

**AGREEMENT**

THIS AGREEMENT, made this \_\_\_ day of \_\_\_\_\_, 2011, by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees (other than Yardmasters) of such carriers shown thereon and represented by the United Transportation Union, witnesseth:

**IT IS HEREBY AGREED:**

**ARTICLE I - WAGES**

**Section 1 - First General Wage Increase** (for other than Dining Car Stewards)

(a) Effective July 1, 2010, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2010 shall be increased by two (2) percent.

(b) In computing the increase for enginemen under paragraph (a) above, two (2) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger	- 600,000 and less than 650,000 pounds
Freight	- 950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	- Less than 500,000 pounds
Yard Firemen	- Less than 500,000 pounds (separate computation covering five- day rates and other than five-day rates)

**Section 2 - Second General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees represented by the United Transportation Union shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 3 - Third General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 4 – Fourth General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 5 – Fifth General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees represented by the United Transportation Union shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 6 – Sixth General Wage Increase** (for other than Dining Car Stewards)

Effective January 1, 2015, all standard basic daily rates of pay in effect on December 31, 2014 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 7 - Standard Rates**

The standard basic daily rates of pay produced by application of the increases provided for in this Article are set forth in Appendix 1, which is a part of this Agreement.

**Section 8 - Application of Wage Increases**

(a) The adjustments provided for in this Article will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, but will apply to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(b) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted in the same manner as heretofore increased under previous wage agreements.

(c) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.

(e) Standard monthly rates and money monthly guarantees applicable in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that money differentials existing as of June 30, 2010 shall be preserved.

(f) Existing monthly rates and money monthly guarantees applicable in train service other than passenger will be changed in the same proportion as the daily rate for the class of service involved is adjusted.

(g) Existing money differentials above existing standard daily rates shall be maintained.

(h) In local freight service, the same differential in excess of through freight rates shall be maintained.

(i) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.

(j) In computing the first increase in rates of pay effective under Section 1 for engineers, firemen, conductors, brakemen and flagmen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number comprising a basic day, which are therefore paid on a daily basis without a mileage component, whose rates had been increased by "an additional \$.40" effective July 1, 1968, the two (2) percent increase shall be applied to daily rates in effect on the day preceding the effective date of the general wage increase provided for in Section 1, exclusive of car scale additives, local freight differentials, and any other money differential above existing standard daily rates. For firemen, the rates applicable in the weight-

on-drivers bracket 950,000 and less than 1,000,000 pounds shall be utilized in computing the amount of increase. The same procedure shall be followed in computing the increases effective July 1, 2011, July 1, 2012, July 1, 2013, July 1, 2014, and January 1, 2015. The rates produced by application of the standard local freight differentials and the above-referred-to special increase of "an additional \$.40" to standard basic through freight rates of pay are set forth in Appendix 1 which is a part of this Agreement.

(k) Other than standard rates:

(i) Existing basic daily rates of pay other than standard shall be changed, effective as of the dates specified in Sections 1, 2, 3, 4, 5, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.

(iii) Daily rates of pay, other than standard, of engineers, firemen, conductors, brakemen and flagmen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number encompassed in the basic day, which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1, 2, 3, 4, 5, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (k)(i) above.

(l) Trip Rates established pursuant to Article V of the 2002 UTU Agreement shall be adjusted by application of the general wage increases provided for in this Article I, in the manner set forth in Article V, Part B, Section 4(c)(1) of that Agreement.

**Section 9 - General Wage Increases for Dining Car Stewards**

(a) Effective July 1, 2010, all basic monthly rates of pay in effect on June 30, 2010 for dining car stewards represented by the United Transportation Union shall be increased by two (2) percent.

(b) Effective July 1, 2011 all basic monthly rates of pay in effect on June 30, 2011 for dining car stewards represented by the United Transportation Union shall be increased by two-and-one-half (2-1/2) percent.

(c) Effective July 1, 2012, all basic monthly rates of pay in effect on June 30, 2012 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.

(d) Effective July 1, 2013, all basic monthly rates of pay in effect on June 30, 2013 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.

(e) Effective July 1, 2014, all basic monthly rates of pay in effect on June 30, 2014 for dining car stewards represented by the United Transportation Union shall be increased by three-and-one-half (3-1/2) percent.

(f) Effective January 1, 2015, all basic monthly rates of pay in effect on December 31, 2014 for dining car stewards represented by the United Transportation Union shall be increased by three (3) percent.

## **ARTICLE II - COST-OF-LIVING PAYMENTS**

### **Cost-of-Living Payments Under July 1, 2008 Agreement**

#### **Section 1**

Article III, Part B, of the July 1, 2008 National UTU Agreement, shall be eliminated effective June 30, 2011.

