

# KANSAS CITY SOUTHERN

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FOUNDED 1887

June 16, 2010

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

MR D R ALBERS  
GENERAL CHAIRMAN BMWED/IBT  
315 WEST MAIN ST STE 20  
HENDERSONVILLE TN 37075

Sir:

This refers to our meeting in Kansas City on Wednesday, June 2, 2010. During our meeting, we discussed the right of an employee to "bid down" from a higher classification to a lower classification. We also discussed the consequences associated with such a seniority move. As conveyed at the meeting, the Carrier's position was that the employees indeed had the right to bid down, but exercising seniority in that fashion move would result in loss of seniority associated with the position relinquished. The Organization, on the other hand, argued strenuously that employees maintained the right to bid down without consequence to seniority associated with the position relinquished. After much discussion the parties elected to resolve the matter as follows on a non-referable, non-precedential basis, without prejudice to the positions of either:

1. Classifications I - IV are established as set forth in Attachment A to this letter agreement, with Classification I established as the lowest classification, ascending through Classification IV, the highest classification.
2. Employees assigned to headquarterd gangs may bid/bump to a lower classification at the headquarter point without losing seniority associated with the position relinquished.
3. Employees in any class of service retain the right to may bid/bump to a higher classification, or laterally within the classification, without consequence to seniority associated with the position relinquished.
4. Except as otherwise provided in applicable agreements, employees assigned in other than headquarterd service may bid/bump seniority to a lower classification, but shall forfeit seniority associated with the position relinquished.
5. The parties contemplate that this agreement offers an interim solution to the issues presented, and the parties agree to revisit the matter when so requested.
6. This agreement may be cancelled following thirty (30) days written notice served upon all parties, with faxed or e-mailed notice being sufficient to trigger the cancellation period. The thirty (30) day notice period is intended to allow the parties a sufficient

period to address the reasons giving rise to the notice. Notwithstanding the above, this agreement may be extended or amended by the parties on the effective anniversary date.

7. This effective date of this agreement is June 7, 2010.

If the above fairly characterizes our agreement, please so indicate by signing and dating in the spaces provided below.

Sincerely,



Tammy Hardge Stephenson  
Director Labor Relations

CONCUR:



General Chairman BMWED KCS/L&A

6-16-10

Date

APPROVED:



Vice President BMWED

CC: Mr. Steve Powers  
Mr. Buck Jones  
Mr. Jeff Songer

JOB CLASSIFICATION

Class I:

Trackman, Bridgeman, Bridge Helper, Bridge Laborer, and Park Attendant

Class II:

Machine Operator, Back Hoe Operator, Bridge Carpenter, Bridge Mechanic, Bridge Tender, Grease Truck Operator, Brandt Truck Helper and Welder Helper

Class III:

Assistant Foreman, Production Tamper Operator, Production Ballast Plow Operator, Jordan Spreader/Ditcher, Heavy Equipment Operator

Class IV:

Track Foreman, Bridge Foreman, Brush Cutter Foreman, Work Equipment Mechanic, Welder, Scale Inspector, Locomotive Crane Operator, Brush Cutter Operator, District Tamper Operator, District Ballast Plow Operator, Brandt Truck Operator, Plasser Dyna-Cat Operator and other such heavy or skilled equipment operators as the Carrier and General Chairman designate.

Special Agreements

Plasser Dyna-Cat Tamper, Brandt Truck Operator and Brush-Cutting