

SYNOPSIS OF TENTATIVE RLBC/NCCC AGREEMENT

The following is a synopsis of the major elements of the tentative national agreement reached February 28, 2007, between the Rail Labor Bargaining Coalition and the National Carriers' Conference Committee. The synopsis has been prepared by the National Office of the Brotherhood of Locomotive Engineers and Trainmen in accordance with Section 41(a) – General Committee Rules, of the BLET Bylaws as an informational aid for its members. A complete tentative agreement is available from your local chairman or the BLET web site at www.ble-t.org.

The BLET recently held a meeting with the General Chairmen to review the terms and conditions of this proposal. They approved the submission of this tentative agreement to the affected membership for ratification under the provisions of General Committee Rules, Section 41(a).

It is expected that the agreement, if ratified by the membership, will become effective July 1, 2007.

ARTICLE I - WAGES:

General wage increases on the following schedule:

July 1, 2005 – 2.5% (Retroactive)

July 1, 2006 – 3.0% (Retroactive)

July 1, 2007 – 3.0%

July 1, 2008 – 4.0%

July 1, 2009 – 4.5%

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM:

Allows the parties to mutually agree to implement alternative compensation programs, based on railroads performance in lieu of (in whole or in part) the general wage increases provided in Article I.

ARTICLE III – COST-OF-LIVING PAYMENTS

Allows the railroads to recapture all payments made under the Harris COLA provisions of the December 16, 2003 National Agreement.

ARTICLE IV - HEALTH & WELFARE:

Expansion of Managed Care (MMCP) Networks which will provide in-network benefits and co-pays to employees who cannot obtain them today.

MMCP In-network availability for over 95% of all employees, up from 75% today

Changes to in-network co-pays to pay for network expansion as follows:

Visit to family doctor will increase from \$15 to \$20

Visit to specialist will increase from \$15 to \$35

ER visit (when not admitted as patient) will increase from \$30 to \$50

Prescription drugs co-pay:

Retail - \$10 generic; \$20 brand name; \$30 non-formulary

Mail order - \$20 generic; \$30 brand name; \$60 non-formulary

Employee cost-sharing payments will now be based on 15% of monthly premium (employees currently pay about 14.8% through employee contributions starting on January 1, 2007 to pay for enhanced network coverage.

Cost share adjustments will be made on January 1, 2008; January 1, 2009 and January 1, 2010.

“Effective January 1, 2010, the employees monthly cost-sharing contribution shall be adjusted to be the lesser of:

- 15% of the Carriers monthly payment rate for 2010, **or**
- \$200 **or** January 1, 2009 employees’ monthly cost-sharing contribution, whichever is greater.”

For illustration listed below is an example of what the employees’ monthly cost-sharing contribution could be based on the above referenced formula:

- 1) The January 1, 2009 employees’ monthly cost-sharing contribution if \$200 or more;
- 2) 15% of the Carrier monthly payment rate for 2010
- 3) \$200

There will be no increase during the period unions and railroads bargain over next contract

SIDE LETTER #8 - NATIONAL FLEXIBLE BENEFITS PROGRAM:

Preserves the National Flexible Benefits Program through December 31, 2009 and will continue the program beyond that time only if a minimum of 5% of eligible employees represented by the BLET sign up for participation in the program.

ELIMINATION OF HARRIS COLA

Elimination of the “Harris COLA” which has resulted in the railroads ONLY loaning the 50% COLA to members and then requesting any payment allowed under the “Harris COLA” to be deducted from the back bay under a new agreement. This resulted in employees seeing their health and welfare contributions during the “Harris Cola” period increase from 7.5% to 14.8%, at the same time the railroads were requiring the payments received under the “Harris COLA” be returned to them when a new agreement was reached. With the elimination of the “Harris COLA” members will not see their Health and Welfare contributions increase during the moratorium period nor will they have to pay back COLA loans they received from the railroads.

REMAINING RAILROADS SECTION 6 NOTICE DEMANDS

Carriers withdraw all work rules proposals regarding: staffing/consolidation; manpower utilization and productivity improvements; FELA and job actions

STANDBY AGREEMENT - CP RAIL US

BLET members on CP RAIL US, will participate in the ratification process in accordance with the Stand-by Agreement entered into April 23, 2007 between the CP Rail US and the BLET.