

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514/AREA CODE: 202-862-7200 FAX: 202-862-7230

ROBERT F. ALLEN

Chairman

A. K. GRADIA
Vice Chairman

J. F. HENNECKE

Director of Labor Relations

August 28, 2002

CIRCULAR NO. 832-6-1 (UTU)

TO MEMBER ROADS:

This refers to our Circular No. 832-6 (UTU) with which we attached a copy of the Letter of Intent ("LOI") which a number of member roads entered into with the United Transportation Union (UTU) on September 26, 2002, regarding the implementation and utilization of remote control technology for certain assignments. We are now attaching a copy of the **Remote Control Agreement** ("RCA") entered into by those member roads (identified in EXHIBIT A) and the UTU on August 20, 2002, which addresses a number of issues involved in the implementation of remote control technology. The negotiation of this agreement was not deemed within the ambit of the bargaining authority granted to the National Carriers' Conference Committee (NCCC) by member roads who executed authorization forms for national handling because the NCCC's position was that bargaining to implement such technology was not required since existing agreements did not restrict the carriers from implementing that technology. Accordingly, the RCA is a separate agreement negotiated voluntarily by the parties outside the framework of national bargaining and it is not a part of the August 20, 2002 UTU National Agreement. The RCA applies to those carriers listed in EXHIBIT A of the RCA and to those member roads identified in the ATTACHMENT to the RCA.

Yours very truly,

J. F. HENNECKE

Director of Labor Relations

Attachment

REMOTE CONTROL AGREEMENT

THIS AGREEMENT, made this 20th day of August, 2002, by and between each of the carriers listed in Exhibit A, attached hereto and made a part hereof, and the employees of such carriers shown thereon and represented by the United Transportation Union, regarding each such carrier's implementation and utilization of remote control technology for assignments including, but not limited to, yard engines, road switchers, locals and other comparable assignments, witnesseth:

Section 1 - Protection

Protection shall be provided to covered employees in connection with implementation of this Agreement as provided in Attachment A hereto.

Section 2 - Compensation

Effective January 1, 2002, each employee covered by this Agreement assigned to a Remote Control Operator-qualified ("RCO") position and operating Remote Control Locomotive ("RCL") equipment will be paid a special allowance per tour of duty in the amount equal to forty-six minutes at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an employee per tour of duty.

Section 3 - Training/Certification

- A. For each location where remote control equipment is implemented, the Carrier will provide training so that all ground service employees will be qualified to use remote control equipment. Carrier training programs shall be conducted frequently enough to ensure that employees will be able, without unreasonable delay, to freely exercise seniority to and from RCO assignments. Yardmasters supervising remote control operations will be trained to become familiar with procedures governing remote control operations.

- B. As a sufficient number of RCO-qualified UTU-represented employees are trained, they may be used to train ground service employees during the on-the-job portion of the training, with the selection of UTU-represented RCO trainers to be a joint effort between UTU and Carrier. Certification remains a responsibility of management.

Section 4 - Bidding/Protection of Positions

- A. RCL assignments shall be advertised in the usual manner at the implementing location.
- B. If insufficient bids are received for the RCO positions involved (including relief), employees shall be force assigned in the usual manner at the implementing location.
- C. Each employee bidding or assigned to an RCO position shall complete the Carrier's RCO training program and shall be held on such position until such time as sufficient qualified employees are available at the location to protect such position.

Section 5 - Overview Committee

- A. A local overview committee consisting of two (2) UTU and various Carrier representatives will meet at mutually agreeable times and locations to discuss and resolve issues and problems associated with the implementation of remote control technology. The UTU representatives shall be selected by the organization.
- B. Regular meetings will occur during the first one-hundred twenty (120) days of operation and on an "as needed" basis thereafter. During such 120-day period, the UTU representatives shall be made whole for lost time, if any, due to attending committee meetings.

- C. The UTU Local Chairmen may participate in the training program as observers for purposes of becoming familiar with and explaining the use of remote control technology to prospective trainees and interested employees.

SIGNED AT WASHINGTON, D.C. THIS 20th DAY OF AUGUST, 2002.

