

Standing Bid



CN Labor Relations

**17641 South Ashland Ave.
Homewood, Illinois
60430-1345**

May 13, 2004

Mr. J.R. Koonce
General Chairman

The following confirms the procedures that will replace Side Letter 14 and Article 8, Section 2 A through C, in the BLE-IC 2002 Agreement dated June 3.

Assignment to positions shall be governed by seniority. A standing bid system will operate and employees' job preferences will be maintained in crew calling system and can be updated under the following rules.

This procedure permits employees to submit their choice for assignments in order of preference and such assignments will be awarded to employees based upon their relative seniority standing.

SECTION 1 Submitting Choices (Start Up)

- A. An Engineer who does not submit his INITIAL Board Adjustment Bid Card Form will be assigned in the following manner:
1. unfilled position at the home terminal, if none,
 2. unfilled position on the GEB at the home terminal, if none,
 3. unfilled position on the Seniority District, if none ,
 4. will be assigned to the Guaranteed Extra Board at such employees home terminal with Monday as the assigned rest day. They will remain on this assignment until the employee submits an initial board adjustment bid card and until the next board change day when it will take effect. The Implementation Committee will be involved in contacting employees and helping them to submit their initial board adjustment bid cards.
- B. An Engineer who does not record all available positions will, when unable to hold positions recorded, be assigned in the following manner:
1. unfilled position at the home terminal, if none,
 2. unfilled position on the GEB at the home terminal, if none,
 3. will be assigned to the Guaranteed Extra Board at such employees home terminal with an assigned rest day as determined by the CMC.

- C. Engineers must submit their Board Adjustment Bid Card Form indicating their choices, which must be received by the Crew Management Center at least seven (7) days prior to the implementation of the Standing Bid System. Upon request, the Local Chairman will be provided a copy of an Engineer's Board Adjustment Bid Card Form via electronic transmission.
- D. Where provision is made for the senior qualified applicant to be assigned it will be subject to prior rights on their Seniority District.
- E. The standing bid implementation committee will be involved during start-up to address issues/concerns and work with employees to properly fill-out and submit their initial board adjustment bid cards.

SECTION 2 Submitting Changes (After Start Up)

- A. "Board Change Day" will occur weekly at 0001 on Monday. All Permanent Assignments and all Temporary Assignments (excluding GEB), will be adjusted based upon the preferences Engineers have submitted on their Permanent and Temporary Board Adjustment Bid Cards.
- B. Engineers will be permitted to submit changes or insert new assignments to their **Temporary** Board Adjustment Bid Card weekly between 06:00 Monday to 23:59 Friday during the week preceding "Board Change Day".
Note: There are no Temporary Vacancies on the GEB.
- C.
 - 1. Engineers will be permitted to insert new assignments to their **Permanent** Board Adjustment Bid Card weekly between 06:00 Monday to 23:59 Friday during the week preceding "Board Change Day".
 - 2. The last week (Monday to Friday) of each 28-day period Engineers will be permitted to submit changes to their **Permanent** Board Adjustment Bid Card. Changes may be submitted between 06:00 Monday to 2359 Friday during the last week in each 28-day period.
- D. For both Permanent and Temporary Board Adjustment Bid Card, changes may be made by phone when unable to be made by computer, such as an Engineer returning from vacation, leave of absence or discipline, etc.

Note: Changes by phone not received by 23:59 Friday preceding board change day will not be accepted. Previous board change card will remain in effect.

- E. Employees will be allowed to delete positions from their Permanent Board Adjustment Bid card except for the permanent position currently assigned to them. Deletions can be made between 06:00 Monday to 23:59 Friday. The change will be effective on the next board change day. Once deleted the permanent assignment cannot be re-added until the time period provided in Section 2 Paragraph C.2, herein.