#### **Section 2**

Any local counterpart to the above-referenced Article III, Part B that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

## **ARTICLE III - HEALTH AND WELFARE**

### **Part A - Plan Changes**

#### **Section 1 - Continuation of Plans**

The National Railway Carriers and United Transportation Union Health and Welfare Plan ("NRC/UTU H&W Plan") and the Railroad Employees National Health and Welfare Plan (individually and collectively referred to in this Agreement, depending on the context, as "the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

**Section 2 - Plan Design Changes -- NRC/UTU H&W Plan**

(a) The Plan's Managed Medical Care Program ("MMCP") shall be revised as follows:

- (1) There shall be a separate, stand-alone, Annual Deductible of \$200 per individual and \$400 per family for In-Network Services for which a fixed-dollar copayment does not apply.
- (2) The percentage of Eligible Expenses paid by the Plan for any In-Network Services for which a fixed-dollar copayment does not apply (as defined by procedure code) shall be 95% of the Eligible Expenses that exceed the applicable Annual Deductible provided for in clause (1) above; the amount payable by the employee as a result of this "coinsurance" shall be capped at \$1,000 per individual per year and \$2,000 per family per year.
- (3) The Emergency Room Co-Payment for In-Network Services shall be increased to \$75.00 for each visit, but shall not apply if the visit results in admission to the hospital.
- (4) The Urgent Care Center Co-Payment for In-Network Services shall be decreased to \$20.00 for each visit.
- (5) In cases where a fixed-dollar copayment of \$20 currently applies to an office visit, the copayment shall be reduced to \$10 if the office is in a "convenient care clinic." A "convenient care clinic" means, for purposes of this Section, a health care facility typically located in a high-traffic retail store, supermarket or pharmacy that provides



affordable treatment for uncomplicated minor illness and/or preventative care to consumers.

- (6) The Plan shall not cover radiological services performed at a convenient care clinic.

(b) The Plan's Managed Medical Care Program ("MMCP") and its Comprehensive Health Care Benefit ("CHCB") shall both be revised to include:

- (1) Participation in a "Radiology Notification Program" (as described in Exhibit B hereto);
- (2) Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the following additional "Centers of Excellence Resource Services" (as described in Exhibit B hereto): Bariatric Resource Services, Cancer Resource Services, and Kidney Resource Services;
- (3) Arrangements for covered employees and their covered dependents to receive, on a wholly voluntary basis and without any copayment or coinsurance, the resource services made available under a "Treatment Decision Support Program" (as described in Exhibit B hereto).

(c) The Plan's Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:

- (1) Prior Authorization by the Plan's current pharmacy benefit manager (or any successor pharmacy benefit manager) ("PBM") shall be required, in accordance with such PBM's Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM's Temporary Override Program without Prior Authorization.
- (2) Employees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of the Plan's PBM with respect to the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.
- (3) Employees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(d) The Plan's Prescription Drug Card Program Co-Payments to In-Network Retail Pharmacies per prescription are revised as follows:

- (1) Generic Drug - decrease to \$5.00;
- (2) Brand Name (Non-Generic) Drug On Program Administrator's Formulary - increase to \$25.00;
- (3) Brand Name (Non-Generic) Drug Not On Program Administrator's Formulary ~ increase to \$45.00;

(e) The Plan's Mail Order Prescription Drug Program Co-Payments per prescription are revised as follows:

- (1) Generic Drug - decrease to \$5.00
- (2) Brand Name (Non-Generic) Drug on Program Administrator's Formulary – increase to \$50.00;
- (3) Brand Name (Non-Generic) Drug not on Program Administrator's Formulary – increase to \$90.00.

(f) The design changes contained in this Section shall become effective on January 1, 2012 or as soon thereafter as practicable.

**Section 3 - Plan Design Changes - ERMA**

(a) ERMA's Prescription Drug Card and Mail Order Prescription Drug Programs shall be revised as follows:

- (1) Prior Authorization by ERMA's current pharmacy benefit manager (or any successor pharmacy benefit manager) ("PBM") shall be required, in accordance with such PBM's Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PEB's Temporary Override Program without Prior Authorization.
- (2) Retirees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of ERMA's PBM with respect to

the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on January 1, 2012 or as soon thereafter as practicable, and shall apply only to individuals who become eligible for ERMA coverage on or after January 1, 2012.

## **Part B - Employee Sharing of Cost of H&W Plans**

### **Section 1 - Monthly Employee Cost-Sharing Contributions**

(a) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2011, the employee monthly cost-sharing contribution amount shall be \$202.90.

(c) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(d) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article VIII.

(e) For purposes of subsections (c) and (d) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to –

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

## **Section 2 - Pre-Tax Contributions**

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

### **Section 3 - Method of Making Employee Cost-Sharing Contributions**

Employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

### **Part C - Rescission of Side Letter**

#### **Section 1**

Side Letter #7 to the parties' July 1, 2008 Mediation Agreement (Case No. A-13369, Document "A") is rescinded.

