



BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN

GENERAL COMMITTEE OF ADJUSTMENT – Canadian National/Wisconsin Central Ltd - Fox Valley & Western Ltd

1110 Gertrude Street Unit A
Kaukauna, WI 54130
PHONE: 920-462-4509
FAX: 920-462-4511
Email: jreynoldsblet@newbc.rr.com

June 29, 2013

RE: TENTATIVE MEDIATION A-13676 AGREEMENT

Dear Sirs and Brothers:

On June 6, 2013 the undersigned initialed a tentative Agreement with the CN. Please review the Tentative Agreement that is enclosed with this letter. Also enclosed are the dates and times of the Tentative Agreement Explanation Meetings and conference calls. These meetings and conference calls are being held for your benefit to gather information and ask questions you may have concerning Mediation Agreement A-13676 before casting your vote. This information is very important to you in making an informed decision so **PLEASE READ THE SUMMARY** and take advantage of a meeting and/or call.

It is also important to read the Company's Section 6 notice that is enclosed with this letter. These represent the demands made by the Company during the negotiating process. I'm sure you will agree that the imposition of these conditions would be devastating to us all. The Section 6 Notices served by both parties remain open until resolved by the ratification and adoption of an Agreement.

In today's climate of bankruptcies, the rising costs of health and welfare and corporations asking for give backs we are fortunate to work for a Company that is an industry leader and making record profits. For those of you that have been around for a while you should remember that – IT HASN'T ALWAYS BEEN THIS WAY.

Everyone should understand that it is a very difficult task to negotiate an Agreement when we are in an atmosphere that is presented with the struggling economy and ever escalating health and welfare costs. Given the current and foreseeable state of the economy, I believe that this is a fair and equitable proposed agreement that should be given favorable consideration.

I want to remind everyone to carefully consider the proposed Agreement, attend an informational meeting if possible and by all means **PLEASE VOTE**. This right is yours and you need to exercise it – please.

Fraternally,

John W. Reynolds
General Chairman – CN/WC, BLET

CONTRACT EXPLANATION LOCATION AND DATES

FOND DU LAC – JULY 15, 2013 AT 2:00 PM AND 6:00 PM AT THE EAGLES CLUB - 515 NORTH PARK AVENUE

KAUKAUNA – JULY 16, 2013 AT 12:00 PM AND JULY 17, 2013 AT 9:00 AM. BOTH MEETINGS AT THE BLET GENERAL COMMITTEE OFFICE - 1110 GERTRUDE STREET

ESCANABA – JULY 18, 2013 AT 10:00 AM AND 4:00 PM AT THE BEST WESTERN HOTEL – 2635 LUDINGTON STREET

TINLEY PARK – JULY 22, 2013 AT 1:00 PM AND 7:00 PM AT COUNTRY INN & SUITES – 18315 SOUTH LAGRANGE ROAD

SCHILLER PARK – JULY 23, 2013 AT 10:00 AM AT THE SCHILLER PARK YARD OFFICE CONFERENCE ROOM

PROCTOR – JULY 25, 2013 AT 11:00 AM AND 7:30 PM. JULY 26, 2013 AT 9:00 AM. BOTH MEETINGS AT PROCTOR MOOSE LODGE - 415 3rd AVENUE

STEVENS POINT – JULY 31, 2013 AT 10:00 AM AND 7:00 PM AND AUGUST 1, 2013 AT 9:00 AM AT COUNTRY INN & SUITES – 301 N. DIVISION STREET

CONFERENCE CALL – JULY 30, 2013
FIRST CALL 9:00 AM – SECOND CALL 3:00 PM

CONFERENCE CALL – AUGUST 6, 2013
FIRST CALL 5:00 PM – SECOND CALL 9:00 PM

INSTRUCTIONS TO ACCESS CONFERENCE CALL:

DIAL: 1-866-791-7192
WHEN PROMPTED ENTER PASS CODE: 9796589#

THESE MEETINGS AND CONFERENCE CALLS ARE FOR YOUR BENEFIT TO GATHER INFORMATION AND ASK ANY QUESTIONS YOU MAY HAVE CONCERNING THE MEDIATION AGREEMENT A-13676 BEFORE CASTING YOUR VOTE.



Labor Relations Department

Wisconsin Central LTD
17641 S. Ashland Avenue
Homewood, IL 60430

CERTIFIED MAIL 7011 0470 0001 9267 0814
RETURN RECEIPT REQUESTED

31 August 2012

John W. Reynolds, General Chairman
Brotherhood of Locomotive Engineers and Trainmen
1110 Gertrude Street, Unit A
Kaukauna, WI 54130



Dear Mr. Reynolds:

Consider this letter as the usual and customary notice served in accordance with Section 6 of the Railway Labor Act, as amended, of the Carrier's desire to revise and amend all existing Agreements between Wisconsin Central LTD and Brotherhood of Locomotive Engineers and Trainmen governing rates of pay, rules, working conditions and benefit provisions in accordance with the proposals set forth in Attachment A to be effective thirty (30) days from this notice. The Carrier reserves the right to serve additional notices for concurrent handling.

All previous offers made by the Carrier to resolve your undated notice served upon the Company via hand-delivery on 9 February 2012 are hereby withdrawn in their entirety. The initial conference on our notice shall be within thirty (30) days of the date of this letter. Mr. Doug Mandalas is available to meet with you to discuss this notice on 6 September 2012 at 13:00 hrs. at Embassy Suites Hotel-Minneapolis Airport, located at 7901 34th. Avenue, Bloomington, MN. Please advise if this is not acceptable.

Yours truly,

T. E. Rice
Director Labor Relations

cc: D. J. Mandalas

ATTACHMENT A

- I. Provide for general wage increases of 2% on January 1, 2013, 2% on January 1, 2014 and 2% on January 1, 2015.
- II. Employees hired after the effective date of the Agreement will be paid \$30 per hour and the subsequent GWIs will be applied to that rate.
- III. Eliminate Article 6.
- IV. Eliminate existing Article 8 Section 1 A of the Agreement and replace with the following language:

“Regular assignments may be established consistent with business requirements and will be bulletined to work 5 tours of duty with 2 days off, 6 tours of duty with 2 days off, 6 tours of duty with 3 days off, or assignments may alternate with 6 tours of duty with 2 days off and 4 tours of duty with 2 days off. Jobs bulletined to tie-up at the home terminal will be bulletined as the 5/2 option.”
- V. Amend Exhibit A of the Opinion & Award issued by T. N. Rinaldo, Esq. on November 30, 2011 on this property so that the provisions of Standing Bid require a 120-day cycle for Permanent positions and Permanent Change of Card occurs each 120-day cycle.
- VI. Amend Article 5 to reflect that the basic day is 8 hours or less and service performed after 10 hours will be at time-and-one-half.
- VII. Amend Article 11 to reflect that any non-contractual absence during a guarantee period will result in the guarantee being forfeited for that period.
- VIII. Amend existing Articles to provide that any governmental requirements for Certification and/or Qualifications will be the responsibility of the Engineer. Any training associated with such requirements will be done on the Engineers own time and expense.
- IX. Eliminate existing references to any single day vacations.
- X. Amend Article 23 to eliminate Sections 2 through 8.
- XI. All other agreements and notes in effect between the parties are considered null and void. For any discrepancy between this amended language and the “Rinaldo Award”, this amended language will govern.

Brotherhood of Locomotive Engineers and Trainmen Canadian National/Wisconsin Central General Committee of Adjustment



WC/CN General Committee of Adjustments

The Parties (BLET and CN) met in person for a series of Section 6 meetings between February 29 and August 23, 2012 at various locations with minimal progress. On September 7, 2012, BLET filed for Mediation Services and was granted NMB Case Number: A – 13676 and assigned Mediator A. Michael Tosi. The first mediation meeting commenced in Baltimore, MD on November 5, 2012 and continued with the parties reaching a Tentative Agreement on June 6, 2013. The Tentative Agreement was forwarded to the BLET National on June 7, 2013 for executive approval.



ATTACHMENT A

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Preamble

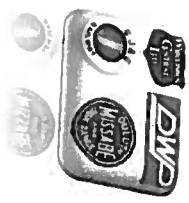
Preserves DWP/DMIR/WC Section 4 and EJE/WC Section 4. Term of Agreement is 6 years -1/1/12 through 12/31/17.



Article 5 - Wages

1/1/2012 - \$ 39.04 = 2%
1/1/2013 - \$ 40.02 = 2.5%
1/1/2014 - \$ 41.22 = 3%
1/1/2015 - \$ 42.46 = 3%
1/1/2016 - \$ 43.73 = 3%
1/1/2017 - \$ 45.04 = 3%

Active WC Engineers will be eligible for back-pay based on the above wage schedule from 1/1/2012 to 10/1/2013.

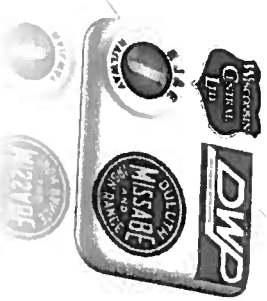


Article 7 Section 1(A)(B) – Seniority

Language clarifications made for establishment of seniority.

Article 7, Section 3 (B) – District and Terminal Seniority

Changes made for clarification of Seniority Districts/Terminals including incorporation of former DMIR/DWP/EJE Properties into the WC Agreement. Notes have been added preserving the current bidding practices between Terminals into the CBA.

