



Brotherhood Railway Carmen Division

Transportation Communications International Union
AFL-CIO, CLC



Jack H. Wright
International Representative

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Assistant International Representative

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SEPTEMBER 5, 2008

TO: BROTHERHOOD OF RAILWAY CARMEN EMPLOYED BY THE DELAWARE AND HUDSON RAILROAD COMPANY OF THE CANADIAN PACIFIC

SUBJECT: PROPOSED AGREEMENT AS A RESULT OF OUR CURRENT SECTION 6 NOTICE & MEDIATION

Dear Sirs and Brothers:

By a cover letter dated September 5, 2008, you are being furnished a copy of a proposed Agreement that we have reached with the Delaware and Hudson Railroad Company along with a ballot for your ratification vote. These ballots are to be returned by **September 25, 2008**. As you are aware, we filed our current Section 6 Notice on July 22, 2007. As a result of that Notice and the negotiations that followed, we have now a proposed agreement that we are presenting to you for ratification vote. Vice President Alex Novakovic, Assistant International Representative Roger Cain, Assistant International Representative David Fancher and myself were very instrumental in reaching this Agreement with the Carrier in Mediation and we have approved the terms and conditions contained therein. A copy of this Agreement has been sent to General President R. A. (Richard) Johnson who has also reviewed the proposed Agreement and has given his approval and authorization for a ratification vote.

Enclosed with this letter you will find a completed copy of the proposed Agreement for your information and review. The Agreement would become effective on the date that we notify the Carrier that the Agreement has been ratified and the Agreement is signed. I urge each of you to review this agreement very carefully as it contains the revised terms and provisions that will govern your Wages, Health and Welfare and Supplemental Sickness Plan along with Rule Changes regarding performing of welding. This Agreement will be in effect until January 1, 2010. This is a Two (2) year contract.

I would call your attention to the following provisions of the proposed Agreement. Article I deals with General Wage increases. During this contract period, you will receive a 3.5% wage increase to your basic hourly wage on January 1, 2008, and on July 1, 2009, the basic hourly wage will be increased by 4%. This is a significant increase in the hourly wage rate of pay.

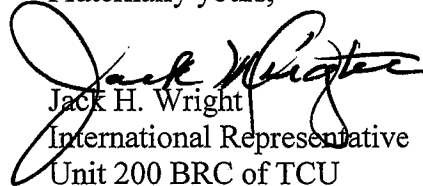
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Proposed Agreement
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Having this 2008 increase at the beginning of the year in the Agreement greatly enhances your income throughout the year. To further make you aware that you're Wages will be retroactive back to January 1, 2008, and will be paid within sixty (60) day of the notification of ratification of this Agreement. See note under Article 1- Pay Adjustments on Page 1.

The January 1, 2008 wage increase is to be paid retroactive from January 1, 2008, within sixty (60) days of notification of ratification of this Agreement along with any Cost of living allowance payment made on or after January 1, 2008 pursuant to the Memorandum of Agreement dated December 6, 2004. Article I deals with pay periods effective January 1, 2008. Article II deals with Health and Welfare. The Parties agreed to continue to apply the H&W benefits, as negotiated between the BRC and the National Carrier's Conference Committee (NCCC), including the cost sharing provision as outlined in Article II parts (b) (c) and (d) of the Memorandum of Agreement between D&H and BRC dated December 6, 2004. Article III deals with Supplemental Sickness Plan. The Carrier has committed, that if the parties D&H & BRC can overcome the issue with the NRLC relative to providing Class I benefits as opposed to Class II benefit, the parties would enter into a Letter of Understanding to provide this improvement. Article IV deals with Dealing Rules 6.6, 6.7, 6.8, 43.5, Letter of Understanding #1 dated March 31, 1998, and Appendix "L" dated March 31, 1998. With this Rule 37.2 will be added to the D&H/BRC CBA Agreement Welding Rate.

