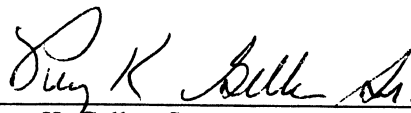


MEMORANDUM OF AGREEMENT BY AND BETWEEN THE INDIANA HARBOR BELT RAILROAD (IHB) AND ITS EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (BMWE) IN CONNECTION WITH VACANCIES WHICH ARE NOT ADVERTISED PURSUANT TO RULE 3, SECTION 3(f) OF THE SCHEDULED WORKING AGREEMENT SIGNED NOVEMBER 16, 1996, EFFECTIVE DECEMBER 1, 1995, SHALL BE ABROGATED AND REPLACED WITH THE FOLLOWING LANGUAGE:

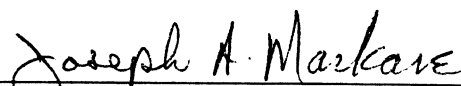
Rule 3, Section 3: Filling Temporary Vacancies

- (f) Vacancies which are not advertised pursuant with Section 2 of this Rule may be filled at management's discretion, provided that such temporary vacancy does not exceed five (5) working days. In the event the vacancy exceeds five (5) working days, the senior qualified employee who is not holding a regularly assigned bulletined position (in displacement status) requesting to fill such position will be given preference. Vacancies caused as a result of vacations will be governed in accordance with the National Vacation Agreement as amended.

The parties agree to the above changes effective April 13, 2000.



Perry K. Geller, Sr.
General Chairman



Joseph A. Markase
Mgr. Labor Relations & Personnel -
Contract Administration



Consolidated Rail System Federation

Affiliated with the AFL-CIO and CLC

Perry K. Geller Sr., General Chairman CRSF
58 Grande Lake Drive, Port Clinton, OH 43452
Phone (419) 734-9811 Fax (419) 734-7267

April 14, 2000

To All IHB Local Officers:

Dear Brothers:

Recently we had a case where one of our members who was in a "bump status" tried to fill a temporary vacancy and was denied the request by management. Management contended that it was completely up to management whether or not they chose to fill the job.

The vacancy or vacancies that was available (open) at that time was defined as positions that were being held by employees who were on suspension or leave for more than five (5) days. We filed a claim in behalf of the member and reached a resolution with IHB Labor Relations concerning this issue.

The issue was whether or not our members have a demand right to fill **NON-BULLETINED** positions that are temporarily vacated by members who are not filling the jobs based on two examples given above. It was our position that members who are in a bump status (looking for a position to bump) should be given the right to fill the vacant position instead of displacing a regular position or going on furlough.

The IHB and the BMWWE agreed to add language to Rule 3, Section 3(f) which allows the member in a bump status the demand right to request to fill a temporary vacancy that will be vacant more than five (5) days.

The attachment is a side letter you should keep for your records until we revise the agreement book.

Should you have any questions, feel free to contact Rich McLean or this office.

In solidarity,

Perry K. Geller Sr.
General Chairman CRSF

c: R. McLean

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