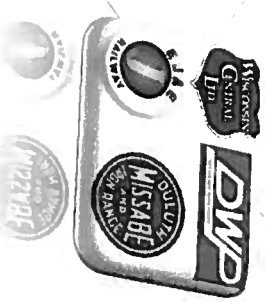


Article 7, Section 3 (E) – Attachment “C”

The first right to return to their former home terminal for Engineers who were forced out prior to the effective date of the Agreement will be retained. Subsequent to the effective date of the Agreement, Engineer openings will be filled on the basis of seniority.

Article 7, Section 6 (A) - Seniority Retention

The dispute resolution process for Seniority Retention issues have been better defined.

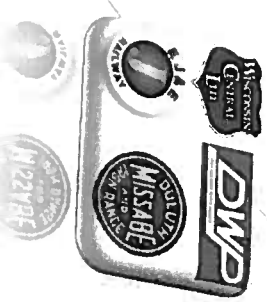


**Article 7, Section 6 (D) – Return to Service of
Yardmasters and Managers**

Yardmasters/Managers who return to Engine Service shall exercise their seniority initially only in the Terminal they last worked in Engine Service.

Article 7, Section 7 – Seniority Maintenance

The entire Article was replaced to coincide with BLET National's recommendations.

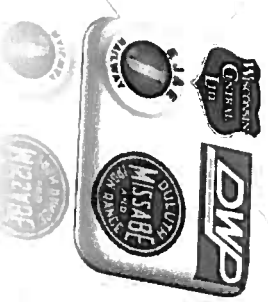


Article 8, Section 1 (A) – Establishment of Regular Assignments and Extra Boards

This Article was re-negotiated to define work/rest cycles and the required minimum times off for Regular Assignments. Q&A's were added to clarify what constitutes a Regular Assignment and the ability to establish relief type assignments with less than the required time off only with agreement from the Local Chairman.

Article 8, Section 1 (C)

Four (4) hour Call Windows were preserved and definitions were added with Q&As to clarify Call Window questions.



Article 9, Section 111.15

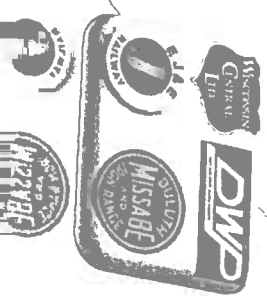
GEBS will stay consistent with the current schedule with a full 10 day guarantee for the contractor and will make GEBS 5/2 the guarantee will help for the contractor to 9.2

Article 11, Section 111.15 - (Surgical) - King B. yards

Language was added to the contract at 20:00 for both SDVs and LDV with 15 days for the contractor to define for rest days. Also added the contractor's option of falling off the GEBS 5/2 for the contractor to 9.2.

Article 11, Section 111.15

Language was added to the contract for S.B.P. placement.



Article 11 (E)

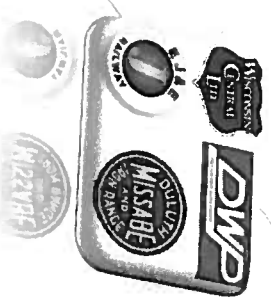
PLDs and SDVs that are submitted for only pay will not be held against the GEB guarantee.

Article 14 (A) and (E) – Rules/Re-Certification/Instruction Classes

Engineers will be paid time and 1/2 for actual time attending classes on their rest days.

Article 19, Section 1 (A) – Expenses

Meal allowance are increased to \$20.00 with incremental increases.

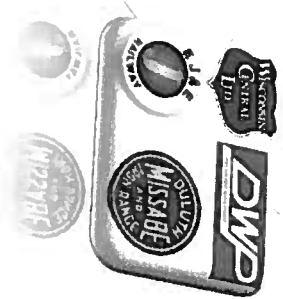


Article 19, Section 1 (D) – Held Away From Home Terminal

The Q&A regarding first in, first out in the Chicago area was not retained. For Engineers who tie up in the Greater Chicago Area, the held-away pay will not be deducted from their guarantees.

Article 20 (A) – Personal Leave Days

Active Engineers who establish seniority as an Engineer on the WC prior to June 7, 2013 shall be entitled to a maximum of twelve (12) PLDs for each calendar year. Active Engineers' who established seniority subsequent to June 6, 2013 shall be entitled to a maximum of four (4) PLDs for each calendar year with the exception of Engineers' who had previously earned a greater number while working as a Trainmen will retain that number.



Article 22, Section 2 – Scheduling

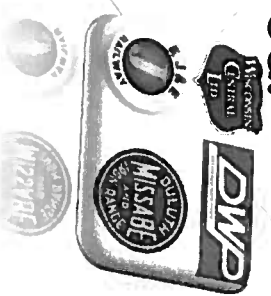
Engineers will bid all full-week vacations at once based on vacation seniority instead of rounds.

Article 22, Section 12 (D) – General

To accommodate vacations starting on Mondays, Engineers will have the option to not accept a call for service on the Sunday prior to their vacations that commences after 11:59 and must tie up at home based on needs of service.

Article 23, Section 8 – Short Term Disability Plan

Short Term Disability rates will increase incrementally to \$80.85/day in 2013 and \$82.28/day in 2014. Side Letter 5 and Attachment “B” referencing the STD Plan are removed.



Article 28 – Union Shop Agreement

Language changed to stay consistent with National Division.

Article 29, Section 2 (B) (C) (D) – Handling of Time Claims and Grievances

Language changes were made to modify the claim process.

Article 33 – Leave of Absence

Engineers returning from L.O.A. to Engine Service shall exercise their seniority initially only in the Terminal they last worked in Engine Service.



Side Letters and Attachments

Side Letters 3, 4, 5, 6, 7 and 13 removed.

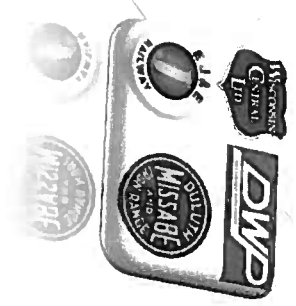
Attachment "B" removed and copy of STD Plan available upon request.

Add: Attachment "A" – Standing Bid

Attachment "B" – Temporary Transfers

Attachment "D" – Q&As to be incorporated into the applicable Articles of the CBA.

Revised Attachment "C" with current "forced-out" Engineers and Side Letter 9 with new Back-Pay dates.

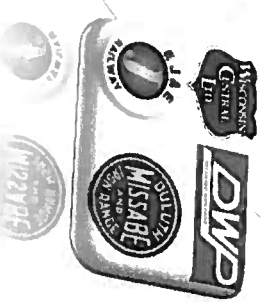


Rinaldo Award

In order to accommodate the ebb and flow of traffic between the mines and the docks, assignments on the former DMLR may be assigned on a weekly or bi-weekly basis. At the Company's discretion, assignments on the former DMLR make be advertised and filled in accordance with Attachment "A" – Standing Bid.

Article 40 – General Provisions

Preserves Regular Assignment Agreement, Local Only for GEB, DMLR/DWP/WC Section 4 and EJE/WC Section 4 Agreements.



Standing Bid

Permanent Change of Card changes to either 28 or 120 day cycle and language is modified to better define protection requirements at weekly or permanent C.O.C. for Engineers moving to new assignments.

Temporary Transfers

Engineers who desire to make temporary transfers to other CN Properties will have defined means of doing so along with Engineers from other CN properties to the WC.

Q&As

All original Q&As were reviewed and those that still had application to the Agreement will be carried through in the new codified Agreement.



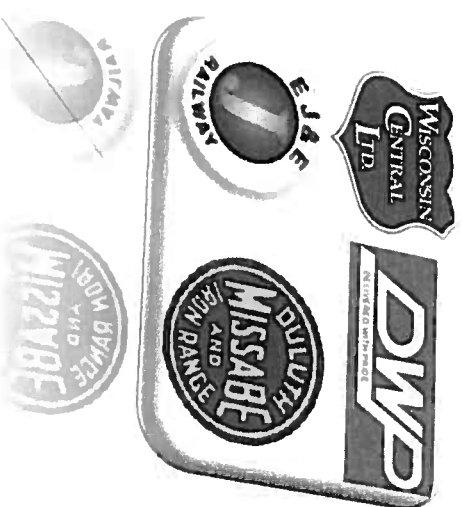
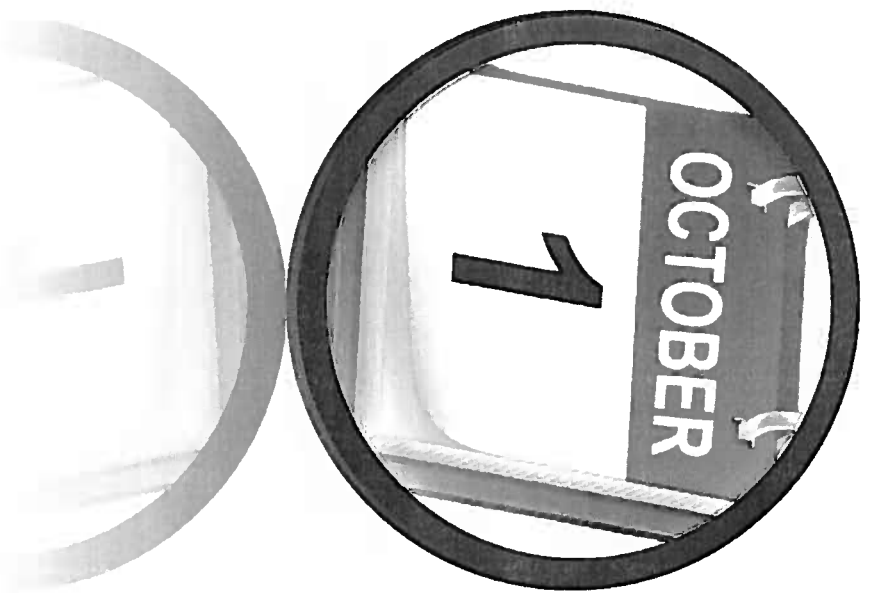
ATTACHMENT D – CLARIFICATIONS TO BE INCORPORATED INTO CODIFIED AGREEMENT

