

1) **Performance Incentive Program**

- Create a Performance Incentive Program to take effect not later than July 1<sup>st</sup>, 2008 which provides for a payout of up to 5% of employee earnings. Any targets established for such objectives will be consistent with targets set in the management Performance Incentive Program.

2) **In and off in 10 hours - Penalty Payment & Penalty Rest**

- Special provision for an \$80 penalty payment when crews provide notice for rest, are relieved enroute, and do not arrive at the objective terminal within 10 hours.
- Provision for penalty rest if crews give notice for rest and are not in and off duty in 10 hours. These crews will be able to book additional rest over 24 hours.

3) **Home Terminal Rest**

- New option for pool and spareboard employees to book 24 hours rest and be placed at the bottom of the pool or spareboard when rest expires.
- Example: If an employee books 23 hours 59 minutes of rest or less they will hold their place in the pool or spareboard. Employees who book 24 hours rest at the home terminal, will not be placed on the working board until their rest expires, at which time their turn will be placed at the bottom of the working board and it will move up the board in normal fashion. Pilot project to precede implementation.

4) **Benefits**

- Clarification on how Co-pay works. Clearly show that it is based on the overall costs of our bargaining unit only. Employees will not pay 10% of their own costs but only 10% of the premium for health & dental benefits. The union will have the ability to review all costing.
- Update Benefit Committee letter to clarify Union involvement. Establish a clear process where the Union is involved in ensuring the benefits provider is properly administering our benefits.
- Provide updated benefit booklets to all employees.

- Clear language that the parties will meet within 90 days to develop a cost-neutral drug card with an anticipated implementation of July 1, 2008.

5) **Earned Days Off**

- Clarify how earned days off are earned and when they can be taken. Changes include:
- EDOs cannot be denied by management when taken during your window and with 72 hours notice being provided.
- EDOs apply to both road and yard employees.
- 1 EDO is earned for every 4 week period an employee is available. This is a rolling period. Weeks to coincide with weekly crew change.
- Clarification that process for booking back on from EDOs will be the same process currently used at a terminal for returning from a LOA. EDO's will go from 0800 to 0800 instead of 0001 to 2359.
- Review of program to include the possibility of changing the start/end time of the window and process for booking back on, among other items.
- The review process will not result in reducing or eliminating the EDO benefits.

6) **Crew Management Center**

- Commitment by the company for detailed process to address concerns, regarding the ability of the members to contact a crew dispatcher in a timely fashion also:
- The calling of crews at the away from home terminal by the Automated Crew Calling System,
- Ensuring that weekly crew changes are completed in a correct and timely manner.
- Process to include a joint identification of solutions, implementation and audit.
- Plan to be developed within next 6-8 weeks.

7) **Monthly Mileage**

- Commitment of the company that it would not layoff any employees hired prior to January 1, 2008 as a result of implementing an auxiliary board and providing employees with the ability to voluntarily declare over miles as non-chargeable. This process will be monitored at the local level and where it is shown that the growth of the non-chargeable miles would result in the layoff of an employee, such a layoff of that employee would not be affected.

8) **Union Security**

- Clarify that upon ratification, managers will have 60 days to decide whether to remain in management ranks or return to property. If they decide to stay and have more than 365 days as a manager, their seniority will be frozen at the end of the 60 day period.