

**AGREED UPON INTERPRETATIONS REGARDING EXERCISING SENIORITY
UNDER THE NW-WABASH AGREEMENT, THE SOUTHERN RAILWAY
AGREEMENT, AND THE DPG ARBITRATED AGREEMENT**

Whereas, the parties desired that the provisions of the Southern Agreement, NW-Wabash Agreement, and the June 12, 1992 Arbitrated Agreement establishing Designated Program Gangs (DPG), regarding exercise of seniority, be applied in a consistent and equitable manner and set forth certain agreed upon interpretations in a March 14, 2001 Memorandum of Understanding;

Whereas, the parties desire that the understandings set forth in the March 14, 2001 Memorandum of Understanding regarding the exercise of seniority be modified to reflect the expansion of the scope of the June 12, 1992 Arbitrated Agreement establishing Designated Program Gangs to include the former Southern Railway, in accordance with Article VI of the February 27, 2012 NS-BMWED Memorandum of Agreement, which became effective pursuant to the April 25, 2012 BMWED National Agreement, and also to address concerns arising since March 14, 2001;

It is agreed that the June 12, 1992 Arbitrated Agreement for Designated Program Gangs is revised for operations to commence for 2013 consistent with the following interpretations that will apply in the situations described herein:

1. When an employee, who holds seniority on Southern and also holds seniority on a NW-Wabash seniority roster, is displaced from a Southern position, the resulting displacement right is limited to the Southern or to displace on a DPG position subject to the terms of this understanding and the DPG Agreement. Such employee displaced from a Southern position does not obtain a displacement right on a NW-Wabash position.
2. An employee who holds seniority on Southern and is occupying a Southern position does not have the right to voluntarily vacate the Southern position to fill an NW-Wabash position by bid, unless by doing so, such employee is seeking to return to his home region. However, such employee does have the right to bid to a DPG position and if awarded would be permitted to voluntarily vacate the Southern position to fill the DPG position.
3. When an employee, who holds seniority on the NW-Wabash and also holds seniority on a Southern seniority roster, is displaced from a NW-Wabash position, the resulting displacement right is limited to the NW-Wabash (as further detailed in paragraph 5), or to displace on a DPG position subject to the terms of this understanding and the DPG Agreement. Such employee displaced from a NW-Wabash position does not obtain a displacement right on a Southern position.

4. An employee who holds seniority on the NW-Wabash and is occupying a NW-Wabash position does not have the right to voluntarily vacate the NW-Wabash position to fill a Southern position by bid, unless by doing so, such employee is seeking to return to his home region. However, such employee does have the right to bid to a DPG position and if awarded would be permitted to voluntarily vacate the NW-Wabash position to fill the DPG position.

5. An employee holding seniority on more than one seniority region of the NW-Wabash who is displaced from a NW-Wabash position would not be permitted to displace a position on any other seniority region of the NW-Wabash, unless such employee would otherwise have no choice but to go furlough.

For example, an employee holding seniority on both the Northern and the Eastern seniority regions of the NW-Wabash who is displaced from a NW-Wabash Eastern Region position would not be permitted to displace a position on the Northern Region of the NW-Wabash, unless such employee would otherwise have no choice but to go furlough.

6. An employee who holds seniority on more than one seniority region of the NW-Wabash and is occupying a regional position based on such seniority does not have the right to voluntarily vacate this NW-Wabash position to fill a position on another NW-Wabash seniority region by bid, unless by doing so, such employee is seeking to return to his home region.

For example, an employee who holds seniority on both the Eastern and Western seniority regions of the NW-Wabash, while working an NW-Wabash Eastern Region position may not voluntarily vacate such Eastern Region position to bid to a position established on the NW-Wabash Western Region, unless that employee's home region is the N&W-Wabash Western Region.

7. An employee who has worked a DPG position for more than thirty (30) days may bid to positions on any Southern or NW-Wabash seniority region on which they hold seniority and, if awarded a NW-Wabash or Southern position, would be permitted to voluntarily vacate their DPG position to fill the awarded position. In such circumstance the timeliness of the release to the awarded position and associated conditions would be governed by the same agreement that covers the position awarded by bid.