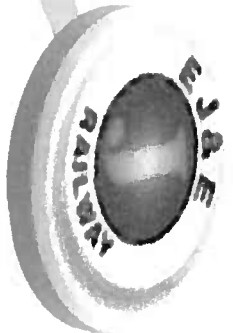
- 1) It is acceptable for a week of vacation to start in one calendar year and run into the following year. Vacation will be deemed to belong to the year in which started.
- 2) Engineers who exercise their seniority to a different terminal can displace any junior engineer on any assignment within that terminal without waiting until the next Permanent Change of Card.
- 3) Unless the provisions of Article 11, Paragraph (D) (1) and (2) are exhausted, Engineers will not be called ahead of their call windows.
- 4) In case the work train is annulled, an engineer assigned to go on/off duty with a work train at an outlying point will be paid for the day.
- 5) Should the Empire Mine Assignments be re-established in the future, they will retain a prior-right SSAM designation.
- 6) If a regular bulletined assignment is annulled on a holiday and the Company later determines the annulled assignment will need to operate on the holiday, the regular assigned Engineer will be called and receive first preference to his assignment before an Extra Board Engineer. However, once officially annulled, the Company cannot force that regularly assigned engineer to work his position.
- 7) “Window Jobs” are not tied to a specific train name. The Company’s obligation is to call a window job within their calling window, not to call them for a specific train.
- 8) Q. How will the engineer tied up for interim rest, (aggregate service), be compensated?
 - A. For pay purposes, the tie-up time will constitute the end of his shift. After resuming service, the second half of his assignment will be treated as a new start.
- 9) With respect to Article 8 (1) (g), a day is defined as a 24-hour period.
- 10) A personal leave day or single vacation day for a window assignment shall commence at the start time of the window.
- 11) Q. Can an extra board engineer be called for a train even if there is a window crew available?
 - A. Yes, in accordance with Article 11D. Ordinarily a window crew would be called within their assigned window. However, they may, or may not be called for the first train to operate within their assigned window.
- 12) Q. If an extra board engineer is called, then called back and cancelled before departing his calling place, is he entitled to a called and not used payment outlined in Article 17?
 - A. Yes. He is placed to the bottom of the extra board, but must make himself available for another call. However, notification of a change of assignments without changing the on duty time does not constitute a cancellation.

- 13) Q. If an assignment is annulled, can the regularly assigned engineer be used on other available work?
- A. Yes, with the exception of Hostler/Shover assignments (unless accompanied by a utility position), the engineer may be used on other available work within the scope of the agreement.
- 14) The first out extra board engineer will be given his preference of assignments with the same start time.
- 15) Q. What is an “Available Board”?
- A. Other than being tied up at their home terminal as provided by Article 8, Section 1 (F) and subject to Article 8, Section 1, Paragraph C (iii), Engineer who are out of cycle for any reason on their outbound trip on lay-over assignments, may, at their option, mark themselves to the “available board” and may be used at straight time ahead of the Supplemental Board. Engineers who mark up to such board will do so by notifying Crew Management as least 2 hours prior to their bulletined calling window.
- 16) Q. When engineers are marked to the available board, do the provisions of Article 8, Section 1, Paragraph C, (iii) apply?
- A. No. However, they can only be called up to the expiration of their regularly assigned call window or start time.
- 17) Q. Can engineers mark up to the available board on their rest days?
- A. No. The intent of the available board is to give an engineer a wage-earning opportunity that he, otherwise, would have lost.
- 18) Q. Will engineers lose earnings as a result of implementation of Article 17 (D)?
- A. Engineers will be compensated no less than the GEB rate during the affected timeframe.
- 19) Q. When can an engineer with a 0601 mark-up for the GEB be called?
- A. He can be called at 0601 for an on duty time of no earlier than 0801.
- 20) Q. May a relief assignment be established which results in less than 48 hours off for the rest period?
- A. Yes, with concurrence of the Local Chairman. Example – an assignment may start at 2300 hours on Friday, then have Saturday and Sunday off, and then relieve an assignment that starts at 0700 on Monday.
- 21) Q. How long does an Engineer electing to stay on the GEB past 2000 prior to his rest day need to stay marked up?
- A. Until 0601

- 22) Q. For the purpose of this Article 9 only, is the GEB considered an “assignment”?
- A. Yes
- 23) Q. Can the start time of a regular assignment be adjusted one hour forward, or two hours back, on a tour of duty basis, without triggering the provisions of Article 10 (C)?
- A. Yes
- 24) Q. How will the times for deadheading and board placement be determined?
- A. The Local Chairman and the Division Superintendent and/or their designates, shall meet and develop the applicable times.
- 25) Q. Does a contractually paid day utilized before or after a holiday satisfy the availability requirement?
- A. Yes, paid days such as PLDs or vacation satisfies the requirement.
- 26) Q. Do assigned rest days count towards the qualification of holiday pay?
- A. Yes, as long as the Engineer has fulfilled the requirements of the assignment.
- 27) Q. For scheduling purposes, will Engineers be allowed to take an unpaid day(s) or PLD(s) concurrent with their vacation week(s)?
- A. Yes, based on needs of service.
- 28) Q. Are discipline cases handled in the same manner as Article 29 (2) E and F?
- A. Yes (This Q & A to be placed after Article 30 (2) C)

If Tentative Agreement is ratified, the implantation date will be October 1, 2013.





Ltd.

Pay Rate Explanation

| | | |
|--------|------|---------|
| 1/1/12 | 2% | \$39.04 |
| 1/1/13 | 2.5% | \$40.02 |
| 1/1/14 | 3% | \$41.22 |
| 1/1/15 | 3% | \$42.46 |
| 1/1/16 | 3% | \$43.73 |
| 1/1/17 | 3% | \$45.04 |

CN/WC Engineer Rate Breakdown

| | <u>1/1/12</u> | <u>1/1/13</u> | <u>1/1/14</u> | <u>1/1/15</u> | <u>1/1/16</u> | <u>1/1/17</u> |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Basic Day | \$390.40 | \$400.20 | \$412.20 | \$424.60 | \$437.30 | \$450.40 |
| O.T. /hr. | \$58.56 | \$60.03 | \$61.83 | \$63.69 | \$65.60 | \$67.56 |
| O.T. /min. | \$.98 | \$1.00 | \$1.03 | \$1.06 | \$1.09 | \$1.13 |
| Holiday Pay | \$468.48 | \$480.24 | \$494.64 | \$509.52 | \$524.76 | \$540.48 |

G.E.B. Rates

| | | | | | | |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 6/2 & 5/1 | \$3904.00 | \$4002.00 | \$4122.00 | \$4246.00 | \$4373.00 | \$4504.00 |
| 5/2 @ 9.2% | \$3591.68 | \$3681.84 | \$3792.24 | \$3906.32 | \$4023.16 | \$4143.68 |

Daily Rates with O.T. @ 15 Minute Intervals

| hr/min. | <u>1/1/12</u> | <u>1/1/13</u> | <u>1/1/14</u> | <u>1/1/15</u> | <u>1/1/16</u> | <u>1/1/17</u> |
|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 10:15 | \$405.10 | \$415.20 | \$427.65 | \$440.50 | \$453.65 | \$467.37 |
| 10:30 | \$419.80 | \$430.20 | \$443.10 | \$456.40 | \$470.00 | \$484.20 |
| 10:45 | \$434.50 | \$445.20 | \$458.55 | \$472.30 | \$486.35 | \$501.15 |
| 11:00 | \$449.20 | \$460.20 | \$474.00 | \$488.20 | \$502.70 | \$518.10 |
| 11:15 | \$463.90 | \$475.20 | \$489.45 | \$504.10 | \$519.05 | \$535.05 |
| 11:30 | \$478.60 | \$490.20 | \$504.90 | \$520.00 | \$435.40 | \$552.00 |
| 11:45 | \$493.30 | \$505.20 | \$520.35 | \$535.90 | \$551.75 | \$568.95 |
| 12:00 | \$508.00 | \$520.20 | \$535.80 | \$551.80 | \$568.10 | \$585.90 |
| 12:15 | \$522.70 | \$535.20 | \$551.25 | \$567.70 | \$584.45 | \$602.85 |
| 12:30 | \$537.40 | \$550.20 | \$566.70 | \$583.60 | \$600.80 | \$619.80 |
| 12:45 | \$552.10 | \$565.20 | \$582.15 | \$599.50 | \$617.15 | \$636.75 |
| 13:00 | \$566.80 | \$580.20 | \$597.60 | \$615.40 | \$633.50 | \$653.70 |

Mediation Case A-13676
MEMORANDUM OF UNDERSTANDING

Dated

June 6, 2013

Between

WISCONSIN CENTRAL LTD.

