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A. J. Licate  
Director  
Labor Relations  
(757) 629-2470

February 9, 2005

AG-MW-2

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Mr. B. A. Winter  
General Chairman, BMWE  
P.O. Box 89  
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Mr. J. Dodd  
General Chairman, BMWE  
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Philadelphia, Pennsylvania 19107

Mr. T. R. McCoy, Jr.  
General Chairman, BMWE  
9300 Runyan Road  
Catlettsburg, Kentucky 41129

Gentlemen:

This is in reference to our February 8, 2004 discussion concerning the proper application of the agreement and settlement of outstanding claims and grievances in connection with certain employees temporarily remaining on an assignment after exercising seniority and not being released.

I. This will confirm our understanding that in the application of Rule 8 (a):

A. Positions will be bulletined for ten (10) days rather than fifteen (15) but the announcement must still be made within twenty (20) days from the date of the advertisement bulletin.

B. No bid will be accepted unless it is actually received in the Administrative Services Office (currently in Atlanta) prior to the close of the bulletin period. In addition to U. S. Mail, bids may be submitted to the designated Officer by facsimile or electronically (i.e. Memo or E-mail). Management will cooperate, where reasonable, with employee requests to use company fax machines and computers to send in bids.

II. The reporting to a new position and release from a former position for employees who hold one position and are awarded another position by bulletin is to be consistent with the following:

A. Employees awarded a position by a bulletin issued during their work week may choose to not report to the awarded position until the first work day of the work week that immediately follows the date of the award bulletin.

B. Employees released prior to the end of the work week may elect to finish the work week on the job on which being held to avoid having to travel on their own time and at their own expense between positions within the same work week. Such employee would then be responsible for protecting the position on the first work day of the work week that immediately follows the release date. This election by the employee to finish the work week would not result in the period between the release date and the end of the work week counting toward the first ten (10) day period or thirty (30) day period for affording any of the additional compensation set forth below, or otherwise result in payment of the additional compensation set forth below on those days.

III. It is mutually understood that for employees who, subsequent to the date of this letter, are awarded a position by bulletin and not released to occupy the awarded position on the next work day, will not be handled under the make-whole arrangement provided in Award 128 of SBA 1048, but rather in the following manner:

A. Such employees will continue to be afforded away from home expenses based on the position on which they are held. There is no additional payment to an employee for the first ten (10) calendar days that the employee is held from taking the position awarded by bulletin, except he will commence to be paid at the higher rate of pay if held on a position that has a lower rate of pay than the position awarded by bulletin.

B) If not released within ten (10) days of the award bulletin, such employee will be paid for necessary travel time and personal automobile mileage (at the rate allowed by the IRS before such compensation becomes taxable) between home and actual reporting point each week; but such employee would not receive the Article XIV Travel Allowance if working on a non-fixed headquarters position.

C) If after thirty (30) days from the award bulletin the Company desires to continue holding the employee, such employee may consent, in writing on the appropriate Form, to remain on the position; however, if the employee does not give consent in writing then such employee will be released to take the position that he was awarded by bulletin and is responsible for protecting the position awarded on its next regular work day, consistent with Paragraph II (B) above.

D) If after thirty (30) days from the award bulletin the employee does consent in writing to remain on the former position, he will continue to receive the payments listed in Paragraphs 1 and 2 and in addition receive one hour straight time per work day until released. If such employee subsequently requests in writing at least seven (7) calendar days in advance to be released then such employee will be released as requested to take

the position that he was awarded by bulletin and is responsible for protecting the position awarded on its next regular work day, consistent with Paragraph II (B) above.

IV. Likewise, it is mutually understood that the above method of compensation will be applied to employees who, prior to the date of this letter, were awarded a position by bulletin and not released to occupy the awarded position on the next work day, and have progressed a claim in accordance with the provisions of the Agreement to the highest designated officer or who filed for "make whole" payments on the DE or DM pay codes. In so doing, such employees will have their claim or filing resolved in full and final settlement by being compensated per Part III above in lieu of compensation based on a prior practice or the "make whole" arrangement.

V. Prior righted Northern Region employees without fixed headquarters who occupy a position that moves off of their designated Division, within the Northern Region, and indicate their desire to exercise off the position, but are required to continue to remain on the position while working off of their designated Division, will be handled as follows:

A. An employee who during the first ten (10) days of being required to work off of their designated Division advises their Supervisor of a specific employee they desire to displace from a position working on their designated Division, if not released within ten (10) days of the position moving off of such employees designated Division will, commencing with day eleven (11), be paid for necessary travel time and personal automobile mileage (at the rate allowed by the IRS before such compensation becomes taxable) between home and actual reporting point each week; but such employee will not receive the Article XIV Travel Allowance.

B. Such employees who do not during the first ten (10) days of being required to work off of their designated Division advise their Supervisor of a specific employee they desire to displace from a position working on their designated Division, will receive no additional compensation during the first thirty (30) days after moving off their designated Division. However, if not released within thirty (30) days of the position moving off of such employees designated Division, such employee will, commencing with day thirty-one (31), be paid for necessary travel time and personal automobile mileage (at the rate allowed by the IRS before such compensation becomes taxable) between home and actual reporting point each week; but such employee will not receive the Article XIV Travel Allowance.

C. Employees who are released to exercise off the position are responsible for protecting the displaced position on the next work day, consistent with Paragraph II (B) above.

D. The Carrier may not avoid the above payments by requiring that such employees move off of their designated Division for less than thirty (30) days, then return to their designated Division for a relatively short period, only to move off their designated Division again on the same project for another period of less than thirty (30) days.

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E. Pending claims for prior righted Northern Region employees working off their designated Division will be settled based on Paragraphs A and B of this Part V.

Please indicate your concurrence in this matter by signing in the space below.

Very truly yours,



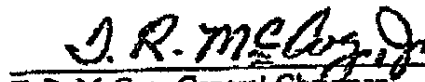
A. J. Licata  
Director Labor Relations

AGREED:

  
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P. R. Beard, General Chairman

  
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Jed Dodd, General Chairman

  
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B. A. Winter, General Chairman

  
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T. R. McCoy, General Chairman