

Agreement between the
INDIANA HARBOR BELT RAILROAD COMPANY
And its Employees Represented by the
**BROTHERHOOD OF LOCOMOTIVE ENGINEERS
AND TRAINMEN**

November 1, 2008

ARTICLE I - ENGINEER INCENTIVE COMPENSATION

Section A - Incentive Compensation for Working Weekend(s)

1. Effective January 1, 2009, engineers who qualify per Article I, Section B will be compensated one (1) hour at the applicable straight time engineer rate of pay for service provided for **each** completed tour of duty that commences from 1900 on Friday through and including 0259 on Monday.
2. Effective May 1, 2009, engineers who qualify per Article I, Section B will be compensated two (2) hours at the applicable straight time engineer rate of pay for service provided for **each** completed tour of duty that commences from 1900 on Friday through and including 0259 on Monday.

Note: Engineers providing service to the Carrier such as but not limited to, Book of Rules, engineer recertification, engineer familiarization (qualification trips) and Carrier-mandated training and/or safety classes that commences from 1900 on Friday through and including 0259 on Monday will be compensated per Article I, Section A.

Section B - Qualifying for Incentive Compensation for Working Weekend(s)

1. Effective January 1, 2009, and every quarter thereafter, engineers who meet the terms and conditions set forth in the IHB Availability Policy dated August 1, 2005 for each of his/her three (3) monthly work brackets in a given quarter will be eligible to receive incentive compensation for working weekends for the following quarter.

Specifically:

Qualification first quarter: January-February-March earns credit for April-May-June.

Qualification second quarter: April-May-June earns credit for July-August-September.

Qualification third quarter: July-August-September earns credit for October-November-December.

Qualification fourth quarter: October-November-December earns credit for January-February-March.

Note: Engineers who meet the terms and conditions set forth in the IHB Availability Policy dated August 1, 2005 in both November and December, 2008, will qualify for Working Weekend(s) Incentive Compensation for the first quarter of 2009 (January, February, March).

Questions and Answers

- Q. How does an engineer qualify for Working Weekend(s) Incentive Compensation?
- A. An engineer must pre-qualify by meeting the terms and conditions of the IHB Availability Policy, dated August 1, 2005 in the previous quarter.
- Q. An engineer qualified for the first quarter (January, February, March) for Working Weekend(s) Incentive Compensation, but failed to meet the IHB Availability Policy in one (1) of the months in the first quarter. How will he/she be compensated?
- A. An engineer **will** be compensated for the entire first quarter for each completed tour of duty that commences from 1900 on Friday through and including 0259 on Monday. An engineer **will not** be qualified to receive incentive compensation for working weekend(s) in the following quarter.
- Q. Does a guarantee day(s) count as a start, in connection with availability, toward meeting the qualification for the Working Weekend(s) Incentive Compensation?
- A. Yes. Guarantee day(s) counts as start(s), in connection with availability, when qualifying for the Working Weekend(s) Incentive Compensation.

Section C - Incentive Compensation for Working Twenty-Two (22) or More Starts in a Monthly Work Bracket

1. Effective January 1, 2009, and every quarter thereafter, an engineer who provides the Carrier with twenty-two (22) or more tours of duty (starts) during his/her monthly work bracket for each of the three (3) monthly work brackets in a given quarter will be credited with a payment by the Carrier to cover three (3) months of the engineer's Health and Welfare Cost Sharing Contribution.

Note 1: Engineers who provide the Carrier with twenty-two (22) or more starts in both November and December, 2008, will qualify for engineer incentive compensation for health and welfare for the first quarter of 2009 (January, February, March).

Note 2: Engineers who provide service to the Carrier such as but not limited to, Book of Rules, engineer recertification, engineer familiarization (qualification trips) and Carrier-mandated training and/or safety classes will be credited with a tour of duty (start) in application of Article I, Section C.

Note 3: Engineers marked up on an assignment that has been cancelled will be credited with a tour of duty (start) for each cancellation other than those assignment(s) regularly cancelled by the Crew Consist Notice, in application of Article I, Section C.

Note 4: Engineers will be credited with one (1) tour of duty (start) for each paid or unpaid vacation day in application of Article I, Section C.

Note 5: Engineers who do not work the day of a National Holiday but who qualify for holiday pay under the terms and conditions of the existing agreement(s) **will** be credited with one (1) tour of duty (start) for each holiday paid, in application of Article I, Section C.