### **ARTICLE IV – SERVICE SCALE**

#### **Section 1 – Rate Progression Bonus for Current Employees**

Any employees of a carrier covered by this Article who, on the date of this Agreement, have completed training for entry into train service and were subject on or after May 1, 2011 to compensation at a reduced rate pursuant to then-applicable service scale/rate progression rules as described below, shall receive one-time bonus payments as provided herein:

- (a) An employee covered by this Section subject to five (5) year service scale/rate progression pursuant to Article VI, Section 3 of the August 20, 2002 UTU National Agreement or counterpart local rules shall be paid a bonus of \$3,000.

- (b) An employee covered by this Section subject to (i) service scale/rate progression rules of a lesser duration than five (5) years, or (ii) service scale/rate progression rules, but compensated at the full (100%) rate of the position when working in promoted status, shall be paid a bonus of \$1,200.
- (c) The one-time bonuses provided in Sections 1 (a) and (b) above shall be paid within 90 days after the date of this Agreement.
- (d) There shall be no duplication or pyramiding of rate progression bonuses paid under this Section with rate progression bonuses paid under any other agreement.

## **Section 2 – Rate Progression Applicable To New Employees**

Each carrier covered by this Article who, on the date of this Agreement, has five (5) year service scale/rate progression rules in effect, shall amend such rules in accordance with this Section. Such revised rules shall be applicable to all employees who enter train or engine service in any class of service or job classification after the date of this Agreement.

- (a) Rates of pay, additives, and other applicable elements of compensation for employees covered by this Section will be 75% of the applicable full rate and will increase in increments as provided below for each year of active service, which shall consist of a period of 365 calendar days in which the employee performs a total of 80 or more tours of duty:
  - (i) 75% during the first year of active service;
  - (ii) 80% during the second year of active service;

- (iii) 85% during the third year of active service;
  - (iv) 90% during the fourth year of active service;
  - (v) 100% on and after completion of the fourth year of active service.
- (b) Rules in effect on the date of the Agreement regarding rate progression adjustment upon promotion to conductor/foreman or engineer (on a carrier where UTU represents engineers) shall be preserved and applied without change to employees covered by this Section.
- (c) Service scale/rate progression rules as described in Section 1(b) of this Article that are in effect on the date of this Agreement on a carrier covered by this Section shall be preserved without change and applied to new employees unless the authorized employee representative gives written notice to the Carrier of the organization's election to apply this Section to new employees in lieu of such existing rules. Such election must be made no later than fifteen (15) calendar days after the date of this Agreement.

## **ARTICLE V – FRA CERTIFICATION ALLOWANCE**

### **Section 1**

Effective July 1, 2012, or the effective date of the Federal Railroad Administration (FRA) regulations establishing conductor certification requirements, whichever is later, employees on carriers covered by this Article shall be paid a \$5.00 certification allowance for each start on a



position covered by a UTU agreement that requires the employee assigned to have a current FRA certification.

## **Section 2**

Payment of the FRA certification allowance will be applied in the manner set forth in Addendum 1 to this Agreement.

## **Section 3**

There shall be no duplication or pyramiding of certification allowances paid to employees under this Article with certification allowances paid under any other agreement.

# **ARTICLE VI – LOCAL DISCUSSIONS**

## **Section 1**

The parties believe that conclusion of national bargaining should not preclude or discourage opportunities for voluntary on-property discussions on matters of mutual interest on carriers covered by this Article. The national discussions have identified and highlighted specific areas that appear especially suited for constructive and creative attention at the individual carrier level in a manner that could provide substantial value to both sides. Those topics are listed in Section 2 and a process for commencing local discussions is set forth in Section 3.

## **Section 2**

- a. Alternative compensation
- b. Compensated leave

- c. Compensation enhancement
- d. Electronic bidding and bumping

### **Section 3**

The parties shall meet within thirty (30) days after written notice from either party of a desire to commence discussions pursuant to this Article. Such discussions shall be conducted and continued in such manner as may be mutually agreed by the parties.

## **ARTICLE VII – PROBATIONARY PERIOD**

### **Section 1**

Article VII, Section 1, of the August 25, 1978 UTU National Agreement (and counterpart provisions of applicable local agreements) are amended to read as follows and shall be applicable to all carriers covered by this Article:

#### **“Section 1 – Probationary Period**

“Upon completing training and protecting the first tour of compensated service, an additional sixty (60) days shall commence extending the time during which the carrier may reject the application for employment. Applications rejected by the carrier must be declined in writing to the applicant during his/her probationary period or application shall be considered accepted.”

## **Section 2**

The changes set forth in Section 1, above, shall become effective thirty (30) days after the date of this Agreement and shall apply to applicants who complete training on or after that date.

## **ARTICLE VIII - GENERAL PROVISIONS**

### **Section 1 - Court Approval**

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

### **Section 2 - Effect of this Agreement**

(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2009 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2009 (including any notices outstanding as of that date).

