

February 24, 2000

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Gentlemen:

This is in reference to our previous discussions and correspondence concerning the revisiting of certain specified requests for a change in allocation due to hardship that were previously submitted in accordance with the May 6, 1999 Memorandum of Agreement.

This will confirm our understanding that in full and final disposition of this matter the parties agree to amend the Arbitrated Implementing Agreement dated January 14, 1999 and the Memoradum of Agreement dated May 6, 1999 in the manner set forth below.


The employees identified on Attachment A, with no further additions, who currently are allocated to CSXT, will be permitted, for a twelve month period beginning March 15, 2000, to attempt to obtain allocation to NSR by bidding on positions advertised under agreements applicable to the former Conrail assets being operated by NSR. In submitting such bids, these employees will be considered for assignment based on the seniority listing they would possess on NSR rosters had they initially been allocated to NSR, as indicated for each employee on Attachment A. Any successful applicant, upon commencement of work on the NSR position awarded and satisfying any qualification requirements per Rule 11 of the current NW-Wabash Agreement, will be removed from all seniority rosters applicable to CSXT and will be placed on NSR rosters with the seniority dates as listed on Attachment A.

Likewise, the employees identified on Attachment B, with no further additions, who currently are allocated to NSR, will be permitted, for a twelve month period beginning March 15 2000, to attempt to obtain allocation to CSXT by bidding on positions advertised under agreements applicable to the former Conrail assets being operated by CSXT. In submitting such bids, these employees will be considered for assignment based on the seniority listing they would possess on CSXT rosters had they initially been allocated to CSXT, as indicated for each employee on Attachment B. Any successful applicant, upon commencement of work on the CSXT position awarded and satisfying any qualification requirements, will be removed from all seniority rosters applicable to NSR and will be placed on CSXT rosters with the seniority dates as listed on Attachment B.

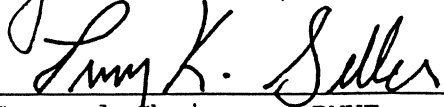
Any employee obtaining re-allocation to CSXT or NSR through the process described above will have their prior service on the former Carrier, in addition to their prior service on Conrail, credited in the same manner as though all such prior service had been spent on the new Carrier.

Furthermore, it is understood that the obtaining of re-allocation through the method described above by any employee listed on Attachment A or Attachment B shall not constitute a basis for any claim or lawsuit to be presented under any of the applicable agreements by any employee represented by BMW including but not limited to those employees listed on Attachment A or B. Additionally, by accepting reallocation pursuant to the terms of this agreement such employee(s) agrees to and waives any claim for increased protective or relocation benefits. Moreover, the Brotherhood of Maintenance of Way Employees shall indemnify and hold harmless CSXT and NSR from and against any and all liability, damages, protection, relocation benefits, suits, judgements, costs, expenses and losses and attorney fees arising from actions taken against CSXT or NSR because of this understanding providing for the re-allocation as defined above or because of any of the employees listed in Attachment A or Attachment B obtaining re-allocation through the process described above. Once an employee has accepted re-allocation pursuant to this Agreement the parties agree that this indemnity shall survive changes, modifications or vacation of this Agreement.

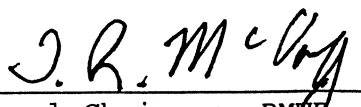
FOR BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES



General Chairman, BMW



General Chairman, BMW




General Chairman, BMW

FOR NORFOLK SOUTHERN RAILWAY CO.
And its Railroad Subsidiaries



AVP Labor Relations

FOR CSX TRANSPORTATION, INC.
And its Railroad Subsidiaries



Senior Director Labor Relations

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Harry L. Cor
General Chairman, BMW

R. L. Taylor
General Chairman, BMW

J. L. Cook
General Chairman, BMW

Stuart Herbert
General Chairman, BMW

W. J. Mann
General Chairman, BMW

Paul Brand
General Chairman, BMW

APPROVED:

Richard Alarc
Vice President, BMW

Henry Wil
Vice President, BMW

FOR CONSOLIDATED RAIL CORPORATION

L. J. Ferguson
Senior Director Labor Relations

Attachment "A"

Tucker, R. G.

<i>Northern Region Track Seniority Rosters</i>				
Regional Seniority Date	Classification	Designated Division	Prior Rights Territory	Prior Rights Seniority Date
04/06/1970	Trackman	Dearborn	CLMB	04/06/1970
04/16/1976	CL 2 Machine Operator	Dearborn	CLMB	04/16/1976
04/16/1976	CL 3 Machine Operator	Dearborn	CLMB	04/16/1976
<i>DPG Seniority Rosters</i>				
DPG Seniority Date	Classification	DPG Zone		
04/06/1970	Track Laborer	Conrail (CR)		
04/16/1976	Machine Operator	Conrail (CR)		

Rhodes, D. R.

<i>Northern Region Track Seniority Rosters</i>				
Regional Seniority Date	Classification	Designated Division	Prior Rights Territory	Prior Rights Seniority Date
09/27/1965	Trackman	Dearborn	CLMB	09/27/1965
04/03/1972	CL 2 Machine Operator	Dearborn	CLMB	04/03/1972
04/03/1972	CL 3 Machine Operator	Dearborn	CLMB	04/03/1972
<i>DPG Seniority Rosters</i>				
DPG Seniority Date	Classification	DPG Zone		
09/27/1965	Track Laborer	Conrail (CR)		
04/03/1972	Machine Operator	Conrail (CR)		

Higgenbotham, G. L.

