



UNITED TRANSPORTATION UNION

JOHN D. WHITAKER, III
GENERAL CHAIRMAN (SCL)

J.R. TOWNSEND
GENERAL CHAIRMAN (CO)

ED WEATHERS
GENERAL CHAIRMAN (LN)

JAMES DARBY
GENERAL CHAIRMAN (AWP)

MEMORANDUM

October XX, 2012

**TO: CSXT LOCAL CHAIRPERSONS
CSXT VICE LOCAL CHAIRPERSONS
CSXT SECRETARIES/TREASURERS**

RE: SIDE-LETTER NO. 4 PROPOSAL

Brothers and Sisters:

As most of you are aware, we have been meeting with the Carrier in Side-Letter No. 4 discussions for the past two years. During the Region Meeting in Memphis, we had a collective meeting with all four General Committees and discussed, at length, the fruits of those talks thus far. The discussions have since concluded, with the results being the proposed agreement that is attached.

This memorandum will serve as our encouragement for you to start discussing the proposed agreement with your membership. To assist you in presenting this agreement in the field, a brief synopsis of the agreement is provided with the following –

- 1. Conductor Certification** As has been detailed before now, we have conductor certification listed as one of our DRC disputes, seeking to gain the same provisions for our members as enjoyed by those under national handling. However, this agreement will guarantee that we receive the \$5.00 conductor certification pay upon ratification or around December, 2012, when payment is made to the Northern Region which is covered under the National Agreement. It is our goal to provide a similar application to our members under the CSRA as those under the National Agreement.
- 2. Entry Rate Bonus** The Entry Rate Bonus provisions found in the 2011 UTU/NCCC National Agreement would also apply to CSRA Trainmen. Current members who have completed training for entry into the train service, and were subject on or after May 1, 2011, to compensation at a reduced rate pursuant to the then applicable service, scale/rate protection rule, shall receive the one-time bonus of \$3,000.00. That

would include members who had been subject to entry rates with a Trainman seniority date of May 2, 2006 through those who mark up in train service prior to the date of the agreement.

3. **Rate Progression** The new Entry Rate Progression provisions found in the 2011 UTU/NCCC National Agreement would also apply to CSRA Trainmen who enter train service on or after the date of the agreement. The national agreement changes what had been a five year rate scale to a four year cycle of rate progression. Those who are not covered under Item 3 above will be subject to that accelerated rate progression, which is shown below –
 - a) 80% of the applicable full rate during the (1st) first year of service (75% plus 5% with promotion to conductor);
 - b) 80% during the second (2nd) year of service;
 - c) 85% during the third (3rd) year of service;
 - d) 90% during the fourth (4th) year of service; and
 - e) 100% on and after completion of the fourth (4th) year of service.
4. **Individual Performance Award** Article 5, Section 2 of the CSRA will be modified, to account for the recent 3 for 1 CSX stack split, as follows –
 - a) Effective July 1, 2012, and payable in 2013, trainmen will be eligible for an award of up to a maximum of fifty (50) shares of CSX Corporation Common stock;
 - b) Effective January 1, 2013, and payable in 2014, trainmen will be eligible for an award of up to a maximum of one hundred and fifty (150) shares of CSX Corporation Common stock; and
 - c) Effective January 1, 2013, and payable in 2015, trainmen will be eligible for an award of up to a maximum of one hundred and fifty (150) shares of CSX Corporation Common stock.
5. **Discipline Forgiveness** Employees with at least five (5) years of conductor seniority, and who are governed by this agreement, will be subject to the following –
 - a) An employee who maintains a clear record (no IDPAP or attendance discipline events) for either the first or second half of a year (Jan-Jun or Jul-Dec) will cancel the one (1) latest disciplinary entry (IDPAP or absenteeism) for that half, up to two per year;
 - b) Should that employee maintain a clear record for two consecutive six month periods (1st and 2nd or 2nd and 1st), the employee would have an additional (3rd) discipline entry cleared from his service record; and
 - c) This discipline forgiveness would be retroactive back to the period beginning January 1, 2012.
6. **Payroll simplification** Payroll simplification is just that, the simplifying of payroll by the consolidation of historical claim constructive code payments into a premium applied to the compensation of every working start made by members in the future. The

value of that premium is the sum of the involved constructive codes' values. Each code's value is determined using simple math by dividing the 2011 total Carrier's cost of a constructive code (actual amount paid plus 75% of the outstanding claims appealed but unpaid as yet) by the total number of 2011 working starts. The established values of all the included constructive codes would then be added together, and the total would be the premium that would be paid with each working start.

The initial constructive codes that were included were those frozen rated codes that are figured into Trip Rate Calculations (ITD, FTD, and others). The rate of pay for those codes has remained the same for years, but would now be unfrozen and subject to GWIs. The frozen rated air hose pay, which are payable only to pre-1985 employees and would disappear when they do, was preserved by including that code and made it subject to GWIs.

A list of additional constructive codes, and the value thereof, was reviewed for inclusion into payroll simplification. The result was the determined dollar value of the Single Allowance that was shared with you at the Region Meeting in Memphis. However, after consideration of the concerns some of you had raised, some of the codes suggested by the Carrier were excluded from the list (i.e. 40, 75, etc.). It was also determined that each individual CSRA property would have their Single Allowance based on the claims submitted on each individual property. The cumulative results were the final Single Allowance figures found in the agreement for the individual properties, and not the one single figure originally presented.

If enacted, the members would be paid a portion of what had been the claim amount each and every day they work, as opposed to having to submit a claim for an occurrence. Even though the payments are automatically made to the members based on previous violations, it would not alter agreement provisions or relax work rules now in place.

- 7. Protective Provisions** Certain constructive codes, which are noted with an asterisk, may be reactivated should they be an upturn in the amount of total instances which would normally have generated those claims. The others could be reactivated through arbitration, should it be determined that abuse was taking place.

It has been scheduled for the Local Chairmen to come to Jacksonville the week of November 12, 2012, in order to schedule the 2013 vacations and hopefully to be given LCAT training if desired. It was noted in the provided itinerary, a meeting is scheduled with the four General Chairmen, the Vice President of transportation/operations and Labor Relations officers to openly discuss the proposed agreement.

Prior to that time, we respectfully request that all Local Officers and Chairmen start discussing the above with the membership in order for us to gain a sense of their opinion regarding the agreement. It should be stressed that this agreement secures several things that we do not have (cert pay, entry rates, discipline forgiveness, and stock adjustments) prior to the next round of bargaining for the next agreement. With those items already in hand, we would not have to negotiate for them in the future and could center our focus during those talks on wages and working conditions.

Should you have any questions or concerns arise, please direct them to Edith Dix at edith@utu513.org. Ms. Dix will forward the issues to each of the General Chairmen signatory to the CSRA who will, in turn, provide a unified response. It is our goal that all questions are addressed uniformly prior to ballots being sent out to you for the ratification process.

We thank you, in advance, for your time and dedication to the Organization for the many issues you face head-on every day.