AGREEMENT

between the

INDIANA HARBOR BELT RAILROAD COMPANY

and the

UNITED TRANSPORTATION UNION - YARDMASTERS

Covers Wages, Health & Welfare, etc.

This Agreement shall remain in effect through December 31, 1999 and thereafter (not to become effective before January 1, 2000) until changed or modified in accordance with the Railway Labor Act.
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Agreement between the Indiana Harbor Belt Railroad Company and its Employees represented by the United Transportation Union - Yardmasters Department.

IT IS HEREBY AGREED this 1st day of July, 1998:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

(a) Effective on December 1, 1995, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on the preceding day shall be increased by three-and-one-half (3 1/2) percent.

Section 2 - Signing Bonus

On the date of this Agreement, each employee will be paid a signing bonus of one (1) percent of the employee's compensation for 1994, excluding pay elements not subject to general wage increases under Section 7 of this Article and lump sums.

Section 3 - First Lump Sum Payment

On July 1, 1996, each employee will be paid a lump sum equal to the excess of (i) three (3) percent of the employee's compensation for 1995, excluding pay elements not subject to general wage increases under Section 7 of this Article and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause (i) above and (y) two times one-quarter of the amount, if any, by which the carrier's payment rate for 1996 for foreign-to-occupation health benefits under The Railroad Employees National Health and Welfare Plan (Plan) exceeds such payment rate for 1995.

Section 4 - Second General Wage Increase

Effective July 1, 1997, all standard basic daily rates of pay in effect on June 30, 1997 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 above.

Section 5 - Second Lump Sum Payment

On July 1, 1998, each employee will be paid a lump sum equal to the excess of (i) three-and-one-half (3 1/2) percent of the employee's compensation for 1997, excluding pay elements not subject to general wage increases under Section 7 of this Article and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause (i) above and (y) one-and-one-half times one-quarter of the amount, if any, by which the carrier's payment rate for 1998 for foreign-to-occupation health benefits under the Plan exceeds such payment rate for 1995.
ARTICLE I - WAGES (Continued)

Section 6 - Third General Wage Increase

Effective July 1, 1999, all standard basic daily rates of pay in effect on June 30, 1999 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 above.

Section 7 - Annual Performance Achievement Reward

(a) Contingent Lump Sum Bonus Reward

The Parties agree that the performance of the Carrier impacts its ability to reward its employees. The operation of the safest railroad in the industry with reliable customer service is a primary goal of the Carrier and its Yardmasters. Therefore, in recognition of our mutual interest, the following is agreed:

1. Effective in the first quarter of 1999, the employees represented by the UTU - Yardmasters Department will be eligible for a bonus up to 5% based on 1998 earnings as a Yardmaster.

2. Effective in the first quarter of 2000, the employees represented by the UTU - Yardmasters Department will be eligible for a bonus of up to 5% based on 1999 earnings as a Yardmaster.

(b) In any year noted herein above that an annual bonus is paid to IHB's management under APAR (or a successor non-agreement incentive program), the amount payable to a Yardmaster will be calculated by multiplying the employee's Yardmaster earnings for the preceding calendar year by 5% and then by the percentage of the maximum annual bonus paid under APAR (or its successor) in that year.

(c) For the purpose of this section, Yardmaster earnings consist of all payments made under an Agreement between the UTU - Yardmasters Department and IHB during the applicable calendar year. The following payments shall be excluded from Yardmaster earnings under this section:

(i) any lump sum or bonus payment;
(ii) sick pay or SUB;
(iii) any settlement of a legal dispute
ARTICLE I - WAGES (Continued)

Section 7 - Annual Performance Achievement Reward (Continued)

(d) The 1999 APAR bonus, only if paid in full, will be offset as follows:

Each employee will be paid a lump sum equal to the excess of (i) five (5) per cent of the employee's compensation for 1998, excluding sick pay and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause (i) above and (y) two times one-quarter of the amount, if any, by which the Carrier's payment rate for 1999 for foreign-to-occupation health benefits under the Plan exceeds such payment rate for 1995.

If the contingent lump sum bonus is not sufficient to offset the Health and Welfare co-payment obligation in 1999, the outstanding balance will be deducted from each employee's paycheck by one-tenth per month over a ten-month period.