<i>Northern Region Track Seniority Rosters</i>				
Regional Seniority Date	Classification	Designated Division	Prior Rights Territory	Prior Rights Seniority Date
02/12/1975	Trackman	Dearborn	CLMB	02/12/1975
08/06/1984	Welder Helper	Dearborn	CLMB	08/06/1984
03/01/1999	CL 3 Machine Operator	Dearborn	CLMB	03/01/1999
<i>Dearborn Division B&B Seniority Rosters</i>				
Divisional Seniority Date	Classification	Prior Rights Territory	Prior Rights Seniority Date	
08/08/1988	B&B Helper	CLMB	08/08/1988	
08/08/1988	B&B Mechanic	CLMB	08/08/1988	
<i>DPG Seniority Rosters</i>				
DPG Seniority Date	Classification	DPG Zone		
02/12/1975	Track Laborer	Conrail (CR)		
03/01/1999	Machine Operator	Conrail (CR)		

Attachment "A"

Carroll, L. A.

<i>Northern Region Track Seniority Rosters</i>				
Regional Seniority Date	Classification	Designated Division	Prior Rights Territory	Prior Rights Seniority Date
07/10/1974	Trackman	Dearborn	CLMB	07/10/1974
08/02/1989	CL 3 Machine Operator	Dearborn	CLMB	08/02/1989
10/12/1992	Welder Helper	Dearborn		
07/04/1994	CL 2 Machine Operator	Dearborn	CLMB	03/01/1999
08/01/1994	Assistant Foreman	Dearborn		
08/01/1994	Foreman	Dearborn		
11/11/1996	Welder	Dearborn		
<i>DPG Seniority Rosters</i>				
DPG Seniority Date	Classification	DPG Zone		
07/10/1974	Track Laborer	Conrail (CR)		
08/02/1989	Machine Operator	Conrail (CR)		
08/01/1994	Assistant Foreman	Conrail (CR)		
08/01/1994	Foreman	Conrail (CR)		

Margeson, M. S.

<i>Northern Region Track Seniority Rosters</i>				
Regional Seniority Date	Classification	Designated Division	Prior Rights Territory	Prior Rights Seniority Date
06/18/1975	Trackman	Harrisburg	SOTR	06/18/1975
11/04/1976	CL 3 Machine Operator	Harrisburg	SOTR	11/04/1976
11/04/1976	CL 2 Machine Operator	Harrisburg	SOTR	11/04/1976
09/12/1983	CL 1 Machine Operator	Harrisburg	SOTR	09/12/1983
12/21/1992	Vehicle Operator	Harrisburg	SOTR	12/21/1992
<i>Harrisburg Division Repairman Seniority Rosters</i>				
Divisional Seniority Date	Classification	Prior Rights Territory	Prior Rights Seniority Date	
09/26/1988	Repairman	SOTR	09/26/1988	
09/26/1988	Repairman Helper	SOTR	09/26/1988	
<i>Harrisburg Division B&B Seniority Rosters</i>				
Divisional Seniority Date	Classification	Prior Rights Territory	Prior Rights Seniority Date	
11/24/1993	B&B Helper	SOTR	11/24/1993	
11/24/1993	B&B Mechanic	SOTR	11/24/1993	
<i>DPG Seniority Rosters</i>				
DPG Seniority Date	Classification	DPG Zone		
06/18/1975	Track Laborer	Conrail (CR)		
11/04/1976	Machine Operator	Conrail (CR)		

Attachment "A"

McAfee, H. E.

<i>Northern Region Track Seniority Rosters</i>				
Regional Seniority Date	Classification	Designated Division	Prior Rights Territory	Prior Rights Seniority Date
08/11/1975	Trackman	Dearborn	CLMB	08/11/1975
05/24/1976	CL 3 Machine Operator	Dearborn	CLMB	05/24/1976
11/24/1997	CL 2 Machine Operator	Dearborn	CLMB	11/24/1997
<i>DPG Seniority Rosters</i>				
DPG Seniority Date	Classification	DPG Zone		
08/11/1975	Track Laborer	Conrail (CR)		
05/24/1976	Machine Operator	Conrail (CR)		

Attachment "B"

L. J. Sacher - former Conrail ID 201879

Seniority Date	Classification	District	Service Lane(s)
6/15/76	B&B Helper	Columbus	Great Lakes Indianapolis
6/15/76	B&B Mechanic	Columbus	Great Lakes Indianapolis
10/4/83	B&B Inspector	Columbus	Great Lakes Indianapolis
10/4/83	B&B Assistant Foreman	Columbus	Great Lakes Indianapolis
10/4/83	B&B Foreman	Columbus	Great Lakes Indianapolis

B. E. Tabor - former Conrail ID 349515

Seniority Date	Classification	District	Service Lane(s)
11/29/76	B&B Helper	Southwest	Indianapolis Nashville/Chicago
11/29/76	B&B Mechanic	Southwest	Indianapolis Nashville/Chicago
11/29/76	B&B Machine Operator	Southwest	Indianapolis Nashville/Chicago
7/25/88	B&B Foreman	Southwest	Indianapolis Nashville/Chicago
4/3/89	B&B Assistant Foreman	Southwest	Indianapolis Nashville/Chicago

O. Lovins, Jr. - former Conrail ID 252712

Seniority Date	Classification	District	Service Lane(s)
9/3/74	Trackman	Columbus	Great Lakes Indianapolis System Gangs
8/25/75	"B" Track Machine Operator	Columbus*	Great Lakes Indianapolis System Gangs
7/14/78	Assistant Track Foreman	Columbus*	Great Lakes Indianapolis System Gangs
7/14/78	Track Foreman	Columbus*	Great Lakes Indianapolis System Gangs

* Without prior rights to point headquartered positions on the Columbus Seniority District pursuant to Section 9 I of the Agreement of May 23, 1999. CSXT Labor Agreement 12-018-99 (Appendix "U" of the CSXT Schedule Agreement) account this seniority was obtained while working on the former Conrail Western Region.