

MERGER IMPLEMENTING AGREEMENT

Between

CANADIAN NATIONAL RAILWAY COMPANY/GRAND TRUNK CORPORATION/ILLINOIS CENTRAL RAILROAD COMPANY/CHICAGO, CENTRAL AND PACIFIC RAILROAD COMPANY/WISCONSIN CENTRAL TRANSPORTATION CORPORATION

And

UNITED TRANSPORTATION UNION (Trainmen) (“UTU”)

WHEREAS, the Surface Transportation Board (STB), in a decision dated May 21, 1999, (STB Finance Docket No. 33556) approved the acquisition by Canadian National Railway Company (“CNR”), Grand Trunk Corporation (“GTC”), Grand Trunk Western Railroad Incorporated (“GTW”), of control of Illinois Central Corporation (“ITC CORP”), Illinois Central Railroad Company (“IC”), Chicago, Central & Pacific Railroad Company (“CCP”), and Cedar River Railroad Company (“CRRC”) (collectively, “IC”) subject to the conditions for the protection of railroad employees described in New York Dock Railway – Control – Brooklyn Eastern District Terminal, 360 I.C.C. 60 (1979), (“Protective Conditions”); and

WHEREAS, the Surface Transportation Board (STB), in a decision dated September 5, 2001, (STB Finance Docket No. 34000) approved the acquisition by Canadian National Railway Company (“CNR”), Grand Trunk Corporation (“GTC”), Grand Trunk Western Railroad Incorporated (“GTW”), Illinois Central Corporation (“IC CORP”), Illinois Central Railroad Company (“IC”), Chicago, Central & Pacific Railroad Company (“CCP”), and Cedar River Railroad Company (“CRRC”), of control of Wisconsin Central Transportation Corporation (“WCTC”), Wisconsin Ltd. (“WCL”), Fox Valley & Western Ltd (“FVW”), Sault Ste. Marie Bridge Company (“SSMB”), and Wisconsin Central Chicago Link Ltd. (“WCLL”) (collectively, “WC”) subject to the conditions for the protection of railroad employees described in New York Dock Railway – Brooklyn Eastern District Terminal, 360 I.C.C. 60 (1979), (“Protective Conditions”); and

WHEREAS, the UTU represents trainmen employees (“Employees”) under existing agreements on the CN properties in question;

IT IS AGREED:

SECTION 1. - COLLECTIVE BARGAINING AGREEMENT.

Employees will continue to be governed by their existing Collective Bargaining Agreements, subject to the conditions contained herein.

SECTION 2 – CONSOLIDATED CHICAGO TERMINAL BOUNDRIES.

The Chicago Terminal will be the CN owned, leased or operated trackage within the boundaries of the Elgin, Joliet and Eastern Railroad (“EJ&E”) in the Chicago area, including the trackage encompassing existing GTW territory extending west from Griffith, Indiana (Milepost 36.5), and existing IC territory extending north from Matteson, Illinois (Milepost 31.6), and extending north from Plaines (Milepost 41.0), and existing WC territory extending south from Leighton, Illinois (Milepost 38.6) and CCP territory extending east from Munger, Illinois (Milepost 35.7).

SECTION 3 – ASSIGNMENTS.

- A. Work currently bulletined at existing yards within the Chicago Terminal will continue to be work that will be advertised to Employees at those locations, e.g. assignments at Schiller Park will continue to be advertised to Employees at that location. The same requirements also apply to Markham, Elsdon, Glenn and Hawthorne. This Agreement does not transfer, on a permanent basis, work from one property to another.
- B. All assignments may receive and/or leave their trains at any location within the boundaries of the Chicago Terminal and may without restriction perform any UTU Agreement covered work at any location with the Chicago Terminal.
 - 1. WC crews performing CN directed work not associated with their train at other than Schiller Park and within the Chicago Terminal will be afforded the rates of pay in effect for Employees on that property, or Wisconsin Central Property, whichever is greater, for actual time so consumed, with a minimum payment of one-hour.

SECTION 4 – HOURS OF SERVICE RELIEF.

All extra crews or regular assignments may perform Hours of Service relief without restriction within the Chicago Terminal, subject to the following;

- 1. The train must be within one train length of the Chicago Terminal boundaries defined in Section 2 herein.
- 2. Trains that require relief due to Hours of Service that are beyond one train length must be relieved in accordance with the existing provisions of the agreement applicable to that specific property

SECTION 5 – EXTRA BOARDS.

