

MEMORANDUM OF AGREEMENT

BETWEEN

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION

OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

AND

NORFOLK SOUTHERN CORPORATION

WHEREAS, the parties desire to resolve certain local issues concurrent with the Agreement to settle disputes growing out of the notices served upon the parties on or subsequent to November 1, 2009.

IT IS AGREED, that upon the voluntary ratification by the BMWED of the Tentative Agreement dated February 2, 2012, the July 1, 1986 NW-WAB Agreement ("NW-WAB"), as amended, and the October 1, 1972 Agreement ("SOU"), as amended, are revised as follows:

I. AWAY FROM HOME EXPENSES:

A. Meals - The meal allowances provided in NW-WAB Rule 43 and SOU Rule 34 – the amounts of which are the Award of Arbitration Board No. 298 (rendered September 30, 1967) as adjusted in various subsequent national agreements, shall be further adjusted as follows:

1) Effective on July 1, 2012, the meal allowances provided for in NW-WAB Rule 43 I (a) (1- 3) and SOU Rule 34 B 1-3 are increased from the current \$8.00, \$17.00, and \$25.00 per day, respectively, to \$9.00, \$19.00, and \$28.00 per day.

Similarly, effective on July 1, 2012, the meal allowances provided in NW-WAB Rule 43 II (e) are increased from the current \$6.75 Breakfast; \$ 8.50 Lunch; \$9.75 Dinner; \$25.00 Daily, respectively, to \$7.75 Breakfast; \$9.50 Lunch; \$10.75 Dinner; \$28.00 Daily.

2) The meal allowance shall be further adjusted beginning January 1, 2015, by the percentage increase in the CPI-W (1967=100) in the previous 12 month period. Subsequent adjustments will take place semi-annually beginning on July 1, 2015 and continuing thereafter until changed by agreement.

B. Lodging - Effective July 1, 2012, any employee who is required to be lodged two to a room in a camp car or two to a room in a motel, pursuant to NW-WAB Rule 43 and SOU Rule 34, will be paid an incidental allowance of \$10.00 a day for each work day that the employee performs compensated service and stays in such lodging.

NOTE: For work days for which employees are lodged one to a room or instead commute from home in lieu of staying in a motel, such employees are not eligible to receive the \$10.00 allowance.

II. ARTICLE XIV TRAVEL ALLOWANCE - Sections 1(a) and (b) of Article XIV of the September 26, 1996 National Agreement are amended as follows:

A. Effective July 1, 2012, the payment rate for the applicable round trips of such covered employees working on NSR shall be increased from the current \$25.00 per 100 mile intervals to \$28.00 per 100 mile interval, and the payment rate for one way trips at the start up and break up of a gang shall be increased from the current \$12.50 to \$14.00 for mileage between 51 and 100 miles.

B. The payment rate for the applicable round trips, pursuant to Section 1(a), of such covered employees working on NSR shall be further adjusted beginning January 1, 2015 of each year going forward. This payment rate shall be further adjusted beginning January 1, 2015 by the percentage increase in the CPI-W (1967=100) in the previous 12 month period. Subsequent adjustments will take place semi-annually beginning on July 1, 2015 and continuing thereafter until changed by agreement. Concurrent with the adjustments to the payment rate for the roundtrips covered in Section 1(a), the payment rate for the one-way start up and break up trips pursuant to Section 1(b) will be adjusted to equal one-half the payment rate of a 101 mile to 200 mile round trip.

III. ELECTRONIC BULLETIN/BID/AWARD – Any requirement to furnish/post hard copies of advertisement and award bulletins and seniority rosters is eliminated upon BMWED being shown that all NS employees have been furnished an email address, provided reasonable access to hardware on Carrier property (including internet access for camp car sites) and necessary training.

IV. MAKEUP TIME – Upon the effective date of this agreement, NW-WAB Rules 50 and 51 and SOU Rule 31 are replaced with the following:

With the concurrence of management and a majority of the affected employees, all members of a gang or crew will work extra hours outside of their regular assignment at the straight time rate of pay in exchange for an equal number of hours to be taken off from the normal working hours of their regular assignment.