Note 6: Engineers who provide less than four (4) hours of service during a tour of duty due to illness or personal reasons **will not** be credited with a tour of duty (start) in connection with the incentive compensation for working twenty-two (22) or more starts in a monthly work bracket, in application of Article I, Section C.

Questions and Answers

- Q. How do engineers qualify for the Health and Welfare Incentive Compensation?
- A. Engineers must pre-qualify by providing the Carrier with twenty-two (22) or more tours of duty (starts) within each month of his/her monthly work bracket for the previous quarter.
- Q. An engineer qualified for the first quarter (January, February, March) for Health and Welfare Incentive Compensation, but failed to work twenty-two (22) tours of duty (starts) during one (1) of the months in the first quarter. How will he/she be compensated?
- A. An engineer **will** be credited for each month in the entire first quarter for his/her Health and Welfare cost contribution (January, February, March). An engineer **will not** be qualified to receive any credit for his/her Health and Welfare cost sharing contribution in the following quarter.

- Q. If an engineer works on a holiday, does he/she get credit for two (2) tours of duty (starts) under Article I, Section C.
- A. No. An engineer would receive credit for one (1) start under Article I, Section C.
- Q. Do guarantee day(s) count as starts for Health and Welfare Incentive Compensation?
- A. No.
- Q. How much compensation will an engineer receive towards his/her Health and Welfare Cost Sharing Contribution?
- A. Engineers will be compensated with the full amount of his/her Health and Welfare Cost Sharing Contribution for each of the three (3) months in which he/she has qualified.

Section D - Claim and payment

1. Engineers shall be required to submit a time slip to receive compensation for the Working Weekend(s) Incentive and such compensation shall be made no later than the month following the last monthly work bracket in which the incentive is earned. Claims for payment will be faxed to a number as specified by Superintendent's Notice.
2. Engineers who qualify for the Health and Welfare credit **will not** be required to submit a time claim for compensation. Engineers will receive credit on his/her paycheck for each of the three (3) months he/she has earned credit following the qualifying quarter.

Note: Claim for incentive compensation will be available on any kiosk on IHB property at a date to be determined. Engineers will be notified by Superintendent's Notice.

ARTICLE II - ENGINEER PROTECTION (RCL)

Effective November 1, 2008, Side Letter #5 of the August 1, 2005 agreement is hereby modified to read as follows: Engineers who have established seniority as an engineer prior to January 1, 2008, shall not be subject to furlough or remain in furlough in the event Remote Control Locomotives are in operation on the IHB Railroad. All other provisions of Side letter #5 of the August 1, 2005 Agreement shall remain in full force and effect.

ARTICLE III - LAY OFF PRIVILEGE: PROTECTED AND NON-PROTECTED ENGINEERS

Section A – Protected Engineers

Effective November 1, 2008, protected engineers will be allowed to mark off after accumulating a minimum of seven (7) or more consecutive tours of duty (starts) within his/her monthly work bracket.

Note 1: Protected engineers will be defined as engineers who receive the one (1) hour Special Pay Differential prior to the date of this agreement.

Note 2: IHB engineer J.M. Korba, ID# 3407 is the junior-most engineer on the IHB seniority roster receiving the one (1) hour Special Pay Differential.

Section B – Non-Protected Engineers

Effective February 1, 2009, non-protected engineers will be allowed to mark off after accumulating a minimum of nine (9) or more consecutive tours of duty (starts) within his/her monthly bracket.

Note 1: In application of Article III, Sections A and B, tours of duty (starts) shall be defined as service provided to the Carrier under the Hours of Service Act.

Questions and Answers

- Q. Does this mean an engineer will not be allowed to mark off during his/her monthly work bracket unless the minimum number of tours of duty (starts) for protected and non-protected engineers have been completed?
- A. No. An engineer can request to mark off at any time during his/her monthly work bracket. Mark off requests for business other than those covered by existing agreements will be granted at the sole discretion of the Carrier.
- Q. Will an engineer only be allowed to mark off one (1) time in his/her monthly work bracket after accumulating the required minimum number of tours of duty (starts)?
- A. No. An engineer is not restricted to one (1) mark off during his/her monthly work bracket. An engineer will be allowed to mark off any time he/she accumulates the required number of minimum starts for his/her regular engineer status.