Section 8 - Application of Wage Increases

Special allowances not included in fixed daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments will not be increased.

Section 9 - Definitions

The carrier's payment rate for any year for foreign-to-occupation health benefits under the Plan shall mean twelve (12) times the payment made by the carrier to the Plan per month (in such year) per employee who is fully covered for employee health benefits under the Plan. Carrier payments to the Plan for these purposes shall not include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or provide for current Plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating carriers pursuant to Article III, Part A, Section 1, of the UTU Implementing Document of November 1, 1991, Document B.

Section 10 - Eligibility for Receipt of Ratification Bonus, Lump Sum Payments

The ratification bonus and lump sum payments provided for in this Article will be paid to each employee subject to this Agreement who has an employment relationship as of the date such payments are payable, or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payment. There shall be no duplication of the ratification bonus or lump sum payments by virtue of employment under another agreement nor will such payments be used to offset, construct or increase guarantees in protective agreements or arrangements.
ARTICLE II - COST-OF-LIVING PAYMENTS


The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II, Part B of the UTU Implementing Document of November 1, 1991, Document B, shall be rolled in to basic rates of pay on November 30, 1995 and such Article II, Part B shall be eliminated at that time. Any amounts paid from January 1, 1996 under the aforementioned COLA provision (effective January 1, 1996) shall be deducted from amounts payable under Article I of this Agreement.

Part B - Cost-of-Living Allowance Through January 1, 2000 and Effective Date of Adjustment

(a) A cost-of-living allowance, calculated and applied in accordance with the provisions of Part C of this Article except as otherwise provided in this Part, shall be payable and rolled in to basic rates of pay on December 31, 1999.

(b) The measurement periods shall be as follows:

Measurement Periods

<table>
<thead>
<tr>
<th>Base Month</th>
<th>Measurement Month</th>
<th>Effective Date of Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1995</td>
<td>March 1996</td>
<td>December 31, 1999</td>
</tr>
<tr>
<td>plus March 1997</td>
<td>plus March 1998</td>
<td></td>
</tr>
</tbody>
</table>

The number of points change in the CPI during each of these measurement periods shall be added together before making the calculation described in Part C, Section 1(e) of this Article.

(c) (i) Floor. The minimum increase in the CPI that shall be taken into account shall be as follows:

<table>
<thead>
<tr>
<th>Effective Date of Adjustment</th>
<th>Minimum CPI Increase That Shall be Taken Into Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 1999</td>
<td>4% of March 1995 CPI plus 4% of March 1997 CPI</td>
</tr>
</tbody>
</table>
ARTICLE II - COST-OF-LIVING PAYMENTS (Continued)

Part B - Cost-of-Living Allowance Through January 1, 2000 and Effective Date of Adjustment
(Continued)

(ii) Cap. The maximum increase in the CPI that shall be taken into account shall be as follows:

<table>
<thead>
<tr>
<th>Effective Date of Adjustment</th>
<th>Maximum CPI Increase That Shall Be Taken Into Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 1999</td>
<td>6% of March 1995 CPI plus 6% of March 1997 CPI</td>
</tr>
</tbody>
</table>

(d) The cost-of-living allowance payable to each employee and rolled in to basic rates of pay on December 31, 1999 shall be equal to the difference between (i) the cost-of-living allowance effective on that date pursuant to this Part, and (ii) the lesser of (x) the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers' 1998 payment rate for foreign-to-occupation health benefits under the Plan over such payment rate for 1995, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, and (y) one half of the cost-of-living allowance effective on December 31, 1999 pursuant to this Part.

Part C - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2000

Section 1 - Cost-of-Living Allowance and Effective Dates of Adjustments

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2000 based, subject to paragraph (d), on the CPI for March 2000 as compared with the CPI for September 1999. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d) (iii), according to the formula set forth in paragraph (e).

<table>
<thead>
<tr>
<th>Base Month</th>
<th>Measurement Month</th>
<th>Effective Date of Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1999</td>
<td>March 2000</td>
<td>July 1, 2000</td>
</tr>
</tbody>
</table>
ARTICLE II - COST-OF-LIVING PAYMENTS (Continued)

Part C - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2000
(Continued)

Section 1 - Cost-of-Living Allowance and Effective Dates of Adjustments (Continued)

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.