And

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

Revisions to the codified Collective Bargaining Agreement dated February 1, 2009

Preamble

The codified Collective Bargaining Agreement dated February 1, 2009 covering employees of Wisconsin Central LTD. represented by Brotherhood of Locomotive Engineers and Trainmen (BLE&T) shall be amended to include all aspects of the Opinion & Award issued by Thomas N. Rinaldo, Esq. on November 30, 2011 regarding the matter of the arbitration proceedings under New York Dock Article 1, Section 4 between Wisconsin Central LTD., Duluth, Winnipeg and Pacific Railway Company, Duluth, Missabe and Iron Range Railway Co. and United Transportation Union and Brotherhood of Locomotive Engineers and Trainmen (“Rinaldo Award”), and the Merger Implementing Agreement dated October 10, 2012 and implemented on January 1, 2013 between Elgin, Joliet and Eastern Railway Co./Wisconsin Central LTD, and Brotherhood of Locomotive Engineers and Trainmen, except as specifically modified by this Agreement. Any dispute concerning the interpretation or application of the provisions of the Rinaldo Award or the Merger Implementing Agreement dated October 10, 2012 referenced herein shall be resolved exclusively in accordance with the dispute resolution procedures set forth in Article I, Section 11 of the New York Dock conditions.

Additionally, the following amendments shall be made:

I. WAGES

Amend Article 5 and all provisions in conflict to reflect the following:

A. Effective the dates shown in this Article, the following rates of pay for Engineers who were covered by the Wisconsin Central LTD/Brotherhood of Locomotive Engineers and Trainmen agreement, including those operating remote control locomotives or other technology, will apply to all time on duty unless otherwise specified in the Agreement.

- i) Effective January 1, 2012, the rate of pay for Engineers will be \$39.04 per hour.
- ii) Effective January 1, 2013, the rate of pay for Engineers will be \$40.02 per hour.
- iii) Effective January 1, 2014, the rate of pay for Engineers will be \$41.22 per hour.
- iv) Effective January 1, 2015, the rate of pay for Engineers will be \$42.46 per hour.
- v) Effective January 1, 2016, the rate of pay for Engineers will be \$43.73 per hour.
- vi) Effective January 1, 2017, the rate of pay for Engineers will be \$45.04 per hour.

II. WORK RULES

Delete Article 7 Section 1 C and D. Replace Article 7 Section 1 A and B as follows:

- A. Except as provided in Subsection B, employees in the Engineer Training Program (ETP) will establish seniority as an Engineer upon the date the first candidate in said class successfully completes the program, ranked in relative order of their Conductors’ seniority (if any) behind those who have previously established seniority as Engineers. No ETP class shall establish seniority ahead of a class that commenced earlier.

- B. Engineers hired from sources outside the Company holding valid Engineer certification shall establish seniority as of the date hired. In the event more than one Engineer is hired on the same date, said Engineers shall establish seniority by a lottery system agreed to by the Company and General Chairman; except that such hired Engineer(s) will follow the successful candidates in an ETP class provided the ETP had formally commenced at the time the Engineer was hired. If an ETP class had formally commenced at the time such Engineer was hired, the seniority date for the class will be the same as the seniority date for the hired Engineer, with the class ranked in the relative order of their Conductors' seniority ahead of the hired Engineer.

Replace Article 7, Section 3 B and Article III Section 2 of the Rinaldo Award as follows:

B. There are six (6) seniority districts comprised of separate seniority terminals as shown below:

Seniority District 1

Home Terminal 1 – Extra Board Location and Source of Supply – Schiller Park

- Protects vacancies including Chicago vacancies up to Leithton

Home Terminal 2 – Extra Board Location and Source of Supply - Joliet

Home Terminal 3 – Extra Board Location and Source of Supply – Gary

Note: Engineers will be allowed to bid and may be forced between Joliet and Gary each bid period.

Seniority District 2

Home Terminal 1 – Extra Board Location and Source of Supply – Waukesha

- Protects vacancies including Burlington/Milwaukee/DBR Jct./ down to Mundelein

Home Terminal 2 – Extra Board Location and Source of Supply – Fond du Lac

- Protects vacancies including Spur 126

Seniority District 3

Home Terminal 1 – Extra Board Location and Source of Supply – Stevens Point

- Protects vacancies including Marshfield/Waupaca/Wausau/Rhineland/Bradley

Home Terminal 2 – Extra Board Location and Source of Supply – Wisconsin Rapids

- Protects vacancies including Wisconsin Rapids/Merrillan/Arcadia

Note: Engineers will be allowed to bid and may be forced between Stevens Point, Wisconsin Rapids and Wausau each bid period.

Home Terminal 3 – Extra Board Location and Source of Supply – Taylor

- Protects vacancies including Taylor/Chippewa Falls

Seniority District 4

Home Terminal 1 – Extra Board Location and Source of Supply – Superior

- Protects vacancies including Pokegama/Virginia/Ranier/Ladysmith/Mellen/Park Falls/North Ironwood/Stone Lake

Home Terminal 2 – Extra Board Location and Source of Supply – New Brighton

- Protects vacancies including New Richmond

Home Terminal 3 – Extra Board Location and Source of Supply – Proctor

- Protects vacancies including Proctor

Home Terminal 4 – Extra Board Location and Source of Supply – Two Harbors

- Protects vacancies including Two Harbors

Home Terminal 5 – Extra Board Location and Source of Supply – Keenan

- Protects vacancies including Keenan/Minntac/Biwabik

Note 1: Engineers will be allowed to bid and maybe forced between Proctor, Keenan and Two Harbors.

Note 2: The Company shall have the option to have the Superior Guaranteed Extra Board at either Pokegama or Proctor. Additionally, the Company shall have the option to maintain separate Guaranteed Extra Boards at Pokegama and at Proctor until such time as GEB Engineers become qualified on all territories. In the event the Company decides to move, combine or separate the Boards, it will give the General Chairman ten days written notice.

Seniority District 5

Home Terminal 1 – Extra Board Location and Source of Supply – Green Bay

- Protects vacancies including Marinette
- Protects vacancies including Wrightstown/Manitowoc

Home Terminal 2 – Extra Board Location and Source of Supply – Neenah

- Protects vacancies including Oshkosh/New London/Appleton/Kimberly/Kaukauna/Hilbert

Seniority District 6

Home Terminal 1 – Extra Board Location and Source of Supply – Gladstone

- Protects vacancies including Escanaba/Quinnesec/Niagara/Pembine/Ishpeming/L'Anse

Note: Gladstone-Escanaba is considered one terminal.

Home Terminal 2 – Extra Board Location and Source of Supply – Trout Lake

- Protects vacancies including Trout Lake/Sault Ste. Marie/Newberry

Delete Article 7 Section 3 E in its entirety

Add the following sentence at the end of existing language in Article 7 Section 6 A:

Any dispute over whether an employee subject to this Section is in default shall be resolved pursuant to the process set forth in Article 28, Section F.

Replace Article 7 Section 6 D as follows:

Yardmasters and Managers/Company Officers who exercise their seniority shall initially be allowed to exercise their seniority only in the terminal they last worked in engine service.

Replace Article 7 Section 7 as follows:

- A. Each employee in an engine service class/craft represented (for RLA purposes) by the BLET who does not hold membership in that organization will be required to pay a monthly seniority maintenance ('SM') fee to BLET in order to continue to accumulate engine service seniority. The SM fee shall be based on the costs of negotiations, claim/grievance/discipline handling, and internal governance as indicated in BLET's Fees Objector Policy and/or the most recent LM-2 Report filed by BLET with the United States Department of Labor, but in no event shall it exceed the full amount of monthly dues payable to BLET and its subordinate units by a member of such organization. The SM fee required under this paragraph will be payable by an employee on a monthly basis beginning with the first full calendar month that immediately follows completion of his SM service period. An employee's SM service period for this purpose shall mean the thirty (30) calendar day period that commences with his first day of compensated service in a BLET-represented engine service class/craft that occurs after the date this provision is implemented at the location involved. If an employee covered by this paragraph is promoted to engine service and is subsequently set back to train service at a location where this provision has been implemented, a new SM service period (as defined above) will be applicable to such employee.
- B. The BLET shall furnish to the Company written notification of the amount of the applicable SM fee(s) due under this paragraph by July 1 of each calendar year, which amount will remain in effect until the succeeding July 1. The initial notification of the SM fee amount(s) under this paragraph will be made within thirty (30) calendar days of the date this Section 7 is implemented at any location and will remain in effect until the succeeding July 1. The applicable SM fee will be payable at the same time as dues are payable by a BLET member. Any non-member of the BLET in engine service who fails to pay the SM fee when due shall be promptly notified of that non-payment by the BLET by certified mail. If such default has not been cured within thirty (30) calendar days after the date of such notice, the BLET shall provide the Company written notification of the non-payment and that individual's seniority in the engine service class/craft involved shall be frozen effective on the first calendar day after expiration of the 30-day notice period. Any dispute over whether an employee subject to this Section has failed to comply therewith shall be resolved pursuant to the process set forth in Article 28, Section F.
- C. The provisions contained in this Section shall only be implemented upon thirty (30) days written notice by the General Chairman of the BLET to the Director Labor Relations, and then only if another union representing another craft in which Engineers have seniority requires non-members of that other union to pay a seniority maintenance fee to continue to accumulate seniority in that other craft.
- D. The BLET shall indemnify and hold harmless the Company against any and all claims, demands, suits or other forms of liability that arise out of or by reason of any action taken or not taken by the Company pursuant to this Article.

Replace Article 8 Section 1 A as follows:

Subject to the needs of service, regular assignments shall be established with the following work/rest cycles. Assignments that are intended to tie-up at the home terminal each day will be bulletined to work five (5) consecutive tours of duty with two (2) consecutive rest days with a minimum of 48 consecutive hours off. Assignments that are bulletined to tie-up at an away-from-home terminal will be bulletined to work six (6) consecutive tours of duty with two (2) consecutive rest days with a minimum of 48 consecutive hours off or to work five (5) consecutive tours of duty with two (2) consecutive rest days with a minimum of 48 consecutive hours off, six (6) consecutive tours of duty with three (3) consecutive rest days with a minimum of 72 consecutive hours off, six (6) consecutive tours of duty with two (2) consecutive rest days with a minimum of 48 consecutive hours off alternately to work four (4) consecutive tours of duty with two (2) consecutive rest days with a minimum of 48 consecutive hours off.