Note: All the provisions set forth in the IHB Availability Policy dated August 1, 2005 remain in full force and effect.

ARTICLE IV – ENGINEER GUARANTEED EXTRA BOARD

Section A – Mark Up Regular Position

1. Non-protected engineers with an engineer seniority date between January 1, 2005 and October 1, 2008 who make a departure from the Guaranteed Extra Board and then make a seniority move to a regular position and are displaced (bumped) before working a regular assignment will, upon notification, have the option to:
 - A. Return to the Guaranteed Extra Board to protect his/her guarantee and/or availability; or
 - B. Remain on the bump board exercising the remainder of his/her bump.
2. Engineers who make a seniority move as set forth in Article IV, Section A, Paragraph 1 **will not** be allowed to make another seniority move to a regular assignment until after:
 - A. He/she has returned to the Guaranteed Extra Board to protect his/her guarantee and/or availability and has made another departure from the Guaranteed Extra Board; or
 - B. Being placed on the Guaranteed Extra Board upon expiration of his/her twenty-four (24)-hour bump if within twenty-four (24) hours of placement on the Guaranteed Extra Board he/she has not made a departure from the Guaranteed Extra Board he/she may mark up on a regular assignment provided twelve (12) hours notice has been given from the on-duty time of the regular assignment or three (3) hours when marking up to an open assignment.

Questions and Answers

- Q. Does this mean **any** engineer who marks up to a regular assigned position after making a departure from the Guaranteed Extra Board will only be allowed to make one (1) seniority move?
 - A. No. This restriction only applies to engineers with a seniority date between January 1, 2005 and October 1, 2008, who have made a departure from the Guaranteed Extra Board to a regular assignment.
- Q. What if an engineer makes a departure from the Guaranteed Extra Board then marks up to a regular assignment and works that assignment?
 - A. There is no restriction. The restriction only applies if the engineer makes a departure from the Guaranteed Extra Board, then makes a seniority move to a regular assignment and is bumped before working the regular assignment.

ARTICLE V – ENGINEERS (NEW HIRES) POST-OCTOBER 1, 2008

Section A - Determining Regular Engineer Status

The number of engineers set up in regular service will be determined by taking the sum of all engineer assignments posted bi-monthly in the Crew Consist Notice and multiplying that sum by 1.3, rounding same to the closest whole number. The number reached by this formula will be the number of engineers that will be “Regular Engineers” for the current crew consist period.

Note: Engineers set up in regular status will be determined by seniority order starting with the most senior engineer and continuing down the seniority roster in seniority order.

Section B - Determining Engineers in Guaranteed Extra Board Status

Engineers not determined to be Regular Engineers as defined in Article V, Section A will be Extra Engineers and placed on the Guaranteed Engineer Extra Board.

Section C - Exercising Seniority

Engineers, as determined in Article V, Section B, cannot mark up to a regular assignment until they are set up as provided in Article V, Section A.

Note 1: The provisions as set forth in Article V **do not** apply to engineers with a seniority date prior to October 1, 2008.

Note 2: Engineers **with** a seniority date prior to October 1, 2008 will continue to be governed by the terms and conditions of existing agreement(s) by and between the Indiana Harbor Belt Railroad and the Brotherhood of Locomotive Engineers and Trainmen.

Section D - Engineer Guaranteed Extra Board Rest Day

1. The Carrier will establish a work/rest schedule providing **one** (1) mandatory scheduled day off each week for engineer(s) with an engineer seniority date on or after October 1, 2008 who are assigned to the Guaranteed Extra Board.

Example:

Position #1	Monday	Position #8	Monday
Position #2	Tuesday	Position #9	Tuesday
Position #3	Wednesday	Position #10	Wednesday
Position #4	Thursday	Position #11	Thursday
Position #5	Friday	Position #12	Friday
Position #6	Saturday (Optional)	Position #13	Saturday (Optional)
Position #7	Sunday (Optional)	Position #14	Sunday (Optional)