(c) The amount of the cost-of-living allowance, if any, that shall be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(d) (i) Cap. In calculations under paragraph (e), the maximum increase in the CPI that shall be taken into account shall be as follows:

<table>
<thead>
<tr>
<th>Effective Date of Adjustment</th>
<th>Maximum CPI Increase That May Be Taken Into Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2000</td>
<td>3% of September 1999 CPI</td>
</tr>
<tr>
<td>January 1, 2001</td>
<td>6% of September 1999 CPI, less the increase from September 1999 to March 2000</td>
</tr>
</tbody>
</table>

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(ii) Limitation. In calculations under paragraph (e), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.

(iii) If the increase in the CPI from the base month of September 1999 to the measurement month of March 2000 exceeds 3% of the September 1999 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be
ARTICLE II - COST-OF-LIVING PAYMENTS (Continued)

Part C - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2000 (Continued)

Section 1 - Cost-of-Living Allowance and Effective Dates of Adjustments (Continued)

6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2000 during such measurement period.

(iv) Any increase in the CPI from the base month of September 1999 to the measurement month of September 2000 in excess of 6% of the September 1999 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

(v) The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.

(e) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (d), shall be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion shall not be counted.)

The cost-of-living allowance in effect on December 31, 2000 shall be adjusted (increased or decreased) effective January 1, 2001 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The point resulting from such division shall be added to the amount of the cost-of-living allowance in effect on December 31, 2000 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments.

(f) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W during a measurement period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W during such measurement period.
ARTICLE II - COST-OF-LIVING PAYMENTS (Continued)

Part C - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2000
(Continued)

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance payable to each employee effective July 1, 2000 shall be equal to
the difference between (i) the cost-of-living allowance effective on that date pursuant to Section 1 of
this Part, and (ii) the lesser of (x) the cents per hour produced by dividing one-quarter of the increase,
if any, in the carriers' 1999 payment rate for foreign-to-occupation health benefits under the Plan over
such payment rate for 1998, by the average composite straight-time equivalent hours that are subject
to wage increases for the latest year for which statistics are available, and (y) one-half of the cost-of-
living allowance effective July 1, 2000.

(b) The increase in the cost-of-living allowance effective January 1, 2001 pursuant to Section 1 of
this Part shall be payable to each employee commencing on that date.

(c) The increase in the cost-of-living allowance effective July 1, 2001 pursuant to Section 1 of this
Part shall be payable to each employee commencing on that date.

(d) The procedure specified in paragraphs (b) and (c) shall be followed with respect to
computation of the cost-of-living allowances payable in subsequent years during which this Article is
in effect.

(e) The definition of the carriers' payment rate for foreign-to-occupation health benefits under the
Plan set forth in Section 8 of Article I shall apply with respect to any year covered by this Section.

(f) In making calculations under this Section, fractions of a cent shall be rounded to the nearest
whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more
shall be increased to the nearest full cent.

Section 3 - Application of Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Part C will not become part of basic
rates of pay. Each one cent per hour of cost-of-living allowance will be applied to basic monthly rates
of pay produced by application of the general wage increase provisions of Article I on each railroad in
the same manner as used in applying the cost-of-living adjustment provisions of the June 15, 1987
National Agreement.
ARTICLE III - DENTAL BENEFITS

Section 1 - Continuation of Plan

The benefits now provided under the Railroad Employees National Dental Plan (Dental Plan), modified as provided in Section 2 below, will be continued subject to the provisions of the Railway Labor Act, as amended.

Section 2 - Eligibility

Existing eligibility requirements under the Dental Plan are amended, effective July 1, 1998, to provide that in order for an employee and his eligible dependents to be covered for Covered Dental Expenses (as defined in the Dental Plan) during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Dental Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Section 3 - Benefit Changes

The following changes will be made effective January 1, 1999.

(a) The maximum benefit (exclusive of any benefits for orthodonture) which may be paid with respect to a covered employee or dependent in any calendar year beginning with calendar year 1999 will be increased from $750 to $1,500.

(b) The lifetime aggregate benefits payable for all orthodontic treatment rendered to a covered dependent, regardless of any interruption in service, will be increased from $750 to $1,000.