Where possible, assignments will have a designated starting time; however, no less than seventy-five percent (75%) of regular freight service shall be regular assignments.

By mutual agreement between the Company and the General Chairman, alternative work rest schedules to those stated above may be established.

Q: May a relief assignment be established which results in less than 48 hours off for the rest period?
A: Yes, with the concurrence of the Local Chairman. Example – An assignment may start at 23:00 hours on Friday, then have Saturday and Sunday off, then relieve an assignment that starts at 07:00 hours on Monday.

Q: What is a Regular Assignment?
A: A Regular Assignment is a position that has a designated start time, call window or a Pool Service assignment as described in Article V of the Rinaldo Award.

Add the following Article 8 Section 1 C iv:

For Employees awarded assignments with start windows, approved Vacation, Personal Leave and Rest Days shall commence at the beginning of the start window on the first day off. Employees shall be required to protect their entire window on the first day back to work.

Add the following Questions and Answers to Article 8 Section 1 C:

Question: Is an Engineer who is assigned to a window assignment but not available due to the Hours of Service Law entitled to compensation when not called to start within his window?

Answer: No. Engineers do not go on “window pay” until legally rested and available to the Company. Unless instructed to show on his rest, an engineer is not considered available until two hours after he is legally rested for the purpose of receiving compensation.

Question: May an Extra Board engineer be called for an assignment even if there is a window crew available?

Answer: Yes, at the option of the Company. Engineers with start windows may or may not be called for the first train to operate within their assigned window.

Question: How shall the call window be applied?

Answer: As outlined below.

| Example - CALL WINDOW 10:00 to 14:00 | | | | | |
|---|--------------------|--|--|--------------|---|
| START TIME – 12 HOURS | | | | | |
| 08:00 | 10:00 | | 14:00 | 20:00 | 22:00 |
| 2 hours | 4 HOURS | | 6 HOURS | | |
| Protect 2 hour | CALL WINDOW | | PROTECT CALL (on pay if not called) | | No longer has to protect call. If not called by 20:00 receive a basic days pay. |
| CALL TIME 12 HOURS | | | | | |

Engineer A has an advertised call window to start between 10:00 to 14:00 hours. Engineer A is rested and has not been called to report for duty by 14:00.

Question: What is the definition of “rested” as it relates to Call Windows?

Answer: “Rested” means having completed a “statutory or contractual off-duty period”.

Question: What time does Engineer A go on pay?

Answer: For pay purposes only, Engineer A goes on pay at 14:00.

Question: How long does the Engineer have to remain available after the end of their call window to protect a call?

Answer: The Engineer is on pay at 14:00 and has to remain available to accept a call until 20:00 for a 22:00 start. The Engineer may not be called to report for duty later than 22:00.

Question: If the Engineer is not called by 20:00 for a 22:00 start, how much shall he be compensated for that day?

Answer: The Engineer shall be compensated a basic day.

Engineer A is called at 08:00 to report for duty at 10:00.

Question: What time does Engineer A go on pay?

Answer: 10:00

Question: Is it possible for a window assignment to have less than the bulletined consecutive hours off for their scheduled rest day(s)?

Answer: Yes, at the option of the Engineer in order to protect his next advertised spread time. The Company shall not be responsible to make the Engineer whole for any lost earnings if he elects to observe the entire rest period.

Question: Can Engineers who are on positions bulletined to tie-up at an away from home terminal be changed on a tour of duty basis to tie up at their home terminal?

Answer: Yes, and their four hour call window or assigned start time shall apply on the next tour of duty. This provision is to allow Engineers to properly prepare for an away from home terminal trip. There is no penalty if the Engineer is returned to their home terminal. However, if an Engineer is bulletined to tie-up at their home terminal, this cannot be changed to tie-up at an away from home terminal.

Amend Article 8 Section 1 E (and the first and second paragraphs of Article IV of the Rinaldo Award) with the following:

Guaranteed Extra Board assignments will be established where the needs of service dictate and will be bulletined to work six (6) days with two (2) consecutive scheduled rest days (not less than 48 consecutive hours) and then work five (5) days with one (1) scheduled rest day on alternating weeks.

Alternately, GEB assignments may be bulletined to work five (5) days with two (2) consecutive scheduled rest days (not less than 48 hours), with the GEB guarantee pro-rated to 9.2 Basic Days. With mutual agreement between the Company and the General Chairman, GEB assignments may be bulletined to work alternative schedules with the GEB guarantee pro-rated accordingly.

Replace Article 8 Section 2 as follows:

Engineers shall make application to positions in accordance with the Standing Bid system provided for in Attachment A.

Amend Article 11 A 2 as follows:

Scheduled rest day(s), single vacation days and personal leave days will commence at 06:01 hours, with the Engineer automatically marked back to the board at 06:01 following his time off. Guaranteed Extra Board Engineers shall not be called for duty on an assignment that commences on or after 20:00 hours on the day preceding their time off. However, at the engineer's option he may accept a call for duty subsequent to 20:00 and prior to 06:01. Engineers who elect this option must inform the Crew Caller by 06:01 the day preceding their scheduled time off. In lieu of GEB employee's 06:01 mark up following his time off, subject to the needs of service and with the Company's approval, a GEB employee at the home terminal may elect not to be called for duty that commences on or after 14:00 the day preceding the time off with the understanding that the employees will be automatically marked back to the board at 00:01 the day following the time off. This option must be elected upon tie up from the last tour of duty or no later than 06:01 on the day preceding the time off.

Replace Article 11 C as follows:

GEB's shall operate on a first-in, first-out basis, based on tie-up time. Where more than one (1) engineer is marked back up to the extra board at the same time, their order shall be governed by their relative times off duty, regardless of the reason, with the engineer being off duty the longest being placed first.

Replace Article 11 E as follows:

When Engineers mark back up for any reason, they shall be placed to the bottom of the GEB.

Add the following Q and A to Article 11 F:

- Q. Are payments made to engineers for PLD/SDVs in lieu of actual time off (on days actually worked) to be deducted from GEB guarantees?
- A. No. However, engineers compensated for actual time off (PLD/SDVs) will have such compensation deducted from their guarantee.

Replace Article 14 A as follows:

No pay shall be required for Engineers attending remedial classes in lieu of or as part of the discipline process or as described below.

Amend Article 14 E as follows:

Add the following as last sentence to 14 E "Engineers attending such classes on their assigned rest day(s) will be compensated for actual time in attendance per Article 5 C.

Amend Article 19 Section 1 A as follows:

A meal allowance of \$10 shall be payable to Engineers completing their work assignment and held at an away from home terminal for four hours. An additional \$10 shall be payable each additional eight hours held thereafter.

Amend Article 19 Section 1 D as follows:

Add the following as last sentence to 19 Section 1 D "Such payment for those tied up in the Greater Chicago Area shall not be considered in computation of payments allowed under Article 11 F.

Replace Article 20 Paragraph A as follows:

Active Engineers who established seniority as an engineer on the Wisconsin Central Ltd. prior to June 7, 2013 shall be entitled to a maximum of twelve (12) PLDs for each calendar year and such Engineers shall be paid a basic day for each PLD. Active Engineers who established seniority subsequent to June 6, 2013 shall be entitled to a maximum of four (4) PLDs for each calendar year with the exception of Engineers who had previously earned a greater number while working as a Trainman will retain that number.

Amend Article 22 Section 2 as follows:

Delete 3rd sentence: "Engineers who desire to split their vacation can take up to three (3) weeks of their vacation in the first round and their remaining weeks in the second round.

Replace Article 22 Section 12 D as follows:

Full week vacations will commence on Mondays and continue as consecutive week(s). Subject to the needs of service, an engineer may, on the Sunday prior to the start of his vacation, elect to be available only for an assignment that reports not later than 11:59 and ties up at the home terminal. Such engineer will not be entitled to any compensation for that day if not so used. If an employee is unable to start their vacation when scheduled, they may, at their option, elect not to protect any service until they have been on vacation for the allotted seven (7) days. An Engineer may take up to twelve (12) days of his annual vacation in single day increments, as outlined in Section 3 herein, and such employee shall be automatically marked up for service upon the expiration of any single day vacation provided they are not marked off for any other contractual reason.

Replace Article 23 Section 1 with the following:

Employees coming under the scope of this Agreement and their dependents, if eligible, will be subject to the Railroad Employees National Health and Welfare Plan, the Railroad Employees National Early Retirement Major Medical Benefit Plan, the Railroad Employees National Dental Plan and the Railroad Employees National Vision Plan, as negotiated nationally and subsequently amended, including employee cost-sharing provisions. Retired, disabled and inactive employees will remain in their existing coverage, if any.

Replace Article 23 Section 8 with the following:

A short-term disability income insurance plan is hereby established and replaces all existing sickness plans. Employees subject to this agreement shall be eligible for participation in the CN Income Disability Plan (the Plan) which provides income to covered employees during periods of covered disability, not to exceed 52 weeks. The Plan covers a disability caused by injury or sickness, whether on railroad duty or not, which prevents the employee from actively performing the normal duties of his or her job. Benefits begin on the 15th day of continuous absence while under the care of a licensed physician for such a covered disability. Employees must have rendered compensated service or received vacation pay in a BLET craft for at least seven days in the thirty calendar days immediately preceding the covered disability to be eligible to receive benefits. The Plan pays \$80.85 per day (increased to \$82.28 per day effective January 1, 2014) to eligible employees. This amount is not reduced by monies received under the Railroad Unemployment Insurance Act. For those who qualify, benefits from the plan are paid at least every two weeks. In all cases, plan benefits shall be paid in accordance with the terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this agreement, the terms and provisions of the Plan shall control. The Company retains the right to modify the plan document from time to time.