- A. Guaranteed Extra Boards (GEB) will continue to protect work under their existing Collective Bargaining Agreement provisions. When a particular GEB is exhausted, the following calling procedures will apply for work within the Chicago Terminal, on a single tour of duty basis:

Elsdon (GTW) is exhausted:

- Step 1 – Elsdon Supplemental List
- Step 2 – Markham IC GEB
- Step 3 – Schiller Park GEB
- Step 4 – Glenn GEB
- Step 5 – Hawthorne GEB

Markham (IC) is exhausted:

- Step 1 – Markham Supplemental List
- Step 2 – Glenn GEB
- Step 3 – Hawthorne GEB
- Step 4 – Elsdon GEB
- Step 5 – Schiller Park GEB

Schiller Park (WC) is exhausted:

- Step 1 – Schiller Park Supplemental List
- Step 2 – Hawthorne GEB
- Step 3 – Glenn GEB
- Step 4 – Elsdon GEB
- Step 5 – Markham GEB

Glenn (IC) is exhausted:

- Step 1 – Glenn Supplemental List
- Step 2 – Hawthorne GEB
- Step 3 – Markham GEB
- Step 4 – Schiller Park GEB
- Step 5 – Elsdon GEB

Hawthorne (IC) is exhausted:

- Step 1 – Hawthorne Supplemental List
- Step 2 – Glenn GEB
- Step 3 – Markham GEB

Step 4 – Schiller Park GEB

Step 5 – Elsdon GEB

- B. The Company will provide transportation from the employee's GEB location to their on-duty location, however, upon approval of the Company, employees will have the option, at their discretion not subject to censure of discipline, of using their personal automobile in lieu of furnished transportation. Employees who use their personal automobile in lieu of furnished transportation will be provided payment for protecting service for that assignment at the following rates;
- 1) Schiller Park to Markham/Elsdon - \$45
 - 2) Markham/Elsdon to Schiller Park - \$45
 - 3) Schiller Park to Glenn/Hawthorne - \$25
 - 4) Glenn/Hawthorne to Schiller Park - \$25
 - 5) Markham/Elsdon to Glenn/Hawthorn - \$35
 - 6) Glenn/Hawthorne to Markham/Elsdon - \$35
- C. The foregoing travel allowances will not be used to offset any GEB guarantee. The foregoing travel allowances will be in addition to the employee's trip and/or tour of duty.
- D. This Agreement does not alter the piloting provisions of the respective Collective Bargaining Agreements currently in effect.

SECTION 6 - PROTECTION:

- A. Employees, who presently are not furlough protected under their respective Collective Bargaining Agreements, who are using their seniority within their respective districts within the physical boundaries defined under this Agreement, will become furlough protected as defined under the terms of their respective Collective Bargaining Agreements upon implementation of this Agreement.
- B. Pursuant to Article 1, s.3 of the New York Dock Protective Conditions, the UTU hereby accepts the employee protective conditions contained in their respective Collective Bargaining Agreements and in this Agreement in substitution of those contained in New York Dock.
- C. Article 26, s.2 of the June 26, 2002 WC UTU Agreement is amended to include Schiller Park as a Prior Rights location. Employees who have been awarded positions at Schiller Park as of the effective date of this Agreement shall have prior rights to the number of positions at Schiller Park which exist upon the effective date of this Agreement, and shall not be subject to forced relocation to another terminal.

SECTION 7 – GENERAL PROVISIONS.

- A. Except to implement the terms and conditions provided for herein, all other terms of the respective Collective Bargaining Agreements remain in full force and effect. Should the provisions of the any of the respective Collective Bargaining Agreements conflict with the terms and conditions contained herein, this Agreement will apply.
- B. This Agreement becomes effective January 28, 2006 and will remain in effect until changed or amended in accordance with the Railway Labor Act, as amended.
- C. Signed this 27 day of January, 2006.

