

SUBJECT: BMWED Implementing Agreement D&H/NS (Sunbury, PA to Schenectady, NY – referred to as the D&H South Lines)

June 26, 2015

The following responds to primary issues regarding D&H BMWED-represented employees entering service on NS pursuant to the Implementing Agreement:

Q: How do D&H employees, who submitted their Form to NS by June 13, 2015, know what specific jobs will be available to them with NS?

A: NS will prepare a list of the particular jobs that will be available for active D&H employees to commence working on the first day that NS begins operating the D&H South lines. NS will send this list (U. S. mail or email) to all active D&H employees who hold a BMWED-represented position.

Q: How will D&H employees indicate what jobs they desire to obtain on NS?

A: The list that NS sends will identify approximately 63 specific Track or B&B positions that will work solely on the D&H South Lines, as well as other positions available on system production gangs (referred to as DPGs) or on the Northern Region/Harrisburg managerial division. D&H employees will use their existing D&H seniority to “bid” on this initial list of available positions. D&H employees should rank these positions in order of their own individual preference and, within ten days of when the list was sent to them, submit that ranked list to the NS address that is identified on the list.

Q: How will D&H employees know which job that NS has assigned to them to work on the day that NS begins operating the D&H South Lines?

A: NS will review all the “bids” it receives within the ten-day period. NS will make assignments to each position on the list based on the relative D&H seniority of the respective applicants. NS will then notify each of the D&H employees who submitted a bid and advise them of the specific position that they are assigned to work effective the day that NS commences operating the D&H South Lines – such employees will be instructed about timely notifying NS to confirm that they have been notified of the assignment and intend to report for work on the date that NS begins D&H South Lines operations. However, if there are more applicants than the number of available positions on the initial list, NS will advise the applicants, who did not get assigned one of the initial positions based on D&H seniority, that they are being placed on a waiting list to be contacted for future positions as they become available on the D&H South Lines or on the DPGs.

Q: What happens to the seniority of D&H employees who go to work for NS on a position on the D&H South Lines or on a DPG assigned to them from this initial list?

A: All D&H employees who go to work for NS on these types of positions will have their D&H seniority dates dovetailed into all the corresponding NS rosters. The D&H South Lines will constitute a distinct seniority region on NS and the NS rosters for this new seniority region will be formed by dovetailing the respective Track and B&B D&H seniority dates of the employees who are assigned to a position on the D&H South Lines or on a DPG. Similarly, all such employees will have their D&H Track Foreman, Assistant Foreman, Machine Operator and Laborer dates dovetailed into those DPG rosters. Upon establishing seniority on NS, such employees simultaneously terminate their employment relationship with CP.

Q: What happens to the seniority of D&H employees who go to work for NS on a Northern Region position (instead of a position on the D&H South Lines or on a DPG) assigned to them from this initial list?

A: All D&H employees who go to work for NS on these Northern Region positions will establish a new seniority date on the bottom of the Northern Region seniority rosters, on the bottom of the DPG rosters, and on the bottom of the D&H South Lines seniority region rosters for each classification in which they possess D&H seniority dates. Upon establishing seniority on NS, such employees simultaneously terminate their employment relationship with CP.

Q: What happens to D&H employees who were advised that they were not a successful bidder for any of the initial list of positions and are being placed on the wait list?

A: All such employees remain in their current status with CP and do not yet have any employment relationship with NS. After NS has commenced operating the D&H South Lines, as positions subsequently become available on the D&H South Lines or on a DPG, NS will notify the D&H employees who are on the wait list, in seniority order to offer them the position. A D&H employee who refuses the offer is removed from the wait list – such D&H employee has no further ability to get D&H seniority credited to a NS roster and NS has no further obligation to notify such D&H employee about available positions on NS. A D&H employee who accepts the position on the D&H South Lines or on a DPG will establish a new seniority date on the bottom of the DPG seniority rosters and on the bottom of the D&H South Lines seniority region rosters for each classification in which they possess D&H seniority dates. Upon establishing seniority on NS, such employees simultaneously terminate their employment relationship with CP.

