

**MEMORANDUM OF AGREEMENT BETWEEN
CSX TRANSPORTATION, INC. ("CSXT" or "Carrier")**

AND

THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS ("IAM");

This Agreement is effective on the 1st day of January, 2018 by and between CSX Transportation, Inc. ("CSXT", or "the Carrier", as appropriate) and the International Association of Machinists and Aerospace Workers ("IAM"), (hereinafter referred to collectively as the "Parties").

This Agreement confirms the Parties understanding regarding the performance of work at the Carrier's Huntington, WV Heavy Repair facility (HHR), which falls within the scope of work of the signatory organizations.

1. Purpose

The Carrier commits to performing a minimum of one hundred seventy six (176) 4-axle and/or 6-axle locomotive rebuilds, at Huntington during the term of this agreement, subject to capital approval. This rebuild work includes, the installation of new cabs, upgraded heating and air conditioning systems, new control systems and positive train control technology. The Parties also agree that non-rebuild work within the scope of work of the signatory organization may be performed at HHR, including regular maintenance work, fallout work, standard line work, cab enhancements and any other planned or required work.

In an effort to retain locomotive rebuild work at HHR, the IAM has agreed to certain changes to the existing collective bargaining agreement to support and facilitate this effort. It is understood that such work must be competitive with outside manufacturers as to quality, efficiency and time of completion.

It is the Parties' understanding that the changes described in this letter are exceptions to the provisions of the collective bargaining agreements between CSX and the IAM. As such, the terms set forth in this Agreement apply only to work to be performed at the Huntington Heavy Repair facility.

2. Scope of Work

The Carrier has represented that the locomotive rebuild work will generally involve, but not limited to:

- 1) Un-trucking the locomotive and relocating the locomotive to the High Bay from the Center Track;
- 2) Removing the car body and cab;
- 3) Disassembling and removing components under the hood;
- 4) Washing, blasting and priming the frame;
- 5) Reassembling the locomotive;

- 6) Wiring and piping major components;
- 7) Applying cab and hood; and
- 8) Painting locomotive.

It is the understanding of the parties that this work, along with non-rebuild work, falls primarily within the scope of work of the crafts represented by the IAM, IBEW, IBB, SMART, and BRC as described in the applicable collective bargaining agreements. In addition to work described in the Classification of Work and/or Scope Rules of the respective crafts, employees will perform all assigned work without regard to craft, including work that falls within the provisions of the Incidental Work Rule.

3. Bulletining of Positions

Employees will retain the job title of their craft ("Machinist", etc.), in addition to their current roster positions for said craft in which they hold seniority. Positions will be bulletined in accordance with the job bulletining provisions of the applicable collective bargaining agreement and will only be filled by individuals holding seniority in that craft.

4. Workforce Ratio

Upon the ratification date of this Agreement, the current overall relative ratio at HHR among members of the IAM, along with the IBEW, IBB, SMART and BRC shall be calculated and maintained thereafter for the life of this Agreement. New employees hired after the effective date of this Agreement will be distributed among the organizations in order to maintain this ratio.

5. Work Schedule Changes

In order to retain work at HHR and to encourage greater efficiency, the Parties have agreed to the following work schedule changes related to the performance of this work:

- 1) This work is excluded from the contractual requirement that the normal work week be Monday through Friday, with a preference for rest days on Saturday and Sunday. The Parties agree, however, that rest days shall remain as scheduled consecutively.
- 2) The Carrier shall have discretion to move shift start times and may advance or defer the starting time of an employee by no more than two (2) hours with advance notice of at least sixteen (16) hours, without regard to the starting times of other employees. It is also agreed that commencing and quitting times do not have to be uniform for all employees on each shift in the Department.
- 3) Overtime calls shall be performed via OTCS by a representative of the respective Signatory Organization as determined by the local committee. However, at management's discretion, overtime calling may be performed via OTCS by a member of management. Overtime call lists will be maintained in the secured, automated overtime calling system and made available for employees to review.

6. Efficiency Differential Pay

Employees covered by this Letter of Agreement will receive a pay differential, pursuant to the below schedule, per hour for all hours worked, in accordance with the Skill Differential provisions of the collective bargaining agreements, and is in addition to any other differential

paid. The differential, to be referred to as Efficiency Differential Pay, shall become effective on January 1, 2018, or the date on which the work is first performed, whichever is earlier.

- 1) Efficiency Differential Pay Schedule
 - a. Effective January 1, 2018; \$ 1.50/hour
 - b. Effective January 1, 2019; \$ 1.50/hour
 - c. Effective January 1, 2020; \$ 1.50/hour
 - d. Effective January 1, 2021; \$ 1.75/hour
 - e. Effective January 1, 2022; \$ 2.00/hour

7. Furlough Protection

Employees on the Huntington Machinist's Seniority Roster who are covered by this Agreement, who held a position with at HHR, on November 7, 2016 will not be subject to furlough for the life of this agreement. This is inclusive of employees regardless of job status; including journeymen, student, apprentice and tentative employees.

Employees on leave of absence on November 7, 2016 due to sickness, promotion or other approved absences, who subsequently return to service, will be entitled to whatever rights they would have had as if they had been in active service at the time of this Agreement.