Enclosed you will find a ballot where you will be able to vote either for, or against ratification of the proposed Agreement. You will also find enclosed a post-paid self addressed envelop for the return of your ballot to the Carmen's Division of TCU for tabulation. For your vote to be counted, the ballot must be mailed, to be received at the Carman's Division Headquarters of TCU, 3 Research Place, Rockville, MD 20850, on, or before, **September 25, 2008.**

Fraternaly yours,


Jack H. Wright
International Representative
Unit 200 BRC of TCU

JHW/tws

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Delaware and Hudson Railway Company (CP)
August 29, 2008

Enclosures

CC: Brother R. A. Johnson, GP
Brother Alex Novakovic, VP
Brother Roger Cain, AIR
Brother David Fancher, AIR

MEMORANDUM OF AGREEMENT

BETWEEN THE

DELAWARE AND HUDSON RAILWAY COMPANY, INC.

AND THE

BROTHERHOOD OF RAILWAY CARMEN (Div. TCU)

Article I – Pay Adjustments

During the term of this Agreement, the following adjustments in pay for the D&H Carmen will be provided.

1. Effective February 1, 2008, the basic hourly wage will be increased by 3.5%.
2. Effective July 1, 2009, the basic hourly wage will be increased by 4%.

Note: Any retroactive wage payment due will be paid within sixty (60) days of notification of ratification of this Agreement. Any cost of living allowance payments made on or after January 1, 2008 pursuant to the Memorandum of Agreement dated December 6, 2004 will be eliminated and any such amounts paid shall be deducted from any wage increases being paid pursuant to this Memorandum of Agreement.

Article II – Health and Welfare

The parties agree to continue to apply the Health and Welfare benefits, as negotiated between the BRC (Div. TCU) and the National Carrier's Conference Committee (NCCC), including the cost sharing provisions as outlined in Article II parts (b), (c) and (d) of the Memorandum of Agreement between D&H and BRC dated December 6, 2004.

Article III – Supplemental Sickness Plan

The Supplemental Sickness Plan under Rule 35.1 (d) will be continued under the terms of Article V – Supplemental Sickness, of the Agreement between the National Carriers' Conference Committee and the Brotherhood of Railway Carmen (Div. TCU) dated October 1, 2007.

Article IV – Rule Changes

a) Delete Rules 6.6, 6.7, 6.8, 43.5, Letter of Understanding #1, dated March 31, 1998, and Appendix “L” dated March 31, 1998.

b) Add a Rule 37.2, to the D&H/BRC CBA that states as follows:

“When performing welding, certified welders who perform this work for four (4) hours or less in any one day, certified welders will be paid a 25 cent rate differential, on an hourly basis with a minimum of one (1) hour; for more than four (4) hours in any one day, the 25 cent rate differential will apply for that eight (8) hour shift. Certified welders will be determined by the Carrier.

It is understood that this Agreement resolves the BRC’s Section 6 notice dated July 22, 2007, and, the D&H’s Section 6 notice dated August 15, 2007.

Initialed this 9th day of July 2008

For the Delaware and Hudson
Railway Company, Inc.

For the Brotherhood of Railway
Carmen

Cathryn S. Frankenberg
AVP LR & HR

J. H. Wright
International Representative

Howard H. Buchanan
Manager Labor Relations

David P. Fancher
Vice International Representative

Anthony G. Stillittano
Manager Labor Relations

Alex Novakovic
International Vice President

Side Letter No. 1

July 9, 2008

Mr. J. H. Wright
International Representative
P.O. Box 317
Inman, S. C. 29249

Dear Mr. Wright,

The parties hereby commit that the terms of the settlement between the National Carriers' Conference Committee (NCCC) and the Brotherhood of Railway Carmen (BRC) (Div. TCU) that resolves the Section 6 notices exchanged between NCCC/BRC on or after November 1, 2009, pursuant to Article VI, Section 2, Subsection (c) of the October 1, 2007 NCCC/BRC Agreement will be incorporated and become part of the D&H/BRC agreement.

Within 30 days of the effective date of the National settlement, the parties will meet and work out the details of implementation.

Neither party to this Agreement shall serve or progress any notice or proposal prior to the expiration of the moratorium in the aforementioned NCCC/BRC Agreement.

Please indicate your concurrence by signing below.

Sincerely,

Cathryn S. Frankenberg
AVP LR & HR

I concur:

J. H. Wright
International Representative

Side Letter No. 2

July 9, 2008

Mr. J. H. Wright
International Representative
P.O. Box 317
Inman, S. C. 29249

Dear Mr. Wright,

This is in connection with the Memorandum of Agreement between the parties, dated January 15, 2008

During the negotiations the parties had discussions on the Railroad Shop Craft Supplemental Sickness Benefit Plan. The discussions revolved around the fact the D&H Carmen's hourly rate only provided the D&H Carmen with the benefits provided in "Class 2" of the benefit classifications.