2. Engineer scheduled rest day positions will be bid by seniority.
3. Saturday and Sunday position(s) will be established at the sole discretion of the Carrier.
4. Engineers with a seniority date on or after October 1, 2008 on the Guaranteed Extra Board will bid his/her rest day for each month. Engineers must provide the Crew Dispatcher three (3) or more rest day selections, in order of preference. Bids must be received by the Crew Dispatcher forty-eight (48) hours in advance of the following month in which rest days will be bid.
5. Engineers who fail to bid on a scheduled rest day will be assigned a rest day by the Carrier and shall be notified prior to the start of the month to which his/her assigned rest day applies.
6. The Carrier will notify engineers by an Engineer Guaranteed Extra Board Rest Day Notice ninety-six (96) hours in advance of the rest day positions available for each month.
7. The Carrier will make available at all crew locations on the first day of each month a notice showing all Guaranteed Extra Board engineers with their scheduled rest days.
8. Guaranteed Extra Board engineers **will not** be required to be available midnight to midnight in connection with his/her guarantee or availability when removed from or returned to the Guaranteed Extra Board by the Carrier the day before, the day of, and the day after his/her assigned rest day.
9. Engineers on the Guaranteed Extra Board **will not** have his/her guarantee reduced by one (1) when marking off on the last day of the pay period for an assigned rest day.
10. Guaranteed Extra Board engineers who mark up available on his/her assigned rest day and provide service to the Carrier **will** be compensated at the time and one-half rate of pay and will be credited with a tour of duty (start).

11. Guaranteed Extra Board engineers who are notified that he/she has been set up in regular engineer status **will** have the option of remaining on the Guaranteed Extra Board.
12. Engineers who decide to exercise their seniority in accordance with Article V, Section B, Paragraph 11, and then choose to exercise his/her seniority to regular engineer status **will not** be allowed to mark up as a regular engineer until the last day of that pay period for the first day of the next pay period. Engineers **will** be allowed to mark up in regular status beginning at 2200 hours on the last day of that pay period without penalty to his/her guarantee.
13. In the event a Guaranteed Extra Board engineer is set up in a regular status and cannot hold a regular assignment on any full calendar day, such engineer may revert to the Guaranteed Extra Board for the remainder of that pay period. Such engineer shall be entitled to the appropriate proration of his/her Guaranteed Extra Board Start(s).
14. Engineers who revert back to the Guaranteed Extra Board **will not** receive an assigned rest day for the week that he/she was in regular engineer status. When returned to the Guaranteed Extra Board, he/she will be assigned a rest day by the Carrier for the second week of that pay period.
15. Engineers who revert back to the Guaranteed Extra Board on the first full day of a new pay period (midnight to midnight) will be allowed an assigned rest day by the Carrier for both weeks of that pay period.
16. The Carrier and the BLET Local Chairman shall have the authority under Article V, Section A to adjust the Guaranteed Extra Board. The Extra Board will only be adjusted on the last calendar day of any given pay period, to become effective on the first calendar day of the following pay period.
17. Other than the specific modifications made above, Article V shall not be construed and/or interpreted as changing any of the specific provisions of any existing agreements between the Indiana Harbor Belt Railroad and the Brotherhood of Locomotive Engineers and Trainmen.
18. All provisions of any and all existing agreements will remain in full force and effect and apply to engineers with seniority date on or after October 1, 2008.

Questions and Answers

- Q. When does the rest day start and end for Guaranteed Extra Board engineers?
- A. The rest day for Guaranteed Extra Board engineers starts at 12:01 a.m. and ends at 11:59 p.m. or twenty-four (24) hours after his/her tie up for each scheduled rest day of the week.
- Q. What is the latest time an engineer on the Guaranteed Extra Board can be called for duty prior to observing his/her rest day?
- A. An engineer is subject to call until 2200 hours on the day prior to his/her scheduled rest day without penalty to his/her guarantee or availability.
- Q. What if the engineer is currently on duty at 12:01 a.m. on his/her rest day?
- A. The rest day will commence with the engineer's tie-up time and end twenty-four (24) hours later without penalty to his/her guarantee and/or availability.
- Q. What time may an engineer be called for duty at the expiration of his/her rest day?
- A. At 12:01 a.m. on the day following his/her assigned rest day or twenty-four (24) hours after his/her tie up to perform service two (2) hours later.
- Q. Must an engineer contact the crew dispatcher prior to or after his/her scheduled rest day?
- A. No. An engineer will be removed from the Guaranteed Extra Board by the crew dispatcher prior to his/her assigned rest day and will automatically be placed on the Guaranteed Extra Board at the expiration of his/her rest day.
- Q. Will an engineer's assigned rest day affect his/her guarantee pay?
- A. No. Each engineer is entitled to and guaranteed a minimum of eleven (11) tours of duty of (starts) per pay period. However, if such engineer does not make a minimum of eleven (11) tours of duty (starts) in that pay period, such engineer shall be compensated one (1) day's pay at his/her applicable rate of pay for each calendar day (midnight to midnight) that such engineer was available on the Guaranteed Extra Board but did not perform service for the Carrier.