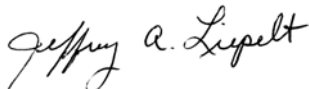
FOR THE COMPANY



Roger K. MacDougall
Sr. Director, Labor Relations



T. E. Rice
Sr. Manager, Labor Relations



J. A. Liepelt
Vice President Operations

FOR THE ORGANIZATION



W. E. Biedenharn, Jr.
General Chairman



D. Hiatt
General Chairman



J. Larson
General Chairman



T. Bublitz
General Chairman

January 16, 2006 Merger Implementing Agreement Signature Page (Cont.)
APPROVED:

M. B. Futhey, Jr.
Vice President

Mr. B. R. Wigent
Vice President

Mr. P. D. Drennan
Vice President

UTU Chicago Implementing Agreement – Side Letter

This is in regard to our discussions concerning the attached New York Dock implementing agreement with regard to consolidation of operations within the Chicago Terminal as specifically described therein. This will confirm our understanding that the parties' agreement to the attached New York Dock implementing agreement shall be without prejudice to either parties position as to the right of the Carrier to serve a subsequent Section 4 New York Dock Notice in connection with a future consolidation involving territories identified in the attached New York Dock implementing agreement. In particular, the Organization has taken the position that the attached New York Dock implementing agreement precludes the Carrier from serving a subsequent Section 4 New York Dock Notice with regard to a consolidation of the territories identified in the attached New York Dock implementing agreement. The Carrier disagrees with the Organization's position and takes the position that Article 1, Section 4 of New York Dock permits the service of subsequent Section 4 New York Dock Notices.

If this accurately represents our discussions, please indicate your agreement by signing in the space below.

FOR THE COMPANY



Roger K. MacDougall
Sr. Director, Labor Relations

FOR THE ORGANIZATION



W. E. Biedenharn, Jr.
General Chairman



D. Hiatt
General Chairman



J. Larson
General Chairman



T. Bublitz
General Chairman



United States Region
Labor Relations Department
17641 South Ashland Ave,
Homewood, IL 60430-1345

www.cn.ca

January 28, 2006

Mr. J.T. Larson
General Chairman
United Transportation Union
300 W. N. Water Street
New London, WI 54961

Dear Mr. Larson,

This shall confirm our agreement reached in Homewood, IL in connection with the Merger Implementing Agreement/Chicago Implementing Agreement dated January 28, 2006 in regards to the application of **SECTION 6 - PROTECTION**, paragraph C. as contained therein with reference to Trainmen employed by CN/WC employed at Schiller Park, IL. It is mutually agreed and understood that the below listed Trainmen employed at Schiller Park, IL shall not be subject to furlough for any reason. Additionally, the below listed Trainmen shall not be subject to forced relocation from Schiller Park to another District/Terminal on CN/WC nor subject to forced relocation to another District/Terminal within the Chicago Coordination nor elsewhere.

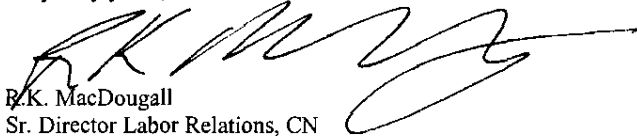
- | | | |
|---------------------|----------------------|--------------------|
| 1. Edwards, Lyndell | 7. Scardina, Jack | 13. Bernal, Pete |
| 2. Kareka, Bernard | 8. Kirinovic, Thomas | 14. Keys, Lucius |
| 3. Betts, Joseph | 9. Sterling, Scott | 15. Frogila, Bruno |
| 4. Lara, Sergio | 10. Johnson, Donte | 16. Ponce, Tony |
| 5. Roman, Erick | 11. Stackenas, Bob | 17. Floyd, Colleen |
| 6. Amschl, John | 12. Foley, Joseph | 18. Emme, Rodney |

Furthermore, it is mutually agreed and understood that the number of Trainmen positions/assignments advertised at Schiller Park Yard located at Schiller Park, IL shall not be less than eighteen (18) Trainmen positions/assignments, however, the number of the positions/assignments may be reduced when one or more of the aforementioned Trainmen is attrited for reasons such as, but not limited to, death, retirement or resignation, or if a protected employee voluntarily exercises their seniority to another terminal.

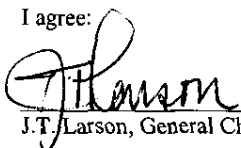
This Agreement shall become effective on January 28, 2006 and thereafter, as long as the above referenced Merger Implementing Agreement dated January 28, 2006 remains in effect, or until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

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

Very truly yours,


R.K. MacDougall
Sr. Director Labor Relations, CN

I agree:


J.T. Larson, General Chairman, UTU