Abolishment of Assignments

- F. The abolishment of any assignment will result in the corresponding "bid" being automatically removed from an Engineer's Board Adjustment Card Forms. Reestablishment of any assignment is considered a new assignment, and Board Adjustment Bid Card Forms may be updated in accordance with Section 2 Paragraph B & C.
- G. When notice of an assignment being abolished is effective on other than 0001 Monday, the Engineer holding the assignment has the following options:
- 1 If the assignment is immediately reestablished, at the Engineer's option the Engineer may remain on the assignment but will need to submit the assignment as a new assignment on his/her Board Adjustment Bid Cards; or
 - 2 The Engineer will be assigned to the Guaranteed Extra Board until the next Board Change day when they will be assigned in accordance with their Board Adjustment Bid Card.
 - 3 As a result of the application of paragraph G.2. above, Engineers who are placed to the Guaranteed Extra Board will:
 - i) For the remainder of the week be afforded a guarantee payment of a basic day's pay for each day if the employee is available for the calendar day and does not perform any compensated service, and was available immediately after notification of the abolishment.
 - ii) upon request of the employee, be assigned by the CMC with Sunday as a rest day if the employee has not had a day-off in the 7-day period.
- H. 1. The Company will, when possible, abolish and/or establish assignments to be effective at 0001 on Monday of any given week. Newly established assignments that are bulletined after 2359 on a Friday will be run extra until the assignment is awarded by Standing Bid.
2. For the purpose of this Rule when assignments are bulletined on the seniority districts established under this agreement, the following information will be identified:

Prior rights which include:

- (a) 1973 ICG Merger Prior Rights
- (b) Former Consolidated Seniority
- (c) Seniority District

General

- I. Article 11 Paragraph F of the BLE-IC 2002 Agreement will be modified to apply at the start of each 28-day period.

SECTION 3 Assignment of Engineers

- A.
 1. Calling windows (spread time) will be adjusted so as not to overlap 00:01 Monday Board Change. Regular assigned employees with a calling window prior to 00:01 Monday are subject to fulfill the requirements of their previous position by either working or being annulled and will not be considered placed in accordance with their Standing Bid Card until:
 - (i) The employee is available, and
 - (ii) The position is subject to call at the home terminal.
 2. At each Board Change day, Engineers will be assigned based upon their tie up time at the home terminal from their last tour of duty, in accordance with their Board Adjustment Card Forms. Engineers newly assigned to the Guaranteed Extra Board will be placed at the BOTTOM of the board in accordance with their previous tie-up time. If two or more engineers have the same tie-up, they will be placed at the bottom of the board in accordance with their seniority.
- B. When it is known at least 48 hours prior to a Board Change day that an Engineer will be off the working board for the entire adjustment period, the Engineer will be unassigned at the Board Adjustment, and the next senior Engineer indicating their preference will be assigned.
- C. When it is known at least 48 hours prior to a Board Change day that an Engineer who was previously unassigned will become available within the next period, that Engineer will be assigned in accordance with Section 2 Paragraph B & C herein.
- D. Engineers returning to work from an extended absence of unknown duration after a Board Change day (or after the 23:59 Friday cut-off) will be assigned by the Crew Management Center to the Guaranteed Extra Board until the next Board Change day when their Bid Card can take effect. A position on the GEB will be created if none exists. The Engineer assigned to the GEB will receive payment starting the next day as described in Section 2 Paragraph G 3 (i) herein.
- E. In the event there are no bids for an assigned position, it will be filled in accordance with the following:
 1. Senior Locomotive Engineer who was displaced on Board Change Day and does not have any recorded positions left; if none,


2. Senior Locomotive Engineer who does not record any bids; if none,
3. Junior Locomotive Engineer on the Locomotive Engineer's Extra Board where the vacancy exists if there is a surplus; if none,
4. Senior demoted Locomotive Engineer not working as such within the terminal; if none,
5. The senior demoted Locomotive Engineer on the Seniority District nearest via highway miles to the location where the vacancy exists; if none,
6. The junior Engineer on the Seniority District who is occupying a GEB that is defined as having a surplus number of employees, and is nearest via highways miles to the location where the vacancy exists. This subparagraph (6) will not apply to employees identified in Article 7, Sub-Section 8 of the BLE-IC 2002 Agreement who have never vacated their former "protection zone" as provided for in the 1973 ICG Merger Implementing Agreement.

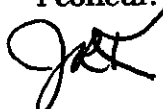
SECTION 4 General

- A. The Parties agree to conduct a trial project on standing bid. The Parties will review the results of the trial project and make any necessary modifications to the above.
- B. The Parties agree that prior to the implementation of this Side Letter, a joint presentation on the application of the Standing Bid procedures will be made at each terminal.

I trust the foregoing reflects our discussions on this matter.

Yours truly,


For
M. W. Becker
Director Labor Relations

I concur:

John R. Koonce
General Chairman, BLET