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2014 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) No party to this Agreement shall serve or progress, prior to November 1, 2014 (not to become effective before January 1, 2015), any notice or proposal.

(d) This Article will not bar management and the organization on individual railroads from agreeing upon any subject of mutual interest.

**SIGNED AT \_\_\_\_\_ THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2011**

**FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE:**

**FOR THE EMPLOYEES REPRESENTED BY THE UNITED TRANSPORTATION UNION:**

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\_\_\_\_\_, 2011  
#1

Mr. Malcolm B. Futhey, Jr.  
President  
United Transportation Union  
24950 Country Club Blvd.  
Suite 340  
North Olmsted, OH 44070

Dear Mr. Futhey:

This confirms our understanding with respect to the general wage increases provided for in Article I of Document "A" of the Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increases as soon as possible and no later than sixty (60) days after the date of this Agreement.

If a carrier finds it impossible to make such payments by that date, such carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Very truly yours,

A. Kenneth Gradia

\_\_\_\_\_, 2011  
#2

Mr. Malcolm B. Futhey, Jr.  
President  
United Transportation Union  
24950 Country Club Blvd.  
Suite 340  
North Olmsted, OH 44070

Dear Mr. Futhey:

This refers to the increase in wages provided for in Sections 1 and 2 of Article I of Document "A" of the Agreement of this date.

It is understood that the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with a carrier on the date of this Agreement or who retired or died subsequent to June 30, 2010.

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

Yours very truly,

A. Kenneth Gradia

I agree:

\_\_\_\_\_  
Malcolm B. Futhey, Jr.

\_\_\_\_\_, 2011  
#3

Mr. Malcolm B. Futhey, Jr.  
President  
United Transportation Union  
24950 Country Club Blvd.  
Suite 340  
North Olmsted, OH 44070

Dear Mr. Futhey:

This confirms our understanding with respect to Article III, Part A, Sections 2(c)(1) & (2) of Document "A" of the Agreement of this date. The prescription drug management rules identified in the aforementioned provisions of the Agreement are those that have been recommended by the Plan's current pharmacy benefit manager, Medco Health Solutions. The same is true of the therapeutic drug categories listed on Exhibit C to the Agreement; they are the therapeutic drug categories that Medco Health Solutions has recommended be subject to one or more of those rules.

The parties intend that new prescription drug management rules for which there are no existing therapeutic drug categories listed in Exhibit C shall not apply to the Plan unless such application has been (a) recommended by an independent committee of experts generally relied upon by the Plan's pharmacy benefit manager, (b) such recommendation is also made by the pharmacy benefit manager itself, and (c) the recommendation is accepted and approved by the Plan's Governing Committee.

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

Very truly yours,

A. Kenneth Gradia

I agree:

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Malcolm B. Futhey, Jr.



\_\_\_\_\_, 2011  
#4

Dear Mr. Futhey:

This will confirm our understandings with respect to Section 1 of Article IV – Service Scale of Document “A” of the Agreement of this date.

It is understood that the one-time bonus shall be payable only to employees meeting the criteria set forth therein who have an employment relationship with a carrier covered by Section 1 (“Covered Carrier”) on the date of this Agreement or who retired or died subsequent to May 1, 2011.

It is further understood that Section 1 does not apply to an employee of a Covered Carrier who is subject to compensation at the full (100%) rate upon the earlier of promotion to conductor or foreman or completion of a two-year or less rate progression, and hence no bonus is payable to such employee.

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

Yours very truly,

A. Kenneth Gradia

I agree:

\_\_\_\_\_  
Malcolm B. Futhey, Jr.

\_\_\_\_\_, 2011  
#5

Mr. Malcolm B. Futhey, Jr.  
President  
United Transportation Union  
24950 Country Club Blvd.  
Suite 340  
North Olmsted, OH 44070

Dear Mr. Futhey:

This confirms our understanding with respect to application of certain provisions of Document "A" of our July 1, 2008 Agreement ("2008 Agreement") pending ratification of our tentative agreement that would resolve our respective bargaining notices served on or subsequent to November 1, 2009 ("Tentative Agreement or TA").

Article III, Part B, Section 1 of the 2008 Agreement provides for payment of a cost-of-living allowance effective July 1, 2011. Article IV, Part C, Section 1(b) provides for an increase, effective July 1, 2011, to the per month employee cost-sharing contribution amount in effect on June 30, 2011. This confirms our understanding that, pending completion of the ratification process concerning the Tentative Agreement, application of the above-referenced provisions shall be suspended.

If the Tentative Agreement is ratified, the final disposition of those provisions is addressed in Article II, Section 1 and Article III, Part B, Section 1 of Document "A" of the TA.

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

Very truly yours,

A. Kenneth Gradia

I agree:

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Malcolm B. Futhey, Jr.