The Organization requested that the parties enter into an agreement that would provide "Class 1" benefits to the D&H Carmen, in the event payments were due.

The Carrier did seek advice from the NRLC as to if this were possible, and would there be an increased cost to the Carrier. The NRLC advised that the Carrier is required to verify the rates of pay at the time benefits are claimed. Misrepresentation of the applicable rate would be required to accommodate BRC's request which the Delaware & Hudson will not do.

However, the Carrier will commit, that if the parties, D&H and BRC, can overcome the issues with the NRLC relatives to providing Class 1 benefits as opposed to Class 2 benefits, and such increase in benefits did not increase the cost to the Carrier to provide such benefits, the parties would entered into a Letter of Understanding to provide this improvement.

Sincerely,

Cathryn S. Frankenberg
AVP LR & HR

Side Letter No. 3

August 6, 2008

Mr. J. H. Wright
International Representative
P.O. Box 317
Inman, S. C. 29249

Dear Mr. Wright,

This is in connection with the Memorandum of Agreement between the parties, dated January 15, 2008.

In the event the D&H executes (or is imposed through arbitration or legislation) an agreement effective January 1, 2008, and ending December 31, 2009, with any other union representing employees that is higher in compensation than the amounts set forth in this Memorandum of Agreement, during this time period, it is agreed that such improvements will be incorporated into the D&H/BRC Agreement, unless such improvement(s) was made in consideration for modification(s) in such other union's collective bargaining agreement with D&H which benefits the Company.

On the same basis as above, any improvement in benefits will be applied to BRC on D&H. For these purposes, the term benefits means a higher number of paid holidays, personal leave days or vacation weeks, or a relaxation of vacation qualification requirements, beyond what is contained in the Agreement.

Please indicate your concurrence by signing below.

Sincerely,

Cathryn S. Frankenberg
AVP LR & HR

I concur:

J. H. Wright
International Representative

Side Letter No. 4

August 6, 2008

Mr. J. H. Wright
International Representative
P.O. Box 317
Inman, S. C. 29249

Dear Mr. Wright,

The D&H will continue to apply Article II (b), (c) and (d) of the December 6, 2004, Agreement, until such time as modified pursuant to the Railway Labor Act (RLA) or the relative D&H / National rate calculated under this provision is no longer less than 100%.

Please indicate your concurrence by signing below.

Sincerely,

Cathryn S. Frankenberg
AVP LR & HR

I concur:

J. H. Wright
International Representative

Side Letter No. 5

August 6, 2008

Mr. Mr. J. H. Wright
International Representative
P.O. Box 317
Inman, S. C. 29249

Dear Mr. Wright,

This will confirm the commitment of D&H that the monthly employee cost sharing contribution will be deducted on a weekly basis from the carman's paycheck. The amount to be deducted will be the monthly employee cost sharing contribution multiplied by twelve and divided by the number of weekly pay dates in the calendar year.

This change will be implemented within ninety (90) working days of the effective date of this Agreement.

Please indicate your concurrence by signing below.

Sincerely,

Cathryn S. Frankenberg
AVP LR & HR

I concur:

J. H. Wright
International Representative

Side Letter No. 6

August 6, 2008

Mr.. J. H. Wright
International Representative
P.O. Box 317
Inman, S. C. 29249

Dear Mr. Wright,

D&H hereby commits that the parties will meet with BRC representatives in the 4th quarter of each calendar year to discuss the general objectives for the following year's Gainsharing Program. Once the specific metrics for each objective are available, normally in January, they will be discussed with the BRC.

The primary purpose of these discussions will be to foster a better understanding by the BRC representatives of the metrics used to measure the success of the D&H mechanical team and to better understand what the carmen need to do throughout the work year to meet or exceed these objectives.

Appropriate data will be communicated to the carmen on a regular basis so they know how they are performing relative to each objective.

Please indicate your concurrence by signing below.

Sincerely,

Cathryn S. Frankenberg
AVP Labor Relations and Human Resources – US

I concur:

J. H. Wright, International Representative