FOR THE CARRIERS:

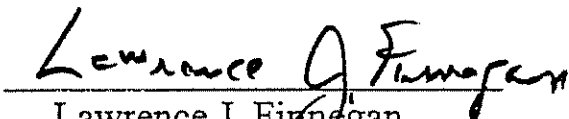
FOR THE EMPLOYEES REPRESENTED BY THE UNITED TRANSPORTATION UNION:



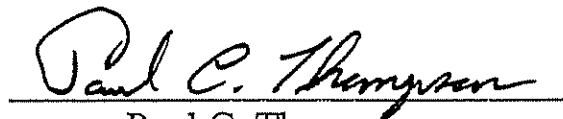
Emerson Bouchard
Kansas City Southern



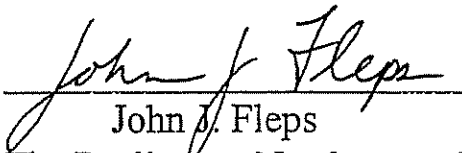
Byron A. Boyd, Jr.
President



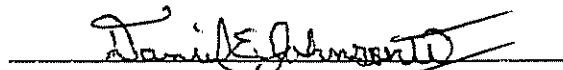
Lawrence J. Finnegan
Consolidated Rail Corporation



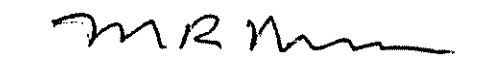
Paul C. Thompson
Assistant President



John J. Fleps
The Burlington Northern and
Santa Fe Railway Company



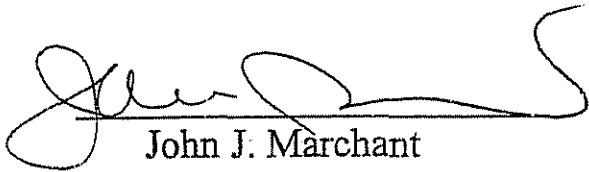
Daniel E. Johnson, III
General Secretary and Treasurer



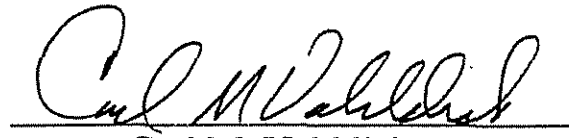
Mark R. MacMahon
Norfolk Southern Railway Co.



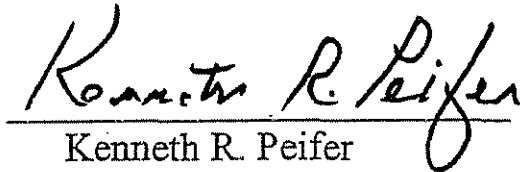
Richard L. Marceau
Vice President



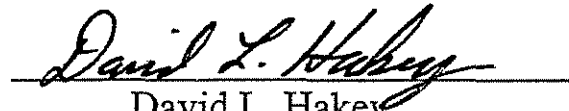
John J. Marchant
Union Pacific Railroad



Carl M. Vahldick
Vice President



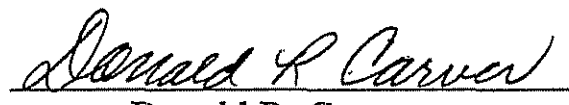
Kenneth R. Peifer
CSX Transportation, Inc.