Replace Article 28 with the following:

- A. Subject to the terms and conditions below, Engineers of the Company subject to this Agreement shall, as a condition of their continued employment under this Agreement, become members of the BLET within sixty (60) calendar days of the date they first perform compensated service under this Agreement, and shall maintain membership in the BLET while subject to this Agreement; provided, however, that this requirement for membership in the BLET shall not be applicable to:
1. Those to whom membership is not available upon the same terms and conditions as are generally applicable to any other member;
 2. Those to whom membership has been denied or terminated for any reason other than the failure of the Engineer to tender the periodic dues, initiation fees and assessments (not including fines

and penalties) uniformly required as a condition of acquiring or retaining membership in the Union;

3. Those who are members of another labor organization as permitted by Section 2, Eleventh (c) of the Railway Labor Act, as amended; or,
 4. Those who elect not to join the Union, in which case they shall be required to remit to the Union a monthly agency fee which shall not be in excess of the standard monthly dues required of members.
- B. Engineers, who are assigned or transferred for a period of one (1) calendar month or more to employment not covered by such Agreement, or who are on leave of absence for a period of one (1) calendar month or more, may not be required to maintain membership as provided in this Rule so long as they remain in such other employment, or on such leave of absence, but they may do so at their option. If and when such Engineers return to service covered by this Agreement, they shall comply with the provisions of this Rule within one (1) calendar month of such return to service.
- C. Every Engineer required by the provisions of this Rule to become and remain a member of the BLET shall be considered by the Company to be a member of the BLET unless the Company is advised to the contrary in writing by the General Chairman. The General Chairman shall be responsible for initiating action to enforce the terms of this Rule.
- D. The General Chairman shall furnish to the Company, in writing, the name and roster number of each Engineer whose seniority and employment the BLET requests be terminated by reason of failure to comply with the membership requirements of this Rule.
- E. In the event the Company wishes to dispute the correctness of the BLET's position, it shall so notify the General Chairman within ten (10) calendar days of receipt of the notice from the latter, stating the reasons therefor. If, (1) no such exception is taken by the Company, or (2) the BLET does not withdraw its request within ten (10) calendar days from the date of the notice of exception, the Company shall transmit to the Engineer at his last known address, through certified United States Mail, return receipt requested, a notice of termination and a copy of the BLET's request, a copy of which shall be furnished to the General Chairman.
- F. Dispute Resolution Process.
1. Any Engineer so notified who disputes the charge that he has failed to comply with union membership requirements will, within ten (10) calendar days from the date of such notice, request the Company in writing to accord him a formal hearing. Such a request will be honored by the Company and a date set for the formal hearing as soon as possible, but within ten (10) calendar days of the date of the receipt of the request. A copy of the notice of such formal hearing will be given to the General Chairman. The receipt by the Company of a request for a hearing will stay action on the request by the General Chairman for termination of the Engineer's employment until the formal hearing is held and the final decision is rendered. If the Engineer concerned fails to request a formal hearing as provided for herein, the Company will proceed to terminate his employment at the end of thirty (30) calendar days from receipt of the request from the General Chairman, unless the Company and the BLET agree otherwise in writing.
 2. The Company will determine on the basis of evidence produced at the formal hearing whether or not the Engineer has complied with the union membership requirements, and will render a decision accordingly. Such a decision will be rendered within ten (10) calendar days of the hearing date, and the Engineer and the General Chairman will be promptly notified. A

transcript of the hearing will be furnished to the General Chairman. If the decision is that the Engineer has not complied with union membership requirements, his employment as an Engineer will be terminated within ten (10) calendar days of the date of the decision, unless the Company and the BLET agree otherwise in writing.

3. If the decision of the Company is not satisfactory to the Engineer or to the BLET, it may be appealed in writing directly to the highest officer of the Company designated to handle appeals. Such appeal must be received within ten (10) calendar days of the date of decision appealed from, and the decision on such an appeal will be rendered within twenty (20) calendar days of the date the appeal is received. The decision by the highest appeals officer of the Company designated to handle appeals will be final and binding unless, within thirty (30) calendar days thereafter, the Company is notified in writing that the decision is unsatisfactory, and in such event, the dispute may be submitted to a tribunal having jurisdiction within six months of the date of such decision. A representative of the General Chairman will have the right to be present at and participate in any hearing which involves the BLET.

- G. The BLET shall indemnify and hold harmless the Company against any and all claims, demands, suits or other forms of liability that arise out of or by reason of any action taken or not taken by the Company pursuant to this Article.

Replace Article 29 Section 2 B with the following:

In the event the claim or grievance is disallowed, the BLET Local Chairman may, within 60 days from the date it is received, appeal the matter to the Superintendent. If the claim or grievance is not appealed, the disallowance shall stand, however the disallowance shall not constitute a precedent for other similar claims and grievances.

In the event the appeal is disallowed, the Superintendent shall, within 60 days from the date it is received, notify the Local Chairman electronically of the reason(s) for such disallowance.

Should the Superintendent fail to issue timely notification of the declination of the appeal, the claim or grievance will be allowed as entered, however such allowance will not constitute a precedent for other similar claims or grievances.

Replace Article 29 Section 2 C with the following:

- A. Claims declined under Section 2 (B) of this Article shall be appealed electronically by the BLET General Chairman to the Company's Director Labor Relations, or designate, within 60 days of the disallowance. If the claim or grievance is not appealed, the disallowance shall stand, however the disallowance shall not constitute a precedent for other similar claims and grievances. The Director, or his designate, shall, within 60 days from the receipt of the appeal, notify the General Chairman of the allowance or declination of the claim. Should the Director or designate fail to timely notify the General Chairman of such declination, the claim will be allowed as entered, however such allowance shall not constitute a precedent for other similar claims.

Replace Article 29 Section 2 D with the following:

Claims and grievances disallowed by the Company pursuant to Section 2 (C) will be barred from further handling unless, not less than 30 days prior to the next scheduled meeting date of the Labor/Management Resolution Committee, the General Chairman lists the unresolved claim or grievance to the Committee.

Add the following Q and A to Article 33:

- Q. When an engineer returns to service from a leave of absence, where shall he be placed?
- A. 1) Upon returning to service the engineer shall exercise his seniority to the terminal where he last performed service.
- 2) If unable to exercise his seniority within the terminal where he last performed service as an engineer he shall exercise his seniority within the district. If the engineer is unable to exercise his seniority within the district he shall then exercise his system rights.

III. SIDE LETTERS AND ATTACHMENTS REMOVED

Remove the following Side Letters and Attachments:

Remove Side Letters 3, 4, 5, 6, 7, 13 (also removed Article 23, Section 9), Attachment B.

IV. SIDE LETTERS AND ATTACHMENTS ADDED OR REVISED

Add the following Side Letters and Attachments:

Attachment A from this MOU regarding Standing Bid, replacing Rinaldo Award Exhibit A Standing Bid

Attachment B from this MOU regarding Temporary Transfers.

Attachment D from this MOU regarding clarifications to be incorporated into codified Agreement.

Revise the following Side Letters and Attachments to reflect the date of this new Agreement:

Side Letter 9 (revised to reflect new back-pay dates), Side Letter 12 (revised to reflect that all claims based on an occurrence prior to June 6, 2013 other than discipline, former DMIR back-pay and former DMIR vacation pay issues (without prejudice to Company's jurisdictional arguments) are resolved) Attachment C (Attachment C to be revised with current names, and language indicating that these Engineers have been displaced from their terminals and will be offered first opportunity, in seniority order, to return to their former terminal if the Company decides to again increase the number of Engineer positions in the former terminal. Future Engineers forced from their terminal shall not be given this right)

V. Rinaldo Award

Replace Article VI – Weekly Mark on the Former DMIR with the following:

In order to accommodate the ebb and flow of traffic between the mines and the docks, assignments on the former DMIR may be assigned on a weekly or bi-weekly basis. At the Company's discretion, assignments on the former DMIR may be advertised and filled in accordance with Attachment A – Standing Bid.

VI. REPLACE ARTICLE 40 WITH THE FOLLOWING:

- A. The purpose of this Memorandum of Understanding is to fix the general level of compensation and rules covering working conditions through December 31, 2017, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended. Neither party to this Agreement shall serve prior to June 30, 2017, any notice or proposal for the purpose of modifying, adding to, or deleting from the provisions of this Agreement to become effective prior to January 1, 2018.
- B. The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.
- C. Unless otherwise specified, this Agreement is effective on October 1st, 2013. At such time all other agreements in effect between the parties, except for the February 9, 2011 letter from G.M. Klaus and Cary concerning the application of Article 8, Section 1A, the July 1, 2010 letter concerning calling GEB employees and employees marked off Union Business and those referred to in the Preamble contained herein, are considered null and void, and this Agreement is the only agreement in effect between the parties.

Initialed this 6th. day of June, 2013.

FOR THE COMPANY

**FOR THE BROTHERHOOD OF LOCOMOTIVE
ENGINEERS AND TRAINMAN**

T. E. Rice
Director Labor Relations

J. W. Reynolds
General Chairman

D. J. Mandalas
Manager Labor Relations

E. A. Hau
Vice General Chairman

ATTACHMENT A – STANDING BID

Assignment to positions shall be governed by seniority. A standing bid system will operate and employees' job preferences will be maintained in crew calling system and can be updated under the following rules. Upon implementation of this standing bid process, training shall be offered to Employees to assist in this transition.