(c) The exclusion from coverage from implantology (including synthetic grafting) services will be deleted and dental implants and related services will be added to the list of Type C dental services for which the Plan pays benefits.

(d) Repair of existing dental implants will be added to the list of Type B dental services for which the Plan pays benefits.

(e) One application of sealants in any calendar year for dependent children under 14 years of age will be added to the list of Type A dental services for which the Plan pays benefits.

(f) The Plan will pay 80%, rather than 75%, of covered expenses for Type B dental services.
ARTICLE III - DENTAL BENEFITS (Continued)

Section 3 - Benefit Changes (Continued)

(g) The Plan will establish and maintain an 800 telephone number that employees and dependents may use to make inquiries regarding the Plan.

ARTICLE IV - VISION CARE

Section 1 - Establishment and Effective Date

The Indiana Harbor Belt Railroad Company will establish a Vision Care Plan to provide specified vision care benefits to employees and their dependents, to become effective January 1, 1999 and to continue thereafter subject to provisions of the Railway Labor Act, as amended, according to the following provisions:

(a) Eligibility and Coverage. Employees and their dependents will be eligible for coverage under the Plan beginning on the first day of the calendar month after the employee has completed a year of service for a participating railroad, but no earlier than the first day of January 1999. An eligible employee who renders compensated service on, or receives vacation pay for, an aggregate of at least seven (7) calendar days in a calendar month will be covered under the Plan, along with his eligible dependents, during the immediately succeeding calendar month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section.

(b) Managed Care. Managed vision care networks that meet standards developed by the National Carriers' Conference Committee concerning quality of care, access to providers and cost effectiveness shall be established wherever feasible. Employees who live in a geographical area where managed vision care network has been established will be enrolled in the network along with their covered dependents. Employees enrolled in a managed vision care network will have a point-of-service option allowing them to choose an out-of-network provider to perform any vision care service covered by the Plan that they need. The benefits provided by the Plan when services are performed by in-network providers will be greater than the benefits provided by the Plan when the services are performed by providers who are not in-network providers, including providers in geographic areas where a managed vision care network has not been established. These two sets of benefits will be as described in the table below.

<table>
<thead>
<tr>
<th>Plan Benefit</th>
<th>In-Network</th>
<th>Other Than In-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>One vision examination per 12-month period.</td>
<td>100% of reasonable and customary charges</td>
<td>100% of reasonable and customary charges up to a $35 maximum</td>
</tr>
</tbody>
</table>

Page 13 of 18
### ARTICLE IV - VISION CARE (Continued)

**Section 1 - Establishment and Effective Date (Continued)**

<table>
<thead>
<tr>
<th>Plan Benefit</th>
<th>In-Network</th>
<th>Other Than In-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>One set of frames of any kind per 24-month period</td>
<td>100% of reasonable and customary charges (1)</td>
<td>100% of reasonable and customary charges up to a $35 maximum</td>
</tr>
<tr>
<td>One set of two lenses of any kind, including contact lenses, per 24-month period</td>
<td>100% of reasonable and customary charges (2)</td>
<td>100% of reasonable and customary charges up to the following maximums:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>up to $25 for single vision lenses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>up to $40 for bifocals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>up to $55 for trifocals</td>
</tr>
<tr>
<td>Where the employee or dependent requires only one lens</td>
<td>100% of reasonable and customary charges 2/</td>
<td>100% of reasonable and customary charges up to a maximum of one-half of the maximum benefit payable for a set of two lenses of the same kind</td>
</tr>
<tr>
<td>(1) Patients who select frames that exceed a wholesale allowance established under the program may be required to pay part of the cost of the frames selected.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Patients may be required to pay part of the cost of spectacle lenses or lens characteristics that are not necessary for the patient's visual welfare. Moreover, patients who choose contact lenses in lieu of spectacles may be required to pay part of a contact lens evaluation fee and part of the cost of fitting and materials.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ARTICLE IV - VISION CARE (Continued)

Section 2 - Administration

The Vision Care Plan will be administered by the National Carriers' Conference Committee, which will bear the same responsibilities and perform the same functions as it does with respect to The Railroad Employees National Dental Plan, including the development of detailed plan language describing the Plan's eligibility, coverage, benefit and other provisions.