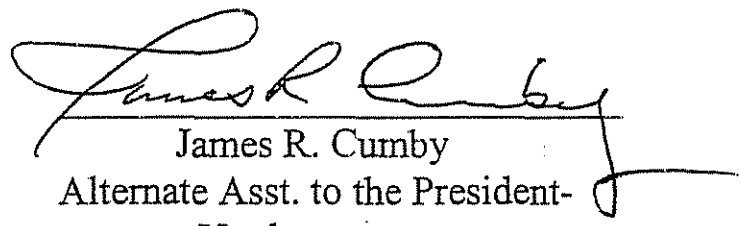
David L. Hakey
Vice President



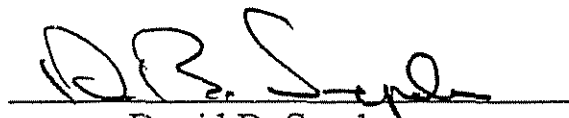
Arthur Martin, III
Vice President



Donald R. Carver
Asst. to the President-Yardmasters



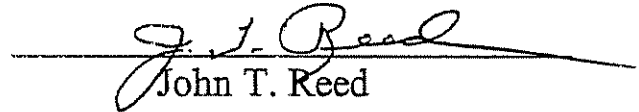
James R. Cumby
Alternate Asst. to the President-
Yardmasters



David B. Snyder
General Chairperson, BNSF

A handwritten signature in cursive script, reading "Delbert G. Strunk, Jr.", written over a horizontal line.

Delbert G. Strunk, Jr.
General Chairperson, NS

A handwritten signature in cursive script, reading "John T. Reed", written over a horizontal line.

John T. Reed
General Chairperson, CSXT

ATTACHMENT A

LABOR PROTECTION

1. A protected class of employees shall be established to include those employees in train service (and engine service where UTU holds the contract) as of the effective date of this Agreement. Employees on the effective date of this Agreement who are (i) furloughed and subsequently recalled, (ii) out of service due to carrier disciplinary action and subsequently reinstated to service with seniority unimpaired, or (iii) in yardmaster or engine service (where UTU does not hold the contract), and hold train service seniority, and subsequently exercise such seniority, will be included in the protected class.
2. The period that any member of the protected class may be eligible for protection as provided herein shall be six (6) years from the first date on which an RCL assignment is established in his location.
3. At any location where an RCL assignment is established, the senior protected employee who cannot hold a position through the normal exercise of seniority will qualify to hold a remote control protection ("RCP") slot as provided for below. The normal exercise of seniority to another location shall not reduce the number of RCP slots. If a question develops as to which employee is the appropriate occupant of the RCP slot, the General Chairman and designated carrier representative will determine which employee will occupy such slot.
4. Upon establishment of an RCL assignment, a RCP slot shall be created at that location on a one-for-one basis, i.e., one slot for each such assignment.

5. Any RCP slots shall be reduced on a one-for-one basis by any of the following:
 - A. A buy-out accepted by a train or engine service employee (in service on the effective date of this Agreement) on that seniority district after the effective date of this Agreement;
 - B. The abolishment of an RCL assignment at that location; or
 - C. The establishment of any RCL reserve board position, etc. for train or engine service employees at that location.

Note: See attached Side Letter

6. An employee holding a protected slot shall be paid at the yard helper rate based on 5 days per week, provided however, that when his last regular assignment was as a yard foreman, the yard foreman rate shall apply.
7. There shall be no pyramiding of any protective benefits, but the employee shall be paid the higher level of protection.
8. This Agreement does not change any existing rights or obligations employees have under existing protective arrangements.

August 20, 2002

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

Dear Mr. Boyd:

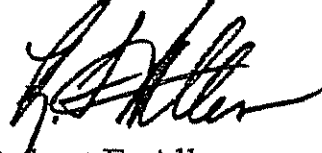
This is in reference to the Agreement dated August 20, 2002 between certain carriers and the United Transportation Union concerning implementation of remote control technology.

Appendix A, Labor Protection, of that Agreement provides in pertinent part for the reduction of Remote Control Protection ("RCP") slots created thereunder on a one-for-one basis for (i) a buy-out accepted by a train or engine service employee (in service on the effective date of the Agreement) on an affected seniority district, or (ii) the establishment of a Remote Control Locomotive ("RCL") reserve board position, etc. for train or engine service employees at the affected location.

This will confirm our mutual agreement as to the manner in which such provisions will be applied. If RCL buy outs are offered on an affected seniority district, the Carrier may offer up to one-half of the total buy outs to engine service employees. Any such buy outs shall be offered in seniority order to affected employees. The same arrangements would apply to establishment of RCL reserve board positions at the affected location.