This procedure permits employees to submit their choice for assignments in order of preference and such assignments will be awarded to employees based upon their relative seniority standing.

Definitions

C.O.C. – Change of Card

C.O.C. Day - 0001 Monday

P - Initial used herein to designate a Permanent position with a 28 or 120-day cycle

T - Initial used herein to designate a Temporary position with a 7-day cycle

P-C.O.C.=Permanent Change of Card, will occur each 28 or 120-day cycle at 0001 Monday

T-C.O.C.=Temporary Change of Card, will occur each 7-day cycle at 0001 Monday

Permanent Vacancy – Any known vacancy in excess of 28 days

Temporary Vacancy – Any known vacancy of at least 7 but less than 29 days.

SECTION 1 Submitting Choices

- A. All Permanent Vacancies will be filled based upon the preferences Employees have submitted on their Permanent C.O.C. (Change of Card).
- B. Temporary Vacancies will be filled in accordance with the provisions contained herein. Employees will be permitted to submit changes or insert new assignments to their T-C.O.C. (Temporary Change of Card) Form weekly between 0001 Sunday to 2359 Friday.

Note 1: There are no Temporary Vacancies on the GEB.

Note 2: All full week vacations, regardless of duration, are considered Temporary Vacancies and shall be filled in conjunction with the Employees' T-C.O.C.

- C.
 - 1. Employees will be permitted to insert new assignments to their P-C.O.C. (Permanent Change of Card) Form weekly between 0001 Sunday to 2359 Friday.
 - 2. The last week (Sunday to Friday) of each 28 or 120-day period Employees will be permitted to submit changes to their P-C.O.C. (Permanent Change of Card) Form. Changes may be submitted between 0001 Sunday to 2359 Friday during the last week in each 28 or 120-day period.
- D. For both Permanent and Temporary C.O.C. (Change of Card), changes may be made by phone when unable to be made by computer, such as an Employee returning from vacation, leave of absence or discipline, etc.

Note: Changes by phone not received by 2359 Friday preceding board change day will not be accepted. Previous board change card will remain in effect.

- E. Employees will be allowed to delete positions from their P-C.O.C. (Permanent Change of Card) Form except for the permanent position currently assigned to them. Deletions can be made

between 0001 Sunday to 2359 Friday. The change will be effective on the next T-C.O.C. (Change of Card) day.

Abolishment of Assignments

- F. The Company will, when possible, abolish and/or establish assignments to be effective at 0001 on Monday of any given week. Newly established assignments that are bulletined after 2359 on a Friday will be run extra until the assignment is awarded by Standing Bid. When it is not possible for the Company to abolish an assignment to be effective 0001 hours on Monday of any given week, Employees will have full rights to:

If the assignment is immediately re-established, at the Engineer's option the Engineer may remain on the assignment or be assigned to the Guaranteed Extra Board.

Engineers will be assigned to the Guaranteed Extra Board until the next C.O.C. Day when they will be assigned in accordance with their applicable C.O.C. Form (Perm/Temp) subject to the provisions contained herein.

As a result of the application of the above, Engineers who are placed to the Guaranteed Extra Board will:

- i) For the remainder of the week be afforded a guarantee payment of a basic day's pay for each day if the employee is available for the calendar day and does not perform any compensated service, and was available immediately after notification of the abolishment.
- ii) Upon request of the employee, be assigned by the CMC with Sunday as a rest day if the employee has not had a day-off in the prior 7 days.

SECTION 2 ASSIGNMENT OF EMPLOYEES

- A. 1. Calling windows (spread time) will be adjusted so as not to overlap 0001 Monday C.O.C. (Change of Card) Day. Regular assigned employees with a calling window prior to 0001 Monday are subject to fulfill the requirements of their previous assignment up until 2359 Sunday by either working or being annulled and will not be considered placed in accordance with their Standing Bid Card until the employee is available, and the assignment is subject to call at the home terminal.
2. At each C.O.C. (Change of Card) day, Employees will be assigned based upon their tie up time at the home terminal from their last tour of duty, in accordance with their C.O.C. (Change of Card) Form. Employees newly assigned to the Guaranteed Extra Board will be assigned in accordance with Article 11 C. If two or more Employees have the same tie-up, they will be placed at the bottom of the board in accordance with their seniority.
3. Engineers will be notified on Saturday by 2359 hours prior to C.O.C. if they will be on a different assignment on C.O.C. Day and if this does not happen regularly, the General Chairman and the Director Labor Relations, or their respective designates, will meet within 30 days to discuss and resolve.

- B. When it is known at least 48 hours prior to a C.O.C. (Change of Card) day that an Employee will be off the working board for the entire adjustment period, the Employee will be unassigned at the C.O.C. (Change of Card) Day, and the next senior Employee indicating their preference will be assigned.
- C. When it is known at least 48 hours prior to a C.O.C. (Change of Card) day that an Employee who was previously unassigned will become available within the next period, that Employee will be assigned in accordance with Section 1 Paragraph B & C herein.
- D. Employees returning to work from an extended absence of unknown duration after a C.O.C. (Change of Card) day (or after the 23:59 Friday cut-off) will be assigned by the Crew Management Center to the Guaranteed Extra Board until the next C.O.C. (Change of Card) day when their C.O.C. (Change of Card) Form can take effect. A position on the GEB will be created if none exists. The Employee assigned to the GEB will receive payment as described in Section 1 Paragraph F (i) herein.
- E. In the event there are no bids for an assigned position, it will be filled in accordance with the following:
 - 1. Senior Employee who was displaced on C.O.C. (Change of Card) Day and does not have any recorded positions left; if none,
 - 2. Senior Employee who does not record any bids; if none,
 - 3. Junior Employee on the Extra Board nearest via highway miles to the location where the vacancy exists if there is a surplus; if none,
 - 4. Senior demoted Employee not working as such within the terminal; if none,
 - 5. The senior demoted Employee on the Seniority District nearest via highway miles to the location where the vacancy exists; if none,
 - 6. The junior Employee on the Seniority District who is occupying a GEB that is defined as having a surplus number of employees, and is nearest via highway miles to the location where the vacancy exists.
- F. An Employee who does not record all available positions will, when unable to hold positions recorded, be assigned in the following manner:
 - 1. Unfilled position at the home terminal, if none,
 - 2. Unfilled position on the GEB at the home terminal, if none,
 - 3. Will be assigned to the Guaranteed Extra Board at such employee's home terminal with an assigned rest day(s) as determined by the CMC and consistent with Article 8 Section 1 E.

Article 11 A will apply when GEB Employees are awarded a different off day.

Example: Employee A has Friday as his regular day off. Employee A is displaced off Friday as his day off and is notified the Saturday before C. O. C. day that he

will be assigned Monday as his new day off at 0001 hours on Monday.
Employee A will not be called for service that commences after 2000 hours on the Sunday that precedes the change in his day off.

SECTION 3 QUESTIONS & ANSWERS

Employees that are awarded Sunday/Monday as their days off on the GEB, displaced from Sunday and Monday while on the GEB, or their regular GEB assigned rest day combination of Sunday/Monday in the first or second week of the biweekly pay period is abolished, the following will apply:

1. If displaced Employee's choice is to remain on the GEB with different rest days, the Employee will observe the rest day of Monday and the new rest day(s) will take effect the **following week**.
2. If displaced GEB Employee decides to exercise seniority to a new assignment other than the GEB, the Employee must protect the new assignment on Monday and assume the rest day(s) of the assignment.
3. The Employee awarded a Sunday/Monday combination for days off on the GEB will only observe the Monday portion of the Sunday/Monday combination if such combination is already being observed on the Sunday prior to the effective day (Monday) of the award.

Example: Employee Jones awarded a Sunday/Monday day off combination on the GEB, displacing a junior Employee Brown off the Sunday/Monday combination. The displacement does not take effect until Monday and Employee Brown is already observing Sunday as one of his regular days off.

Question 1: Will Employee Brown also observe Monday as his regular assigned day off?

Answer 1: Yes, but only if Employee Brown stays on the GEB and is assigned a new combination of days off, which will take effect the following week.

Question 2: What if Employee Brown is assigned another assignment that is other than the GEB?

Answer 2: Employee Brown will not observe Monday as his regular day off and he will assume the regular day(s) off the his new assignment.

Question 3: What day(s) off will Employee Jones observe?

Answer 3: Under this example Employee Jones will only observe Monday since the standing bid takes effect on Monday.

Question 4: Will Employee Jones or Brown be subject for Call at 6:00 p.m. or after on Sunday?

Answer 4: No.

Question 5: Instead of being displaced by the standing bid Employee Brown's Sunday/Monday combination is abolished on Monday of the Sunday/Monday combination. What are Employee Browns' options?

Answer 5: The same as indicated in Questions 2 and 3.

ATTACHMENT B – TEMPORARY TRANSFERS

The following confirms our discussion during the negotiations that resulted in the June 6, 2013 Memorandum of Agreement regarding overcoming temporary shortages of Engineers. To help address those service issues, the parties agreed to the following:

Internal WC Temporary Transfer

Positions will be advertised seven (7) days in advance of an anticipated temporary shortage of Engineers at a specific location(s). Applicants will be selected based upon seniority and the requirements of service at each applicant's home terminal, qualifications being equal. Should temporarily transferred engineers come from more than one terminal, their relative seniority standing among themselves, on the district to which transferred, shall be based their system seniority.