\_\_\_\_\_, 2011  
#6

Mr. Malcolm B. Futhey, Jr.  
President  
United Transportation Union  
24950 Country Club Blvd.  
Suite 340  
North Olmsted, OH 44070

Dear Mr. Futhey:

This confirms our understanding with respect to Article I, Section 6 of Document "A" of our Agreement of this date.

Article I, Section 6 of the Agreement provides for a three (3) percent general wage increase effective January 1, 2015. Article VII, Section 2(c) of the Agreement provides that the parties to the Agreement may serve and progress notices or proposals to amend the Agreement and other existing agreements on or after November 1, 2014 (not effective before January 1, 2015) ("2015 Bargaining Notices").

This will confirm our understanding that if disposition of the 2015 Bargaining Notices is referred to any third party (including but not limited to a Presidential Emergency Board or arbitration board), this Letter may be provided to such body to confirm the parties' mutual understanding that Article I, Section 6 was intended to constitute a complete resolution of the compensation adjustment issue for calendar year 2015.

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

Very truly yours,

A. Kenneth Gradia

I agree:

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Malcolm B. Futhey, Jr.

**EXHIBIT A  
UTU**

**CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE UNITED TRANSPORTATION UNION UPON SUCH CARRIERS.**

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the United Transportation Union:

Alameda Belt Line

Alton & Southern Railway Company

The Belt Railway Company of Chicago - 1

BNSF Railway Company

Central California Traction Company

Columbia & Cowlitz Railway

Consolidated Rail Corporation

CSX Transportation, Inc.

The Baltimore and Ohio Railroad Company (former)

The Baltimore and Ohio Chicago Terminal Railroad Company

Indiana Harbor Belt Railroad Company

The Kansas City Southern Railway Company

Kansas City Southern Railway

Louisiana and Arkansas Railway

MidSouth Rail Corporation

Gateway Western Railway

Mid Louisiana Rail Corporation

SouthRail Corporation  
TennRail Corporation  
Joint Agency  
Longview Switching Company  
Los Angeles Junction Railway Company  
New Orleans Public Belt Railroad  
Norfolk & Portsmouth Belt Line Railroad Company  
Norfolk Southern Railway Company  
    The Alabama Great Southern Railroad Company  
    Central of Georgia Railroad Company  
    The Cincinnati, New Orleans & Texas Pacific Railway Co.  
    Georgia Southern and Florida Railway Company  
    Tennessee, Alabama and Georgia Railway Company  
    Tennessee Railway Company  
Northeast Illinois Regional Commuter Railroad Corporation - 1  
Oakland Terminal Railway  
Port Terminal Railroad Association  
Portland Terminal Railroad Company  
Soo Line Railroad Company d.b.a. Canadian Pacific  
South Carolina Public Railways  
Terminal Railroad Association of St. Louis  
Texas City Terminal Railway Company  
Union Pacific Railroad Company  
Wichita Terminal Association  
Winston-Salem Southbound Railway Company

\* \* \* \* \*

**Notes:**

1 - Health & Welfare only

**FOR THE CARRIERS:**

\_\_\_\_\_

\_\_\_\_\_, 2011

**FOR THE UNITED TRANSPORTATION UNION:**

\_\_\_\_\_



## EXHIBIT B

### Clinical Support Services<sup>1</sup>

***Radiology Notification Program (RNS)*** – Under this program, a radiology notification process is required for participating (network) physicians, health care professionals, facilities and ancillary providers for certain advanced outpatient imaging procedures, prior to performance, with administrative claim denial for failure to provide notification. The program is a prior notification requirement only, not a precertification, preauthorization or medical necessity determination program, and currently applies to the following outpatient advanced imaging procedures: CT, MRI, PET and Nuclear Medicine, including Nuclear Cardiology. These services that take place in an emergency room, observation unit, urgent care center, or during an inpatient stay do not require notification.

The process may require a physician-to-physician discussion, the purpose of which is to engage the ordering physician in a discussion about the use of evidence-based clinical guidelines. However, the final decision authority rests with the ordering physician. This program is invisible to the covered member – non-compliance (i.e., non-notification) will result in an administrative denial of the claim with no balance billing to the patient.

***Centers of Excellence (COE) Resource Services*** – this service are based on the foundation that certain facilities treat patients who consistently achieve favorable clinical outcomes, as demonstrated by reduced hospital lengths of stay and readmission rates, lower infection rates, etc. Programs are typically designed around specific disease states or conditions in which COEs can be clearly identified. The following programs develop national COE networks and specialty nurse resources that provide specific case management interventions:

<sup>1</sup> The actual program names, specific services/processes, and administration will vary by medical vendor.

- Bariatric Resource Services (BRS) - BRS provides a national Center of Excellence network of bariatric surgery centers and hospitals with an upfront case management component.
- Cancer Resource Services (CRS)/Cancer Support Program (CSP) - This clinical consulting with cancer specialists, combined with an extensive nationwide COE network will deliver clinical and financial value.
- Kidney Resource Services (KRS) – KRS provides a large network of dialysis facilities meeting strict quality outcomes with kidney nurse specialists assisting patients.