8. An employee holding seniority on more than one seniority region of the NW-Wabash or Southern, who is displaced from a DPG position, would not be required to displace onto another DPG position held by a junior employee. Rather, such employee would also have the option of displacing on the NW-Wabash or Southern seniority region where they possess the earliest seniority date, but not on any other NW-Wabash or Southern region where such employee subsequently established seniority, unless such employee would otherwise have no choice but to go furlough.

For example, an employee who has their earliest NW-Wabash seniority date on the Western seniority region and also established subsequent Northern Region seniority on the NW-Wabash, upon being displaced from a DPG position scheduled to work over the CR and NKP DPG Zones would not be required to displace onto another DPG position held by a junior employee. Rather, such employee would also have the option of displacing on the Western seniority region, but not on the Northern seniority region,

unless would otherwise go furlough. Similarly, an employee who holds seniority on Southern and NW-Wabash, if not displacing another DPG position, would be required to first displace on the agreement where such employee holds the earliest seniority.

9. An employee who is displaced from a DPG position and is exercising the right to displace to a non-DPG position must arrange that displacement pursuant to the procedures of the agreement that covers the position on which such employee is exercising the displacement right. Similarly, exercise of displacement rights to a DPG position are to be handled pursuant to whichever of the NW-Wabash or Southern Agreements that cover the location of the involved DPG position at the time of the exercise of displacement.

10. An employee ranked on the DPG seniority lists who is off for reasons outlined in Rule 23 of the NW-Wabash Agreement or Rule 36(b) of the Southern Agreement, as amended by the January 8, 2010 side letter, during the DPG bulletin period but subsequently becomes available for duty would have a right to claim a DPG position pursuant to the provisions of Rule 23 of the NW-Wabash Agreement or Rule 36(b) of the Southern Agreement, as amended.

11. An employee holding seniority on NW-Wabash seniority rosters or Southern seniority rosters who is displaced from a non-DPG position may, if such employee so chooses, exercise seniority to displace a junior employee on a DPG position only under the following circumstances:

(a-1) If the DPG position has been in existence for less than ninety (90) calendar days, the senior employee may displace any junior employee on a DPG position bulletined to work over the senior employee's DPG Zone if the senior employee's inability to displace would require him to either displace onto a fixed headquarter position or be furloughed.

(a-2) if the DPG position has been in existence for less than ninety (90) calendar days, the senior employee may displace any junior employee (whose DPG Zone Designation differs from the Zones that the DPG was bulletined to work) if the senior employee's inability to displace would require him to be furloughed.

(b-1) if the DPG position has been in existence more than ninety (90) calendar days and was bulletined to work over the employee's DPG Zone and:

(i) the DPG position is working on the employee's DPG Zone at the time the employee is to make the displacement; or

(ii) there are no other non-fixed headquarterd positions occupied by a junior employee on the same NW-Wabash or Southern seniority region as the non-DPG position from which the employee was displaced.

(b-2) if the DPG position has been in existence for more than ninety (90) calendar days, the senior employee may displace any junior employee (whose DPG Zone Designation differs from the Zones that the DPG was bulletined to work) if the senior employee's inability to displace would require him to be furloughed.

12. An employee who is prohibited from exercising seniority rights, pursuant to these interpretations, will not have such inability to exercise seniority used to deny or offset any

benefits otherwise due under the Mediation Agreement of February 7, 1965, as amended by Article XII of the Agreement of September 26, 1996.

While the parties recognize that it is not possible to address every possible situation involving such exercise of seniority, it is agreed, however, that if circumstances arise which are not specifically covered by the interpretations listed above, the parties will attempt to resolve such situations based on a good faith application of the principles outlined above.

Signed at Norfolk, Virginia this _____ day of January, 2013

For the Brotherhood of Maintenance
of Way Employees Division:

For the Norfolk Southern
Railway Corporation:

S. J. Alexander, General Chairman

D. L. Kerby
Assistant Vice President
Labor Relations

J. Dodd, General Chairman

T. R. McCoy, Jr., General Chairman

T. J. Nemeth, General Chairman

APPROVED:

Henry Wise, Vice President BMWED

R. D. Sanchez, Vice President BMWED