Successful applicants may be required to protect service at the shortage location for a minimum of thirty (30) days but not to exceed one (1) year, unless released by the Company earlier. These time frames may be extended as mutually agreed by the Company, the engineer and the General Chairman of the BLET. The Company may offer engineers incentives to temporarily transfer to another seniority district, provided that such incentives are identical for all those engineers temporarily transferring to that same district.

Temporary Transfer from Other CN properties

If the need for temporary engineers is still not fulfilled after utilizing those Temporary Transfer provisions, or if work load demands do not permit the release of employees from other terminals to such temporary transfers, offers to engineers from other CN properties to work on WC temporarily may be posted according to the terms and conditions set forth below.

The positions on WC will be considered temporary positions, and engineers may be required to work on the WC for up to 59 days.

If all such temporarily transferred engineers are from the same seniority district on their home road, they shall rank among themselves in order as on their home seniority district roster. In the event temporarily transferred engineers are from more than one seniority district or more than one road, their standing among themselves on the WC district to which they temporarily transfer shall be based their earliest seniority date as engineer on a CN property.

At the discretion of the General Manager, engineers may be offered additional temporary assignment(s) (not to exceed an additional 59 days) at the conclusion of the initial assignment. In the event not all temporary engineers can be released simultaneously, volunteers will be released in seniority order. If there are not enough volunteers, engineers will be released in reverse seniority order.

At the end of every 59 day period (or when released), temporary Engineers will relinquish their rights to work on the WC and must return to their home property, unless otherwise mutually agreed between the General Manager and the General Chairman.

When engineers from other properties are to be used on WC, an equal number of WC demoted engineers must be returned to engine service unless the Carrier can not release them due to the requirements of the service. On a one for one basis, WC demoted engineers who are not returned to engine service for this reason shall be credited with one (1) month of service towards Employment Security for each month other engineers are used on WC property. (Example: if 5 IC engineers are borrowed out to WC, then up to 5 WC demoted engineers who were not returned to engine service due to service requirements in their

district shall, based on their relative seniority date as engineer, receive credit toward the 60 month service threshold.)

Temporary Transfer to other CN properties

The need for WC engineers to work on another CN property temporarily may be posted to enable interested engineers from WC to accept transfer to another CN property on a temporary basis according to the terms and conditions set forth below.

The General Manager will determine the number of WC Engineers who may be released to accept temporary transfer to another property.

Subject to final approval by the General Manager, Engineers will be permitted to transfer based on their seniority and the requirements of service in their home District.

Engineers approved to work on another CN property will be granted a Leave of Absence. The leave of absence shall expire seventy-two (72) hours from the time the engineer is notified of his/her release from the other property and they shall immediately thereafter mark up for service in their home district. WC engineers shall not lose their WC seniority as a result of anything resulting from their temporary employment on another property, unless they fail to mark up or return to service on the WC upon conclusion of their leave of absence.

Engineers will not make less than a basic day when available and protecting (other than rest days) on another property. All time worked and available by WC engineers while on a temporary assignment on another property will be counted towards any applicable WC employment time with regards to seniority accrual, vacation and PLD qualification and Health & Welfare benefits. Engineers on temporary assignments on another property shall be allowed Company provided lodging. Engineers on temporary assignments shall be reimbursed for the necessary costs of transportation, which shall be at the standard driving allowance allowed by the IRS, from their home (WC) terminal to the location of the Company provided lodging. At the conclusion of their leave of absence, WC Engineers shall be reimbursed for the necessary costs of transportation, which shall be at the standard driving allowance allowed by the IRS, from their Company provided lodging to their home (WC) terminal.

WC engineers accepting temporary transfer to another property will continue to be covered under the applicable Health & Welfare and benefit provisions as contained in the existing WC/BLET Collective Bargaining Agreement.

ATTACHMENT D – CLARIFICATIONS TO BE INCORPORATED INTO CODIFIED AGREEMENT

- 1) It is acceptable for a week of vacation to start in one calendar year and run into the following year. Vacation will be deemed to belong to the year in which started.
- 2) Engineers who exercise their seniority to a different terminal can displace any junior engineer on any assignment within that terminal without waiting until the next Permanent Change of Card.
- 3) Unless the provisions of Article 11, Paragraph (D) (1) and (2) are exhausted, Engineers will not be called ahead of their call windows.
- 4) In case the work train is annulled, an engineer assigned to go on/off duty with a work train at an outlying point will be paid for the day.
- 5) Should the Empire Mine Assignments be re-established in the future, they will retain a prior-right SSAM designation.
- 6) If a regular bulletined assignment is annulled on a holiday and the Company later determines the annulled assignment will need to operate on the holiday, the regular assigned Engineer will be called and receive first preference to his assignment before an Extra Board Engineer. However, once officially annulled, the Company cannot force that regularly assigned engineer to work his position.
- 7) “Window Jobs” are not tied to a specific train name. The Company’s obligation is to call a window job within their calling window, not to call them for a specific train.
- 8) Q. How will the engineer tied up for interim rest, (aggregate service), be compensated?
 - A. For pay purposes, the tie-up time will constitute the end of his shift. After resuming service, the second half of his assignment will be treated as a new start.
- 9) With respect to Article 8 (1) (g), a day is defined as a 24-hour period.
- 10) A personal leave day or single vacation day for a window assignment shall commence at the start time of the window.
- 11) Q. Can an extra board engineer be called for a train even if there is a window crew available?
 - A. Yes, in accordance with Article 11D. Ordinarily a window crew would be called within their assigned window. However, they may, or may not be called for the first train to operate within their assigned window.
- 12) Q. If an extra board engineer is called, then called back and cancelled before departing his calling place, is he entitled to a called and not used payment outlined in Article 17?
 - A. Yes. He is placed to the bottom of the extra board, but must make himself available for another call. However, notification of a change of assignments without changing the on duty time does not constitute a cancellation.

- 13) Q. If an assignment is annulled, can the regularly assigned engineer be used on other available work?
- A. Yes, with the exception of Hostler/Shover assignments (unless accompanied by a utility position), the engineer may be used on other available work within the scope of the agreement.
- 14) The first out extra board engineer will be given his preference of assignments with the same start time.
- 15) Q. What is an “Available Board”?
- A. Other than being tied up at their home terminal as provided by Article 8, Section 1 (F) and subject to Article 8, Section 1, Paragraph C (iii), Engineer who are out of cycle for any reason on their outbound trip on lay-over assignments, may, at their option, mark themselves to the “available board” and may be used at straight time ahead of the Supplemental Board. Engineers who mark up to such board will do so by notifying Crew Management as least 2 hours prior to their bulletined calling window.
- 16) Q. When engineers are marked to the available board, do the provisions of Article 8, Section 1, Paragraph C, (iii) apply?
- A. No. However, they can only be called up to the expiration of their regularly assigned call window or start time.
- 17) Q. Can engineers mark up to the available board on their rest days?
- A. No. The intent of the available board is to give an engineer a wage-earning opportunity that he, otherwise, would have lost.
- 18) Q. Will engineers lose earnings as a result of implementation of Article 17 (D)?
- A. Engineers will be compensated no less than the GEB rate during the affected timeframe.
- 19) Q. When can an engineer with a 0601 mark-up for the GEB be called?
- A. He can be called at 0601 for an on duty time of no earlier than 0801.
- 20) Q. May a relief assignment be established which results in less than 48 hours off for the rest period?
- A. Yes, with concurrence of the Local Chairman. Example – an assignment may start at 2300 hours on Friday, then have Saturday and Sunday off, and then relieve an assignment that starts at 0700 on Monday.
- 21) Q. How long does an Engineer electing to stay on the GEB past 2000 prior to his rest day need to stay marked up?
- A. Until 0601

- 22) Q. For the purpose of this Article 9 only, is the GEB considered an “assignment”?
- A. Yes
- 23) Q. Can the start time of a regular assignment be adjusted one hour forward, or two hours back, on a tour of duty basis, without triggering the provisions of Article 10 (C)?
- A. Yes
- 24) Q. How will the times for deadheading and board placement be determined?
- A. The Local Chairman and the Division Superintendent and/or their designates, shall meet and develop the applicable times.
- 25) Q. Does a contractually paid day utilized before or after a holiday satisfy the availability requirement?
- A. Yes, paid days such as PLDs or vacation satisfies the requirement.
- 26) Q. Do assigned rest days count towards the qualification of holiday pay?
- A. Yes, as long as the Engineer has fulfilled the requirements of the assignment.
- 27) Q. For scheduling purposes, will Engineers be allowed to take an unpaid day(s) or PLD(s) concurrent with their vacation week(s)?
- A. Yes, based on needs of service.
- 28) Q. Are discipline cases handled in the same manner as Article 29 (2) E and F?
- A. Yes (This Q & A to be placed after Article 30 (2) C)

Attachment "C"

The following Engineers identified below shall retain their right to return to the listed home Terminal(s) that they were previously forced from when the Company chooses to increase the number of Engineers at a particular Terminal. Those Engineers listed will have one (1) opportunity to exercise their right to return, which shall be the first vacancy that opens at their previous Terminal. Engineers who either are allowed to return or do not exercise their right will be removed from this list permanently. After the effective date of this agreement, Terminal vacancies shall be filled in accordance with the provisions of Article 7 as amended.

Green Bay:

Tyler Aldrich

Shaun Forslund

Joshua Schubert

Andrew Buchner

Steven Giebink

Neenah:

Steven Gosney

Schiller Park:

Scott Sterling

Tony Hargrow

Joseph Haines

Erick Roman