***Treatment Decision Support (TDS)*** – These services include enhanced one-to-one coaching for individuals facing potential procedures that have been carefully targeted as having varied treatment practices and inconsistent patient outcomes. TDS normally targets back pain, knee/hip replacement, benign prostate disease, prostate cancer, benign uterine conditions, hysterectomy, breast cancer, coronary artery disease and bariatric surgery.

**Exhibit C - Drugs for Coverage Authorization and Step Therapy Rules 1/**

Therapeutic Drug Category	Drugs
<b>Specialty Drugs</b>	
<b>Gout Therapy</b>	Uloric® Krystexxa™
<b>Rheumatological (RA Agents)</b>	Actemra® Arava® Cimzia® Enbrel® Humira® Kineret® Orencia® Remicade® Rituxan® Simponi™
<b>Misc Agents</b>	Benlysta® Savella®
<b>Erythroid Stimulants</b>	Aranesp® Epogen® Procrit®
<b>Growth Hormones</b>	Egrifta™ Genotropin® Geref® Humatrope® Increlex™ IPlex™ Norditropin® Nutropin® Omnitrope® Saizen® Serostim® Tev-Tropin® Zorbtive®
<b>Interferons</b>	Actimmune® Alferon-N® Infergen® Intron-A® Pegasys® Peg-Intron® Roferon®
<b>Interleukins</b>	Arcalyst™ Ilaris®
<b>Multiple Sclerosis Therapy</b>	Amypra™ Avonex® Betaseron® Copaxone® Extavia® Gilenya™ Novantrone® Rebif® Tysabri®
<b>Myeloid Stimulants and Hemostatics</b>	Leukine® Neulasta® Neumega® Neupogen® Nplate™ Promacta®
<b>Vaccines &amp; Misc Immunologicals</b>	Botox® Dysport™ Myobloc™ Xeomin®
<b>Vaccines &amp; Misc Immunologicals (Immune Globulins)</b>	Carimune NF® Flebogamma DIF® Gammagard® Gammagard S-D® Gammaplex® Gamimune- N® Gamunex® Gamunex-C® Hizentra™ Privigen™ Vivaglobin®
<b>Dermatologicals - Psoriasis</b>	Amevive® Stelara®
<b>Cancer Therapy</b>	Afinitor® Avastin® Dacogen™ Erbix® Gleevec® Halaven™ Herceptin® Istodax® Jevtana® Nexavar® Sprycel® Sutent® Tarceva™ Tasisign® Temodar® Torisel™ Tykerb® Vectibix™ Vidaza® Votrient™ Zolanza™ Zytiga™
<b>Cancer Therapy (Misc.)</b>	Mozobil™
<b>Cancer Therapy (Misc.)</b>	Xgeva™

Therapeutic Drug Category	Drugs
Misc Antineoplastic Agents	Arimidex <sup>®</sup> Aromasin <sup>®</sup> Femara <sup>®</sup>
Misc Antineoplastic Agents	Revlimid <sup>®</sup> Thalomid <sup>®</sup>
Antivirals (Ribavirin Therapy)	Copegus <sup>®</sup> Rebetol <sup>®</sup> Ribatab <sup>®</sup>
HIV/AIDS Therapy	Selzentry <sup>™</sup>
RSV Agents	Synagis <sup>®</sup>
Parkinson's	Apokyn
Hormone Therapy (Misc.)	Acthar <sup>®</sup> Gel Sensipar <sup>®</sup>
Misc Agents	Soliris <sup>™</sup>
Misc Neurological Therapy	Nuedexta <sup>™</sup> Xenazine <sup>®</sup>
Hormone Therapy (Misc.)	Zavesca <sup>®</sup>
Hormone Therapy (Misc.)	Vpriv <sup>™</sup> Cerezyme <sup>®</sup>
Hormone Therapy (Misc.)	Samsca <sup>™</sup>
Hormone Therapy (Misc.)	Kuvan <sup>™</sup> Somavert <sup>®</sup>
Non-Narcotic Pain Relief (Hyaluronic Acid Derivatives)	Euflexxa <sup>™</sup> Hyalgan <sup>®</sup> Orthovisc <sup>®</sup> Supartz <sup>®</sup> Synvisc <sup>®</sup>
Lupus	Benlysta
Hepatitis C	Boceprevir, Telaprevir
Misc. Pulmonary Agents	Berinert <sup>®</sup> Cinryze <sup>™</sup> Kalbitor <sup>®</sup> Xolair <sup>®</sup>
Misc. Pulmonary Agents	Cayston <sup>®</sup> TOBI <sup>®</sup>
Misc. Pulmonary Agents	Pulmozyme <sup>®</sup>
Pulmonary Arterial Hypertension	Flolan <sup>®</sup> Letairis <sup>™</sup> Remodulin <sup>®</sup> Revatio <sup>™</sup> Tracleer <sup>®</sup> Ventavis <sup>®</sup> Adcirca <sup>™</sup> Tyvaso <sup>®</sup> Veletri <sup>®</sup>
<b>Non Specialty/Traditional Drugs</b>	

