

ALL CALCULATIONS ARE BASED ON THE ASSUMPTION THAT THE  
AGREEMENT WILL BE IN PLACE BY DEC 31, 2003

<b>TENTATIVE BLE NATIONAL AGREEMENT OCTOBER 21, 2003 BACK PAY PRE 85 ENGINEER MAKING \$70,000 PER YEAR</b>		
Signing Date	Lump Sum Payment	\$774.00
Signing Date	Longevity Payment	\$1200.00
July 1, 2002 – July 1, 2003	4% GWI <small>Back wages 07-02 – 07-03</small>	\$2800.00
July 1, 2003 – Dec 31, 2003	4 % GWI <small>Back wages 07-03 – 12-03</small>	\$1400.00
July 1, 2003 – Dec 31, 2003	2 ½ % GWI <small>Back wages 07-03 – 12-03</small>	\$910.00
<b>Total Back Pay &amp; Bonus for Pre 85 Engineer</b>		<b>\$7084.00</b>
Retro Health & Welfare Payments from July 1, 2001 through Dec 31, 2003		-\$1772.00
Deduction for \$0.26 per hour COLA since July 1, 2002	<small>(This figure is an estimate – actual deduction will depend on actual earnings. The amount actually deducted per employee will vary per earnings)</small>	-\$500.00
<b>Total Back Pay due Pre 85 Engineer</b>		<b>\$4812.00</b>

<b>TENTATIVE BLE NATIONAL AGREEMENT OCTOBER 21, 2003 BACK PAY POST 85 ENGINEER MAKING \$70,000 PER YEAR</b>		
Signing Date	Lump Sum Payment	\$774.00
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July 1, 2003	4 % GWI <small>Back wages 07-03 – 12-03</small>	\$1400.00
July 1, 2003	2 ½ % GWI <small>Back wages 07-03 – 12-03</small>	\$910.00
<b>Total Back Pay &amp; Bonus for Pre 85 Engineer</b>		<b>\$5884.00</b>
Retro Health & Welfare Payments from July 1, 2001 through Dec 31, 2003		-\$1772.00
Deduction for \$0.26 per hour COLA since July 1, 2002	<small>(This figure is an estimate – actual deduction will depend on actual earnings. The amount actually deducted per employee will vary per earnings)</small>	-\$500.00
<b>Total Back Pay due Post 85 Engineer</b>		<b>\$3612.00</b>

<b>TENTATIVE BLE WAGE PACKAGE</b>		
Agreement Ratification	Increase off track vehicle insurance from \$100,000 to \$300,000	
Agreement Ratification	Increase Life Insurance benefit from \$10,000 to \$20,000 and accidental death from \$8,000 to \$16,000	
Agreement Ratification	\$774.00	Entry Rate Bonus
Agreement Ratification	\$1200.00	Longevity bonus to Pre 85 Engineers
Pre July 1, 2002	\$0.48 per hour COLA	Rolled into basic day – with no back pay offsets
July 1, 2002	\$0.11 per hour COLA	To be offset against back pay beginning July 1, 2002
July 1, 2002	4% GWI	General Wage Increase
July 1, 2003	2 ½ % GWI	General Wage Increase
July 1, 2003	\$0.16 per hour COLA	To be offset against back pay beginning July 1, 2003
July 1, 2004	2 ½ % GWI	General Wage Increase
July 1, 2004	.09% GWI	(Will come in the form of \$40 per month short term disability premium for all engineers)
July 1, 2004	All employees brought to 100% - establish new entry rates for post 06-30-04 employees	
Jan 1, 2005	Harris COLA	(1/2 of COLA increase can be used to offset 1/3 of the increase in H&W Payments)
<b>OTHER CONTRACT ISSUES</b>		
1. Develop alternate means of compensation	Explore alternate compensation packages such as profit sharing	
2. Pay simplification	Trip Rates – equalize post and pre 85 pay <b>Side letter to eliminate offset of post 85 engineer's deadhead with held away from home terminal time when deadheading from the away from home terminal.</b>	
3. Duration of Contract	Contract runs through December 2004 with section 6 notices to be served in November of 2004 effective Jan 1, 2005	
4. Enhanced Manpower Utilization	Create a study panel to address automatic mark up from granted leave	
5. Commitment to HOS pick up	Side Letter of commitment to get crews off of trains in a timely manner	
6. Wage – Rule Panel	Side letter adding use of technology to items to be addressed by study panel.	

<b>HEALTH AND WELFARE</b>	
Employee contributions to H&W	<p>July 1, 2001 - \$ 33.39 per month</p> <p>July 1, 2002 - \$ 81.18 per month</p> <p>July 1, 2003 - \$ 79.74 per month</p> <p>July 1, 2004 - not to exceed \$100.00 per month through 2004</p> <p>Jan 1, 2005 – ½ COLA can be used to offset up to 1/3 of increases in H&amp;W payments</p>
Additional Enhancements to H&W	<ol style="list-style-type: none"> <li>1. allow one routine physical each year</li> <li>2. routine childhood immunizations</li> <li>3. "PKU" blood tests</li> <li>4. require only one co-pay for obstetrician or gynecologist for treatment of the same pregnancy</li> <li>5. no co-payment for the sole administration of allergy shots</li> <li>6. <b>\$600.00 annual hearing benefit allowance for tests and examinations</b></li> <li>7. <b>Plan life insurance benefit increased to \$20,000 and maximum accidental death benefit increased to \$16,000</b></li> <li>8. <b>Vision Care Plan improved from the "Select" to the "Standard Plan"</b></li> <li>9. Re-bid Aetna U.S. Healthcare</li> <li>10. Research possibility of expanding Managed Care in areas where currently not available.</li> <li>11. Solicit proposals for filling injected medications.</li> <li>12. Mandatory participation in Managed Care where available.</li> <li>13. Individual and Family out of network deductibles to \$200 and \$600 respectively.</li> <li>14. Provide an opt-out election to employees who have other sources of health insurance with a \$100 per month reimbursement from carrier.</li> <li>15. Increase prescription drug co-pays as follows: Retail Generic - \$5.00 Brand Name - \$10.00 Mail Order Generic - \$10.00 Brand Name - \$15.00</li> <li>16. Side Letter addressing the contribution offset for employees in Hospital Associations to make their monthly contribution are no greater than non - hospital association employees.</li> <li>17. Establish additional options for health care coverage with Blue Cross/ Blue Shield and/or Union Pacific Hospital Association.</li> <li>18. Establish a Internal Revenue Code Section 125 arrangement covering insurance co-pay, child care and short term disability</li> </ol>