ARTICLE V - BENEFITS ELIGIBILITY

Section 1 - Health and Welfare Plan

The Railroad Employees National Health and Welfare Plan ("the Plan") is amended, effective July 1, 1998, as provided in this Section. In order for an Eligible Employee (as defined by the Plan) to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Section 2 - Vacation Benefits

Existing rules governing vacations are amended to provide that an employee may take up to one week of his annual vacation in single day increments.

Section 3

This Article is not intended to restrict any of the existing rights of the Carrier except as specifically provided herein.

ARTICLE VI - RATE PROGRESSION ADJUSTMENT FOR PROMOTION

Section 1

(a) An employee employed by a carrier on the date of this Agreement or subsequent to who becomes subject to Article III - Rate Progression of the June 15, 1987 National Agreement shall have his position on the rate progression scale adjusted to the next higher level upon promotion to Yardmaster. Such an employee who has already been promoted to Yardmaster shall have his position on the rate progression scale adjusted to the next higher level on the effective date of this Article.
ARTICLE VI - RATE PROGRESSION ADJUSTMENT FOR PROMOTION (Continued)

Section 1 (Continued)

(b) The next adjustment to an employee's position on the rate progression scale after the adjustment specified in subsection (a) of this Section shall be made when such employee completes twelve (12) calendar months of employment (as defined by the aforementioned Article III, Section 1) measured from the date on which that employee would have attained the position on the rate progression scale provided pursuant to subsection (a) of this Section.

Section 2

Local rate progression rules applicable on a carrier that is not covered by the aforementioned Article III are hereby amended in the same manner as provided in Section 1.

Section 3

This Article is not intended to restrict any of the existing rights of the Carrier except as specifically provided herein.

ARTICLE VII - SUPPLEMENTAL SICKNESS

The October 31, 1978 Supplemental Sickness Benefit Agreement, as subsequently amended effective July 29, 1991 (Sickness Agreement), shall be further amended as provided in this Article.

Section 1 - Adjustment of Plan Benefits

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on December 31, 1994 under the terms of that Agreement. Enactment of the agreed-upon RUIA legislation shall not cause the ratio of benefits to rates of pay to differ from that which existed on December 31, 1994.

(b) Section 4 of the Sickness Agreement shall be revised to read as follows:


(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be $1,401, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be $2,184. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar days basis at 1/30 of the monthly benefit rate.
ARTICLE VII - SUPPLEMENTAL SICKNESS (Continued)

Section 1 - Adjustment of Plan Benefits (Continued)

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness, and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the $1,401 monthly benefit should exceed $2,290, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for Yardmasters under the amended RUIA will not exceed $2,290. "The average daily benefit for Yardmasters under the RUIA as so amended" for purposes of this paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the December 31, 1994 wage level was $3,271.

Section 2 - Adjustment of Plan Benefits During Agreement Term

Effective December 31, 1999, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

ARTICLE VIII - 401(K) PLAN

Section 1

The provisions of the 401(K) Plan are contained in APPENDIX I as attached hereto, shall be incorporated into and made a part of this Agreement to the same extent as if included herein.

ARTICLE IX - 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 fix the general level of compensation during the period of the Agreement and is in settlement of the dispute growing out of the notices dated November 1, 1994 served by and on behalf of the Carrier upon the organization signatory hereto, and the notices dated on or subsequent to November 1, 1994 served by the organization upon the Carrier.
ARTICLE IX - GENERAL PROVISIONS (Continued)

Section 2 - Effect of this Agreement (Continued)

(b) This Agreement shall be construed as a separate agreement by and on behalf of the carrier and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 1999 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) The parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal for changing any matter contained in this Agreement or which proposes matters covered by the proposals of the parties cited in paragraph (a) of this Section, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

(d) The parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal which might properly have been served when the last moratorium ended on January 1, 1995.

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

Signed at Hammond, Indiana, this 30th day of June, 1998.

FOR THE UNITED TRANSPORTATION UNION - YARDMASTERS DEPARTMENT:

T.P. Turner, General Chairman, UTU - Yardmasters Department

Donald K. Carver, Assistant President, UTU - Yardmasters Department

FOR THE INDIANA HARBOR BELT RAILROAD COMPANY:

Joseph A. Markase, Manager of Labor Relations & Personnel - Contract Admin.

