

The 2007 CSX contract included the following GWI's:

1. GWI on Jan. 1, 2007	3%
2. A \$15.00/.15 cert pay in lieu of GWI of	3%
3. 12% P.S. in lieu of GWI of	6%
4. GWI on Jan. 1, 2010	<u>5%</u>
Total from the 2007 National Agreement	17%

The 2009 CSX agreement includes five (5) General Wage Increases over the life of the agreement. The first increase of 5% is intended to adjust the rates of pay as contemplated in the 2007 agreement. In that agreement, a 3% wage increase was applied effective January 1, 2007, but the remaining 14% from the 2007 National Agreement were not applied to the CSX engineer rates. Applying 5% of that 14% on January 1, 2010 leaves 9% from the 2007 Nat. Agr. However, in Section II of the proposal you will find that the \$15.00/.15 has been retained in the proposed agreement. The 2007 SSA is clear in that the \$15.00/.15 is eliminated if the Bonus Plan is not continued, but as the proposed agreement continues the Bonus Plan it also retains the \$15.00/.15.

While the value of retaining the \$15.00/.15 varies by assignment, it is worth at least 3% of the remaining 9% GWI from the 2007 National Agreement. The combination of subtracting a 5% GWI and retention of the \$15.00/.15 at approximately 3% from the 14% in GWI not currently in CSX engineer rates leaves approximately 6% GWI of the 14% from the 2007 Nat. Agr.,. However, in Section III you will note that in return for that 6% in GWI, engineers will be entitled to an increased annual maximum Bonus Plan payout of 12%. The Bonus Plan will be further described in Section III.

Going forward, the proposed agreement includes four additional annual wage increases beginning on January 1, 2011 of 2.5%, 2.5%, 3% and 3% for a total of 11% over four years. As the upcoming National Bargaining round has yet to begin, it is impossible to compare the value of these increases to any national product, but it is worth noting that the proposed agreement, if adopted, would resolve and close all Section 6 Notices for both parties in this bargaining round, preventing any possible changes to existing work rules. The proposed agreement will also apply General Wage Increases to engineer rates on CSX long before the National Bargaining Round is completed if the round takes as long as it has taken in previous rounds.

The 2009 CSX contract includes the following GWI's:

1. GWI on Jan. 1, 2010 (as mentioned above)	0
2. GWI on Jan. 1, 2011	2.5%
3. GWI on Jan. 1, 2012	2.5%
4. GWI on Jan. 1, 2013	3%
5. GWI on Jan. 1, 2009	<u>3%</u>
Total GWI's from the 2010 CSX agreement	11%