Therapeutic Drug Category	Drugs
<b>Hypnotics</b>	Ambien® Ambien CR™ Butisol® chloral hydrate Dalmane® Doral® Edluar™ Halcion® Lunesta® Nembupal® Prosom® Restoril® Rozerem® Silenor® Sonata® Zolpimist™
<b>Migraine</b>	Alsuma™ Amerge® Axert® Frova® Imitrex® Imitrex Inj® ImitrexNS® Maxalt® MaxaltMLT® Migranal NS® Relpax® Sumavel® Treximet™ Zomig® Zomig ZMT®
<b>Narcolepsy</b>	Nuvigil® Provigil® Xyrem®
<b>Narcotic Pain Relief</b>	Abstral® Actiq® Fentora™ Onsolis™
<b>Non-Narcotic Pain Relief (Misc.)</b>	Cambia™ Lidoderm® Stadol NS® Vimovo™
<b>Dermatologicals - Acne</b>	Solodyn®
<b>Anorexiant/Weight loss</b>	Adipex-P® Bontril® Didrex® Fastin® Tenuate® Xenical®
<b>Hormone Therapy (Select Androgens &amp; Anabolic Steroids)</b>	Androderm® AndroGel® Axiron® Fortesta™ Striant® Testim Gel®, Various anabolic steroids
<b>Nausea</b>	Anzemet® Cesamet™ Emend® Emend Trifold Pack® Kytril® Sancuso® Zofran® Zofran ODT® Zuplenz®

1/ The Coverage Authorization Program consists of traditional prior authorization, smart prior authorization, step therapy and quantity/dose rules which are based on FDA-approved prescribing and safety information, clinical guidelines, and uses that are considered reasonable, safe, and effective. These rules are recommended by an outside, independent organization based on information and data specific to the Railroad membership. Each Therapeutic Drug Category has a rule(s) specific to that category.

<b>Preferred Drug Step Therapy 2/</b>		
<b>Therapeutic Drug Category</b>	<b>Preferred Drugs</b>	<b>Targeted Drugs</b>
<b>Proton Pump Inhibitors</b>	Nexium, lansoprazole/ODT, omeprazole, omeprazole sodium bicarbonate, pantoprazole	Aciphex, Dexilant (Kapidex), Prevacid/Susp, Prilosec Oral Susp (brand), Protonix 40mg Susp, Zegerid Packet
<b>Sleep Agents/Hypnotics</b>	zolpidem/ER, zaleplon	Edular, Lunesta, Rozerem, Silenor
<b>Depression</b>	citalopram & other generics	Lexapro, Luvox CR, Pexeva (New users only)
<b>Osteoporosis</b>	Boniva, Fosamax D, alendronate	Actonel (w/CA)
<b>Intranasal Steroids</b>	Nasonex, flunisolide, fluticasone	Beconase AQ, Nasacort/AQ, Omnaris, Rhinocort/AQUA, Veramyst
<b>Angiotensin II Receptor Blockers</b>	Diovan/HCT, Micardis/HCT, losartan/HCTZ	Atacand/HCT, Avapro/Avalide, Benicar/HCT, Teveten/HCT
<b>Migraine</b>	Maxalt/MLT, Relpax, naratriptan, sumatriptan	Alsuma, Axert, Frova, Sumavel, Treximet, Zomig/ZMT
<b>Glaucoma</b>	Lumigan, Xalatan (generic)	Travatan, Travatan Z
<b>Growth Hormones (specialty drug)</b>	Genotropin, Humatrope, Norditropin	Nutropin, Nutropin AQ, Saizen
<b>Tumor Necrosis Factor (specialty drug)</b>	Enbrel, Humira	Cimzia, Simponi

2/ Preferred Drug Step Therapy identifies users of non-preferred/non-covered medications and communicates less expensive generic and preferred brand alternatives (when appropriate).

**ADDENDUM 1**

**UTU FRA CERTIFICATION PAY  
APPLICATION AND INTERPRETATION  
AGREED TO QUESTIONS AND ANSWERS  
NATIONAL CARRIERS' CONFERENCE COMMITTEE  
AND  
UNITED TRANSPORTATION UNION**

**Effective Date**

- Q1. What is the effective date for the commencement of payment of the \$5.00 certification allowance?
- A1. Payment of the \$5.00 certification allowance is to commence effective July 1, 2012 or the effective date of the Federal Railroad Administration (FRA) Rule implementing conductor certification, whichever occurs later.