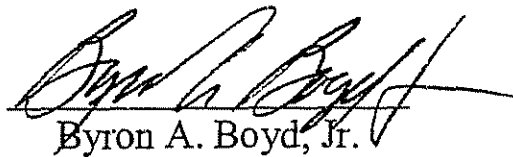
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. F. Allen", written in a cursive style.

Robert F. Allen

I agree:

A handwritten signature in black ink, appearing to read "Byron A. Boyd, Jr.", written in a cursive style.

Byron A. Boyd, Jr.

August 20, 2002

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

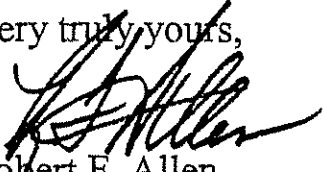
Dear Mr. Boyd:

This is in reference to the Agreement dated August 20, 2002 concerning implementation of remote control technology (Agreement).

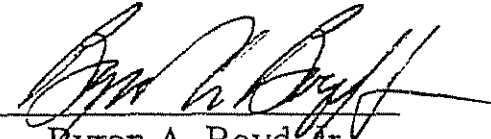
This will confirm our understanding that where applicable rules unduly restrict implementation of the objectives of Section 4 of the Agreement at a location, the parties commit to developing a process that will temporarily amend such rules to permit the effective and expeditious implementation of remote control technology. The parties understand the process is intended to facilitate implementation of such technology at the location, and not to permanently modify existing rules.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,


Robert F. Allen

I agree:


Byron A. Boyd, Jr.

August 20, 2002

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

Dear Mr. Boyd:

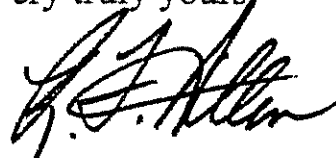
This is in reference to the Agreement dated August 20, 2002 concerning implementation of remote control technology (Agreement).

This will confirm our understanding that any of the carriers listed in the attachment to this Letter may elect to become a party to the Agreement as provided herein.

1. Such election shall be made by written notice served on the appropriate organization representative(s). Such notice may be served at any time within the ninety (90) day period following the date of the Agreement and will become effective fifteen (15) days after the date of service.
2. If a dispute arises between the carrier and any labor organization affecting implementation of remote control technology pursuant to Paragraph 1 of this Letter, such dispute shall be resolved directly by such parties in accordance with applicable law.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. F. Allen", written in a cursive style.

Robert F. Allen

I agree:

A handwritten signature in black ink, appearing to read "Byron A. Boyd, Sr.", written in a cursive style.
Byron A. Boyd, Sr.

ATTACHMENT

Alameda Belt Line
Alton & Southern Ry.
Bessemer and Lake Erie Railroad
Central California Traction Co.
Duluth, Missabe and Iron Range Ry. Co.
Elgin, Joliet and Eastern Ry. Co.
Longview Switching Co.
Los Angeles Junction Ry. Co.
Manufacturers Ry. Co.
Norfolk & Portsmouth Belt Line R.R. Co.
Oakland Terminal Ry.
Port Terminal Railroad Association
The Texas Mexican Ry. Co.*
Terminal Railroad Association of St. Louis
Portland Terminal R.R. Co.
Winston-Salem Southbound Ry. Co.
Wichita Union Terminal Ry. Co.

- * UTU's representation of employees on this carrier terminated effective July 15, 2002

EXHIBIT A

The Burlington Northern and Santa Fe Railway Company

Consolidated Rail Corporation

CSX Transportation, Inc.

The Baltimore and Ohio Chicago Terminal R.R. Co.

CSXT Northern (former Conrail)

Gainesville Midland R.R.Co.

Western Railway of Alabama

Kansas City Southern

Norfolk Southern Railway Company

The Alabama Great Southern R.R.Co.

Atlantic and East Caroline Ry. Co.

Central of Georgia R.R.Co.

The Cinn. N.O. and Tex. Pac. Ry. Co.

Georgia Sou. and Florida Ry. Co.

Tenn. Ala. and Georgia Ry. Co.

The Tennessee Railway Co.

Union Pacific Railroad