Note: Engineers will not be required to comply with the midnight to midnight requirement when removed from the Guaranteed Extra Board by the crew dispatcher in connection with his/her assigned rest day. i.e., the day before, day of, or day after.

- Q. What if an engineer removes himself/herself from the Guaranteed Extra Board the day before or the day after his/her assigned rest day?
- A. The engineer's Guarantee Extra Board Start(s) will be reduced by one (1) for each day(s) such engineer removes himself/herself from the Guaranteed Extra Board. i.e., the day before or the day after his/her assigned rest day.
- Q. What if an engineer removes himself/herself from the guaranteed extra board the day before, the day of and the day after his/her assigned rest day, by how many Guarantee Extra Board Starts(s) will his/her guarantee be reduced?
- A. The engineer's Guarantee Extra Board Start(s) will be reduced by two (2).

ARTICLE VI - VACATION DAYS COUNTED AS TOUR OF DUTY (STARTS)

Section A - Engineer Vacation Day(s) Counted as Tours of Duty (Starts)

1. Engineers will have the option of counting paid and unpaid vacation day(s) as tours of duty (starts) in connection with the 22-start agreement dated February 15, 1966.

Note 1: The provisions set forth above will apply to vacation day(s) taken weekly or by single day(s).

Note 2: Engineers must declare when making their annual vacation bid for the following calendar year as to whether they elect to have their vacation day(s) count as tours of duty (starts). Engineers who fail to declare their intentions when making their annual request for vacation will not have their vacation day(s) count as tours of duty (starts).

ARTICLE VII - EFFECT OF THIS AGREEMENT

1. Other than the modification set forth above, nothing in this agreement shall be construed and/or interpreted as changing any of the specific provisions of existing agreement(s) between the Indiana Harbor Belt Railroad and the Brotherhood of Locomotive Engineers and Trainmen.

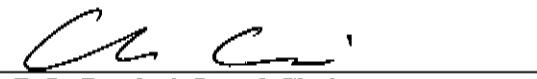
2. The Brotherhood of Locomotive Engineers and Trainmen will have the option of re-negotiating incentive pay agreement(s) with the Indiana Harbor Belt Railroad or with any other Rail Carrier that attains control of ownership at any time in the future if incentives of greater value are offered to members of the United Transportation Union (y) Trainmen i.e., (switchmen), or any Organization representing Trainmen i.e., (switchmen) on the Indiana Harbor Belt Railroad property.
3. This Agreement may be modified by agreement between the parties for a period of one-hundred eighty (180) days from the date of this agreement, or until May 1, 2009.
4. This agreement shall become effective on November 1, 2008 and shall remain in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
5. This agreement is contingent upon ratification by members of the Brotherhood of Locomotive Engineers and Trainmen (BLET) who are employed by the Indiana Harbor Belt Railroad. The BLET will notify the Carrier within twenty-four (24) hours of membership ratification or non-ratification of this Agreement.

SIGNED AT HAMMOND, INDIANA, THIS 26th DAY OF SEPTMEBER, 2008.

FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS AND
TRAINMEN:

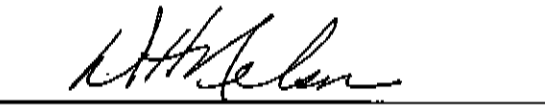


William J. Cales, General Chairman

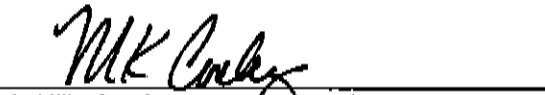


C. J. Cundari, Local Chairman

FOR THE INDIANA HARBOR BELT
RAILROAD COMPANY:

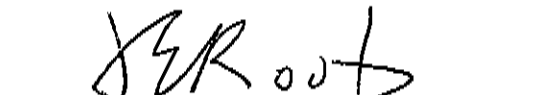


D.H. Nelson, General Superintendent



M.K. Conley, Director Labor Relations
and Human Resources

I approve:



J.E. Roots, General Manager