V. STARTING TIME – Upon the effective date of this agreement, SOU Rule 20 is replaced in its entirety by NW-WAB Rule 36. Part (b) of NW-WAB Rule 36 and the

revised SOU Rule 20 are further amended to add the following language at the end of the paragraph:

“except that the starting time of production crews may be between 4:00 am and 11:00 am.”

VI. EXPAND DPG – The 6/12/92 Arbitrated Agreement for Designated Programmed Gangs (“DPG Agreement”) is revised as follows, for operations to commence for 2013:

A. The Carrier’s right to establish DPG’s is expanded to include:

1) Any mobile and mechanized gang consisting of ten or more employees may be operated as a DPG.

2) Operation of DPG’s on the lines covered by the current SOU.

B. With respect to adding the current SOU employees to the DPG seniority lists and application of the respective provisions of the DPG Agreement, the Northeast Region and the Southeast Region seniority districts of the SOU will constitute the Southern East DPG Zone (“SE”) and Southwest Region and the Northwest Region seniority districts of the SOU will constitute the Southern West DPG Zone (“SW”). Employees who currently possess seniority on SOU and under the DPG Agreement, will be afforded the option to either 1) accept DPG seniority dates on the SE or SW Zone that correspond to their current SOU seniority and forfeit any existing DPG agreement seniority on other Zones or 2) retain existing DPG seniority and not receive any placement on the SE or SW Zone.

VII. CONTRACTING OUT -

A. TIE UNLOADING – T&S PROGRAM – Upon the effective date of this agreement, as long as the Carrier is not using more than ten contractor equipment operators on the NW-WAB agreement territory to unload ties to be installed by a Production Gang at any given time, any restriction on the use of contractors for such work is eliminated. All open claims initiated prior to February 2, 2012, that concern the use of a contractor to unload ties on any dates prior to the effective date of this agreement are withdrawn; however, a monetary settlement will be made based on payment rate of 30 cents per dollar at straight time rate for the man hours actually consumed by the contractor in the claimed performance of the tie unloading work.

B. OTM PICKUP – RAIL PROGRAM – Upon the effective date of this agreement, as long as the Carrier is not using more than six contractor equipment operators on the NW-WAB agreement territory to perform OTM pickup for rail renewal program work at any given time, any restriction on the use of contractors for such work is eliminated. All open claims initiated prior to February 2, 2012, that concern the use of a contractor to perform this OTM work on any date prior to the effective date of this agreement are withdrawn; however, a monetary settlement will be made based on payment rate of 30

cents per dollar at straight time rate for the man hours actually consumed by the contractor in the claimed performance of the OTM pick up work.

C. NOTICE OF TIE UNLOADING AND OTM CONTRACTING - When the Carrier intends to exercise its right to contract out tie unloading or OTM pickup work within the scope of the NW-WAB Agreement, pursuant to Paragraphs A or B above, it shall cooperate in providing the General Chairmen with information of sufficient detail so as to enable the General Chairmen to monitor the Carrier's compliance with Paragraphs A or B above, and shall include at a minimum a report of the contractors working and the track segments or production gangs involved on approximately a bi-monthly basis. If, on the basis of such a report, a General Chairman believed there had been a violation of the agreement, the General Chairman will have sixty (60) days from the date of the report to file a claim.

D. NEW TRACK CONSTRUCTION - Upon the effective date of this agreement, new track construction projects within the scope of the NW-WAB Agreement may be performed by contractors in similar manner as the arrangements made with the BMWED for Bellevue Yard, Greencastle, Lafayette, Rickenbacker Yard, Corning, and Sayre. Should the parties disagree as to how the terms of these arrangements apply to future projects covered by the NW-WAB Agreement, they will agree to resolve the dispute in an expedited arbitration procedure.

This agreement made and executed this ____ day of _____, 2012.

FOR THE ORGANIZATION:

FOR THE CARRIER:

President, BMWED
