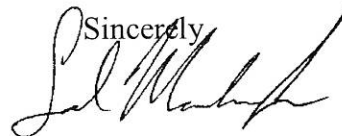
To clarify CSXT's position from the December 3 meeting, under the terms of the CSRA Moratorium, just as other-than standard basic daily rates do not receive the past National GWI increases, they also do not receive the National GWI effective January 1, 2015.

Finally, the fact the CSRA Moratorium provisions do not address rates other than standard basic daily rates is a reflection of the CSRA's intent, rather than a haphazard omission. The provisions, in part, were intended to provide an incentive to the Organization to remain in local bargaining and continue a wage package which included a performance element.

It has been said of contracts and agreements many times, "words have meaning." In the same light, the absence of words has meaning too. While the parties' discussion has focused on guaranteed extra board rates, the fact the CSRA Moratorium provisions do not provide Snap Back for rates other than the standard basic daily rates of pay clearly indicates guaranteed extra board and other rates are not subject to Snap Back.

- Payout of Last Stock Award
 - The payout of the last stock award will be determined based on July 1 through December 31, 2014, criteria and will be paid in the usual manner.
- Handling of the Last DDO Awards
 - The last DDO Awards will be credited by January 2, 2015, based on 2014 fourth-quarter criteria.
- Payment of Last Bonus
 - The payout of the last bonus will be determined based on 2014 earnings and will be paid by March 1, 2015.
- Termination of BF Payments on December 31, 2014
 - Bus fare will no longer be a valid claim at the end of 2014. Outstanding bus fare claims will be conferenced in the usual manner.
- Side Letter 4 Rates
 - Side letter 4 rates will be handled in the same manner as the standard basic daily rates of pay.
- Timing of Increases
 - The timing of future GWIs will follow the next National Agreement.

If the Organization still maintains its position concerning extra board and FRB rates in the absence of contractual support, I suggest that the parties meet one additional time. Any unresolved dispute would clearly be a minor dispute under the Railway Labor Act. In that regard, CSXT is also willing to have the parties' dispute submitted to expedited arbitration.

Sincerely,


Sam Macedonio
Director Labor Relations

CC: J. Gorneault, Director Payroll

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GENERAL CHAIRMAN (CO)

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GENERAL CHAIRMAN (LN)

JAMES DARBY
GENERAL CHAIRMAN (AWP)

January 5, 2015

Mr. Sam Macedonio
Director, Labor Relations, CSXT
6735 Southpoint Drive South, J-455
Jacksonville, FL 32216

CERTIFIED MAIL

Dear Sir:

The Committees have learned that on December 19, 2014, per a letter, and on December 31, 2014, per a phone conversation, the Carrier would not honor the "snap-back" provisions found in the Moratorium Provisions, paragraph D.2.(C) of CSXT Labor Agreement 4-037-09 outlined in your attached letter, specifically the application of the GWIs towards GEBs and FRBs. The Committees absolutely disagree that the Carrier has any right, under existing agreement(s) and practices to do so. The Committees would consider this a major dispute considering the Carrier has unilaterally changed the provisions of the wages and rules of the agreement. Our Committees will seek counsel with our International to achieve any means possible to contest this action by the Carrier.

Further, because of the importance of this matter, we demand an immediate meeting regarding this matter since the "Act" places an affirmative duty upon the parties to "make and maintain agreements." Please advise as to when we will meet.

Sincerely,


JD Whitaker

General Chairman (SCL)


James Darby

General Chairman (AWP)


Dale Barnett

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Travis Raynes

General Chairman (CO)

Cy: John Previsich, President, SMART – TD
John Lewniewski, Asst. President, SMART – TD
Kevin Brodar, General Counsel, SMART – TD
Lisa Mancini, Sr. Vice President, Labor Relations, CSXT
Cressie Brown, Vice President, Labor Relations, CSXT
David Ingoldsby, Asst. Vice President, Labor Relations, CSXT

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Sam Macedonio
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Labor Relations Department
6735 Southpoint Dr. South J-455
Jacksonville, Florida 32216

Writer's Direct Contact Information:
Phone: (904) 279-3938
Fax: (904) 279-3329
E-Mail: Salvatore_Macedonio@csx.com

December 19, 2014

Mr. J. D. Whitaker, General Chairman
United Transportation Union
3560 Cardinal Point Drive – Suite 104
Jacksonville, FL 32257

Mr. T. M. Raynes, General Chairman
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1319 Chestnut Street
Kenova, WV 25530

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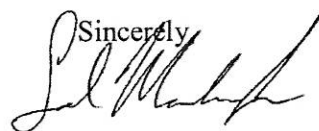
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