APPROVED:

C.H. Allen, General Manager, IHB RR
APPENDIX I

ARTICLE X- 401(K) PLAN

Section 1

Not later than July 2, 1998, Indiana Harbor Belt Railroad Company shall establish a qualified 401(K) retirement plan for employees covered by this Agreement. Such plan need not be contributory with respect to the carrier.

Section 2 - 401(K) Plan Outline

1. Description of Plan

   The 401(K) Plan, to become effective July 2, 1998, is designed to provide tax-advantage retirement savings benefits to eligible employees.

   Monies directed into the Plan will not be taxed for Federal income tax purposes or most State tax purposes. Interest and/or dividend earnings are not taxed until distribution, and may be eligible for IRA rollover or five (5) year averaging tax treatment. However, all distributions from the Plan will be subject to taxation in accordance with IRS regulations in effect at the time of distribution.

2. Eligibility

   An Employee must be employed by Indiana Harbor Belt Railroad Company for at least sixty (60) days in order to be eligible to participate in this 401(K) Plan as contained in ARTICLE X herein.

3. Employee Elective Contributions

   On July 2, 1998, and monthly thereafter, each employee may designate up to 10% of his W-2 earnings to be directed into his 401(K) account, in 1% increments, up to the maximum permissible by law. All funds placed in the Plan shall be subject to limitations in accordance with the Internal Revenue Code.

4. Vesting

   Participants shall be 100% vested immediately in their 401(K) accounts including employee elective contributions, interest and dividends. The value of the accounts fluctuates with investment performance.
APPENDIX I (Continued)

5. Investment Options:

(a) Participants will be able to direct the investment of their 401(K) accounts. The Plan shall include investment options to be selected by the Company. Initially, these options are four to six Fidelity investment funds.

(b) Participants shall be permitted to direct the allocation of their contributions among the available investment options in 10% increments.

(c) Participants shall also be permitted to reallocate existing account balances among available investment options intervals in 10% increments.

6. Withdrawals

Withdrawals from the Plan are available in the event of retirement, death, disability, termination, after attainment of age 59 1/2, or in the event of hardship. Hardship withdrawals shall be determined on the basis of the "safe harbor" rule as established by the IRS.

In addition, effective July 2, 1998, the Plan shall provide for loans to participants, as permitted by applicable IRS rules. Loans shall be a minimum of $500 and for a maximum of 60 months. No more than one loan shall be outstanding at any one time. The rate of interest charged shall be one percentage point above the prevailing prime rate, determined each January 1 and July 1. The interest rate on a loan shall be fixed for the life of the loan. Repayment to the participant's own account shall be subject to IRS restrictions, and shall be made by payroll deductions where applicable.

7. Plan Administration

(a) The Plan Administrator and Fidelity Investments shall be the Plan Trustee and Record keeper. The Company reserves the right, however, to change the Administrator, Trustee or Record keeper at any time.

(b) The Company will bear the payroll, trust, recordkeeping, and transaction fees, except fees required to be borne by the Trustee in connection with the investment of funds and except any loan processing fees.

(c) The Plan Administrator will conduct periodic anti-discrimination tests as required by law and shall approve all hardship withdrawal requests.
APPENDIX I (Continued)

(d) Each Plan participant shall be furnished by the Plan Administrator with a summary Plan Description and full Plan document at the time of enrollment in the Plan. These documents shall be furnished at the expense of the Company.

(e) The Plan must receive Internal Revenue Service approvals.

8. Plan Information and Enrollment

(a) The Plan Trustee will provide participants quarterly written reports of their account balances.

(b) The Trustee shall prepare and distribute educational materials regarding the Plan to eligible employees.

Note: The above language is not prescriptive; it is understood that any IHB 401(K) program will follow the dictates and procedures as outlined by Consolidated Rail Corporation or its successors.
July 1, 1998

Side Letter #1

Mr. T.P. Turner  
General Chairman, UTU  
Yardmasters Department  
2036 - 139th Lane, N.W.  
Andover, MN 55304

Dear Mr. Turner:

This confirms our understanding with respect to the general wage increase provided for in Article I, Section 1, 3, 4, and 5, and the signing bonus provided for in Article I, Section 2, of the Agreement of this date.

