

April 13, 2016

VIA FACSIMILE

TO: ALL CRLO CHIEFS

Dear Sirs and Brothers:

As a result of the CRLO's 2012 agreement with the National Railway Labor Conference, the employee cost-sharing contribution under the Railroad Employees National Health and Welfare Plan remains frozen at \$198 until June 30, 2016.

However, in accordance with the provisions of the 2011 National Agreement covering freight railroads, adjustments are allowed to the employee monthly cost-sharing contribution amount. In particular, the formula set out in the National Agreement provides that the employee cost-sharing contributions amount shall be adjusted so as to equal the lessor of 15% of the Carriers' monthly payment rate for 2016 or \$230 unless otherwise mutually agreed to by the parties during negotiations.

Be advised that effective July 1, 2016, the employee cost-sharing contribution will be 15% of the 2016 rate renewal H&W payment calculations or \$228.89. For your reference, find attached a breakdown of the plan costs used for the calculation.

in solidarity,

Robert A. Scardelletti CRLO Chairman

Attachment

United We Stand