



INDIANA HARBOR BELT RAILROAD COMPANY
2721 - 161ST STREET, HAMMOND, IN 46323-1099

February 12, 2013

VIA ELECTRONIC MAIL AND US CERTIFIED MAIL

Mr. T. J. Nemeth
General Chairman, BMW
4486 Emerson Road
South Euclid, OH 44121-3928

Re: Agreement Cancellation-IHB Railroad and BMWED to Establish a 2nd and 3rd Shift at the IHB Hump at Blue Island Yard in Riverdale, IL

Dear Mr. Nemeth:

This will confirm your telephone conference of February 12, 2013 with Victor Reyes and me regarding the above-referenced agreement. As I stated during our conference, we, with your agreement, established 2nd and 3rd shift positions at the Carrier's Hump due to additional business from the CP Railway. CP had closed its hump operation at Bensenville, IL and Carrier obtained much of that business. However, our General Superintendent was just informed that hump operations at CP's yard in Bensenville have been re-established and unfortunately, Carrier has lost this business. We are deeply disappointed about this, but solely as a result this downturn in business, the Carrier requested and the BMWED graciously agreed to cancel the above-referenced agreement effective immediately, before the jobs are awarded.

Victor Reyes has informed the senior bidders on the bulletined 2nd and 3rd shift jobs. Those individuals will not lose any pay but will simply return to their positions on first shift tomorrow, February 13, 2013.

The Carrier very much appreciates the Organization's cooperation on this issue. Again, we are very disappointed with this business downturn and hope it is only temporary. Thank you again for your willingness to work with the Carrier on this important issue.

Sincerely,

Mary Kay Conley
Director Labor Relations and Human Resources

C: R.C. Grover
V. Reyes