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

Very truly yours,

[Signature]

JOSEPH A. MARKASE  
Manager of Labor Relations & Personnel - Contract Administration

I agree:

[Signature]

T.P. Turner, General Chairman, UTU - Yardmasters Department
July 1, 1998

*Side Letter #2*

Mr. T.P. Turner  
General Chairman, UTU  
Yardmasters Department  
2036 - 139th Lane, N.W.  
Andover, MN 55304

Dear Mr. Turner:

This refers to the increase in wages provided for in Section 1 of Article I of the Agreement of this date.

It is understood that the retroactive portion of that wage increase shall be applied only to employees who have an employment relationship with the Carrier on the date of this Agreement or who retired or died subsequent to December 1, 1995.

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

Very truly yours,

[Signature]

JOSEPH A. MARKASE  
Manager of Labor Relations & Personnel - Contract Administration

I agree:

[Signature]

T.P. Turner, General Chairman, UTU - Yardmasters Department
July 1, 1998

Side Letter #3

Mr. T.P. Turner  
General Chairman, UTU  
Yardmasters Department  
2036 - 139th Lane, N.W.  
Andover, MN 55304

Dear Mr. Turner:

This will confirm our understanding with respect to Side Letter #2 of the National Agreement dated May 8, 1996 between the National Railway Labor Conference and the United Transportation Union - Yardmasters regarding the subject of recent changes in operations on a number of carriers, including technological and work process improvements, affecting Yardmaster working conditions on those carriers and warrant consideration of agreement changes for those Yardmasters. Although IHB has not authorized the National Railway Labor Conference to negotiate the resolution of this issue, it was agreed that the terms and conditions of the agreements reached and/or imposed on the Carriers represented by the NRLC and the UTU - Yardmasters in National contract negotiations shall apply to the handling of this issue on the IHB.

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

Very truly yours,

[Signature]

JOSEPH A. MARKASE  
Manager of Labor Relations & Personnel -  
Contract Administration

I agree:

[Signature]

T.P. Turner, General Chairman, UTU - Yardmasters Department
July 1, 1998

Side Letter #4

Mr. T.P. Turner
General Chairman, UTU - Yardmasters Department
2036 - 139th Lane, N.W.
Andover, MN 55304

Dear Mr. Turner:

This refers to the Lump Sum Payments provided for in Article I of the Agreement of this date.

Sections 3 and 5 of Article I are structured so as to provide payments that are essentially based on the compensation earned by an employee during a specified calendar year. Section 10 provides that all of these payments are payable to an employee who has an employment relationship as of the dates such payments are made or retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payments. Thus, for example, under Section 3 of Article I, except for an employee who has retired or died, the Agreement requires that an employee have an employment relationship on July 1, 1996 in order to receive that lump sum payment.

The intervals between the close of the measurement periods and the actual payments established in the 1991 National Implementing Documents were in large measure a convenience to the Carrier in order that there be adequate time to make the necessary calculations.

In recognition of this, we again confirm the understanding that an individual having an employment relationship with the Carrier on the last day of a particular calendar year used to determine the amount of a payment under Section 3 and 5 of Article I will not be disqualified from receiving the payment provided for in the event his employment relationship is terminated following the last day of such calendar year but prior to the payment due date.

Very truly yours,

JOSEPH A. MARKASE
Manager of Labor Relations & Personnel - Contract Administration

I agree:

T.P. Turner, General Chairman, UTU - Yardmasters Department
July 1, 1998

Side Letter #5

Mr. T.P. Turner  
General Chairman, UTU  
Yardmasters Department  
2036 - 139th Lane, N.W.  
Andover, MN 55304  

Dear Mr. Turner:  

This letter will serve as a reconfirming of our understanding that the past practice of allowing Yardmasters the option of returning to their former craft's roster if Yardmaster positions are abolished and said Yardmaster cannot hold a position on said Yardmaster's roster, remain unchanged.  

The provisions as contained in this Side Letter are not intended to infringe on the work rights (rules) of another craft as established.  

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

Very truly yours,  

Joseph A. Markase  
Manager of Labor Relations & Personnel - Contract Administration  

I agree:  

T.P. Turner, General Chairman, UTU - Yardmasters Department