**Eligibility**

- Q2. When is a UTU-agreement covered employee entitled to receive a certification allowance?
- A2. When such employee has a start on a position for which FRA certification is required.

**Application**

- Q3. On what basis is the certification allowance payable?

A3. The certification allowance is payable for each start made as a certified conductor in yard and/or road service for a covered carrier. See also Q & A 2.

Q4. What is the amount of the certification allowance?

A4. The certification allowance is \$5.00 per start. There is no overmile or overtime component.

Q5. Is the certification allowance payable on any calendar day during which an eligible employee does not have a start?

A5. No. The certification allowance is not payable on any calendar day during which an eligible employee does not have a start\*, irrespective of whether the employee is paid for that day. Thus, the certification allowance is not payable in the following examples (which assume in each case that the employee did not have a start during that calendar day):

- Deadheading
- Personal Leave days
- Holidays
- Bereavement Leave
- Jury Duty
- Paid days for attending court, inquests, investigations, safety/training sessions, etc.
- Guarantee payments pursuant to guaranteed extra board agreements



- Day for which penalty payments are made such as—
  - Payments made when a conductor is called and released without actually performing service, runarounds, etc.
  - Payments made under the Held Away From Home Terminal rules
  - Make whole payments

\* The utilization and application of the term “start” is restricted to the matters addressed in this Addendum and is not intended to address or define that term in any other context.

### **Application Examples**

#### Tours of Duty/Service Running Over Two Consecutive Calendar Days

- Q6. A certified conductor’s run starts at 4:00 p.m. on Day One and is completed at 1:00 a.m. the next day (Day Two). What certification allowance is payable to that employee?
- A6. The employee is paid one \$5.00 allowance for the start on Day One.
- Q7. A certified conductor’s run starts on Day One and is completed before midnight. Employee is deadheaded in combination service back to his home terminal and the deadhead is completed on Day Two. What certification allowance is payable to that employee?
- A7. The employee is paid one \$5.00 allowance for the start on Day One.
- Q8. A certified conductor starts and completes his run on Day One but is held on duty past midnight for testing under FRA alcohol and drug rules. What

certification allowance is payable to that employee?

- A8. The employee is paid one \$5.00 allowance for the start on Day One.
- Q9. A certified conductor is called for a 12:01 a.m. assignment on Day One, but reports 15 minutes early to do preparatory work. What certification allowance is payable to that employee?
- A9. The employee is paid one \$5.00 allowance for the Day One start.
- Q10. A certified conductor starts his run on Day One and ties up at 11:55 p.m. on that same day, but completes reports until 12:05 a.m. on Day Two. What certification allowance is payable to that employee?
- A10. The employee is paid one \$5.00 allowance for the Day One start.

Multiple Starts, Same Calendar Day

- Q11. A certified conductor commences and completes two starts during the same calendar day. What certification allowance is payable to that employee?
- A11. The employee is paid one \$5.00 allowance for each start, or a total of \$10.00.

Separate Starts During Two Successive Calendar Days

- Q12. A certified conductor starts his run at 4:00 p.m. on Day One and ties up at 1:00 a.m. on Day Two at the completion of that tour of duty. That employee is then called for an assignment on Day Two at 1:00 p.m. which ties up at 10:00 p.m. What certification allowance is payable to that employee?
- A12. The employee is paid one \$5.00 allowance for the start on Day One, and a second \$5.00 allowance for the start on Day Two.

Multiple Days' Pay for Single Start

Q13. What certification allowance is payable to a certified conductor for a start for which he is compensated for two or more basic days under agreement rules?

A13. The employee is paid one \$5.00 allowance for that start.

Fringe Benefits, Protective Pay

Q14. Are certification allowance payments received by a certified conductor included in his compensation for purposes of computing vacation pay entitlement?

A14. Yes, when such vacation pay entitlement (for each week) is calculated on the basis of 1/52 of the previous calendar year's compensation. If the vacation pay entitlement (for each week) is paid at the rate of the last service rendered, however, certification allowance payments received would not be taken into account because such allowance payments do not constitute an element of the pay rate.

Q15. Are certification allowance payments credited toward guarantees in protective agreements or arrangements?

A15. Yes, so long as the certification allowance is included for purposes of calculating Test Period Earnings for employee's protection purposes under existing agreements or arrangements.

Q16. Are certification allowance payments included for purposes of calculating Test Period Earnings for employee protection purposes under existing protective agreements or arrangements?

A16. Yes.

Offsets

Q17. Does the certification allowance apply in addition to the Remote Control Operator special allowance established pursuant to the August 20, 2002 Remote Control Agreement?

A17. Yes.

Q18. Is the certification allowance payable in addition to payments required under existing rules for special allowances, differentials, arbitraries, and penalties?

A18. Yes.

**APPENDIX 1**

**[RATE TABLES TO BE INSERTED INTO THIS SPACE]**