8. General Provisions

- 1) This Agreement will remain in full force and effect for five (5) years from its effective date until 2359 hours, December 31, 2022, unless its term is extended by mutual agreement of the Parties.
- 2) The Parties agree that the terms described in this Agreement are intended to apply to work performed at HHR.
- 3) It is understood, that after the effective date of this Agreement, either party may make request for a meeting to discuss the Agreement in the event there is an issue or concern that may arise. The Parties agree to promptly arrange for a meeting to include the individual's signatory to the Agreement, or their successor(s).
- 4) This Agreement remains in effect until changed or modified, as agreed by the parties, or in accordance with the provisions of the Railway Labor Act, as amended.
- 5) To the extent any terms of this Agreement conflict with the collective bargaining agreement between the Organization and the Carrier, the terms of this Agreement controls.
- 6) If any paragraph or term of this Agreement is deemed to be unlawful, invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect and shall remain binding on the parties hereto in accordance with the provisions of the Railway Labor Act, as amended.

- 7) This Agreement is non-referable and made without prejudice or precedent to the national bargaining round.
- 8) Detailed force reports from the facility include names, craft designation and shift of each employee will be provided to the individuals' signatory to the Agreement, or their successor(s) on a monthly basis.

Signed this 24th day of January, 2017

FOR THE ORGANIZATION:



J. Michael Perry, General Chairman
District Lodge No. 19,
International Association of Machinists and Aerospace Workers

FOR THE CARRIER:



Gery Williams, III
Vice President, Mechanical



Zachary Jones
Vice President, Labor Relations



Barry E. Morton
Director, Labor Relations



**CSXT Labor Agreement 16-002-17
Side Letter 1**

B.E. MORTON
Director Labor Relations
6735 Southpoint Drive South, BLDG II
Speed Code - J455
Jacksonville, FL 32216
Telephone: (904) 279-3636
Fax: (904) 279-2174

January 24, 2017

Mr. J. Michael Perry, General Chairman
District Lodge No. 19, International Association of Machinists and Aerospace Workers
6905 Martin Mill Pike
Knoxville, TN 37920

Mr. Perry:

Pursuant to Section 4 of CSXT Labor Agreement 16-002-17, the Parties agree that on the date that the Organization ratifies said agreement, that the relative ratio will be calculated. The Parties agree that if a conflict arises on the overall workforce ratio for the Huntington Heavy Repair Facility (HHR) that the parties will promptly meet to discuss and resolve the conflict.

FOR THE ORGANIZATION:

J. Michael Perry, General Chairman
District Lodge No. 19,
International Association of Machinists and Aerospace Workers

FOR THE CARRIER:

Gery Williams, III
Vice President, Mechanical

Zachary Jones
Vice President, Labor Relations

Barry E. Morton
Director, Labor Relations



**CSXT Labor Agreement 16-002-17
Side Letter 2**

B.E. MORTON
Director Labor Relations
6735 Southpoint Drive South, BLDG II
Speed Code - J455
Jacksonville, FL 32216
Telephone: (904) 279-3636
Fax: (904) 279-2174

January 24, 2017

Mr. J. Michael Perry, General Chairman
District Lodge No. 19, International Association of Machinists and Aerospace Workers
6905 Martin Mill Pike
Knoxville, TN 37920

Mr. Perry:

As a result of the ongoing negotiations involving the Huntington Heavy Repair Facility (HHR), the Carrier is agreeable to withdrawing the subcontracting notice of October 28, 2016 regarding rebuild and accident repair work on approximately sixty (60) locomotives.

FOR THE ORGANIZATION:

J. Michael Perry, General Chairman
District Lodge No. 19,
International Association of Machinists and Aerospace Workers

FOR THE CARRIER:

Gery Williams, III
Vice President, Mechanical

Zachary Jones
Vice President, Labor Relations

Barry E. Morton
Director, Labor Relations



**CSXT Labor Agreement 16-002-17
Side Letter 3**

B.E. MORTON
Director Labor Relations
6735 Southpoint Drive South, BLDG II
Speed Code - J455
Jacksonville, FL 32216
Telephone: (904) 279-3636
Fax: (904) 279-2174

January 24, 2017

Mr. J. Michael Perry, General Chairman
District Lodge No. 19, International Association of Machinists and Aerospace Workers
6905 Martin Mill Pike
Knoxville, TN 37920

Mr. Perry:

The Parties agree that upon the effective date of CSXT Labor Agreement 16-002-17 that a "Training Council" shall be established at the Carrier's Huntington Heavy Repair Facility ("HHR"). This council will establish and review training plans, as well as provide feedback on training issues specific to HHR. Said Council shall be comprised of a member of the organization (as chosen by the Organization), members of the Carrier's HHR management and training teams, in addition to members of other organizations working at HHR. The frequency of this group meeting is to be at least quarterly through the term of CSXT Labor Agreement 16-002-17.

FOR THE ORGANIZATION:

J. Michael Perry, General Chairman
District Lodge No. 19,
International Association of Machinists and Aerospace Workers

FOR THE CARRIER:

Gery Williams, III
Vice President, Mechanical

Zachary Jones
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