Q: Can D&H employees who initially go to work on NS on a DPG or on a Northern Region position use their established NS seniority to bid on a vacancy that subsequently occurs on the D&H South Lines seniority region?

A: Yes, however a D&H employee who initially goes to work on the D&H South Lines seniority region may subsequently bid to a DPG but cannot bid directly from a D&H South Lines position to a Northern Region position. Also, note that DPGs are abolished and re-bulletined at the end of each year and that employees cannot be force assigned to a DPG.

Q: How far does a DPG travel during a work season?

A: The single side rail renewal, T&S, and Surfacing program work is divided among numerous gangs that each only work over a portion of the NS system – usually in a north-south arrangement that allows each gang to remain in tact for ten to twelve month seasons by working in the southern portion during the colder months. The exception is that there is only one dual rail laying gang and accordingly it travels greater distances throughout the year. A tentative work schedule is published with the job bulletins for each gang in order that employees will know what general area a particular gang will be working that year.

Q: What is the lodging and expenses arrangements for employees who work on a DPG?

A: DPGs work four 10-hour days per week, dayshift, usually Monday – Thursday, but sometimes Sunday – Wednesday because of train operations. Some DPGs are lodged in motels (two to a room) and some are lodged in camp cars (two double rooms in each car). Bulletins indicate the type of lodging for the gang. Motels are direct billed to NS. Employees lodged two to a room in motels or in camp cars receive a \$10 allowance each day that they work.

The meal per diem is \$28.42 and gets an annual COLA adjustment. Note that the DPGs lodged in camp cars also have a food service provided. Accordingly, instead of a \$28.42 per diem, the Company furnishes employees on those gangs three meals per day (\$3 per work day is

deducted from the employees' "low board" per diem allowance of \$9.14 that they receive seven days per week in this circumstance).

Employees on DPGs are provided a Travel Allowance each week that they communicate home in other than Company provided transportation. The payment is a mileage allowance paid at \$28.42 for each interval of 100 miles round trip. If multiple employees ride together in one personal vehicle, each of the employees receives the travel allowance.

Each year, employees who commence work on a DPG at the beginning of a season and remain working on it for six months are eligible for a \$1000 bonus.

Q: What happens to vacations of D&H employees who go to work for NS in one of these capacities provided for in the Implementing Agreement?

A: Once the D&H employee terminates the CP employment relationship to begin work on NS, CP will pay the employee a lump sum for any unused 2015 vacation and also for their 2016 vacation if it has been earned by working for CP as of the termination date. NS will credit D&H service with respect to vacation qualification. If the D&H employee has not worked a sufficient number of days in 2015 to earn a 2016 vacation, prior to commencing work for NS, any days the employee works for NS in 2015 will be counted in conjunction with the number of days worked in 2015 for CP to determine whether a vacation will be earned for 2016. D&H employees who receive a lump sum payment from CP for unused 2015 vacation or for 2016 earned vacation may arrange with NS to schedule time off from work in the same manner as they would schedule vacation periods; however, this time off taken after going to work for NS will be an unpaid absence with permission in that the employee will have already received the associated vacation pay from CP in advance.

Q: What happens to a D&H employee's New York Dock protection upon commencing work for NS?

A: NS will be responsible to administer the New York Dock benefits for any D&H employees who come to work for NS pursuant to the Implementing Agreement and terminate employment relationship with CP.

Q: What happens to the D&H seniority of an employee who NS hires into non-agreement service in connection with the NS commencement of operation of the D&H South Lines?

A: D&H employees who enter service on NS on a non-agreement position in connection with NS commencing to operate the D&H South Lines will have their D&H seniority dates dovetailed into all the corresponding NS D&H South region seniority rosters, with the status shown as promoted.