



INDIANA HARBOR BELT RAILROAD COMPANY

2721 - 161ST STREET, HAMMOND, IN 46323-1099

July 8, 2005

Side Letter #9

Mr. M.J. Franciose
General Chairman, UTU(y)
PO Box 820
Matteson, IL 60443

Dear Mr. Franciose:

This will confirm our understanding reached during our negotiations of the August 1, 2005 Agreement that when all "Protected Employees" and "Limited Rights Protected Employees" i.e., all IHB Yardmen that were employed on or prior to October 1, 1992, have been attrited for reasons such as but not limited to death, retirement, resignation or disability that renders a Yardman unable to perform his/her duties as a Yardman, the following Agreements shall be implemented within one hundred and eighty (180) consecutive calendar days from the date that pure attrition is achieved.

1. The "Twenty-Two (22) Start Agreement" as it currently applies to Norpaul, Argo, and Blue Island shall be abrogated in its entirety and the "Gibson Five Day Work Week" as contained in the GENERAL LABOR AGREEMENT by and between the INDIANA HARBOR BELT RAILROAD COMPANY and the UNITED TRANSPORTATION UNION shall apply to all Districts on IHB i.e., Norpaul, Argo, Blue Island and Gibson. The Carrier and the Organization may implement a Five Day Work Week other the "Gibson Five Day Work Week", however, this shall be achieved my mutual agreement between the Parties signatory hereto.
2. Simultaneously to the implementation of the "Gibson Five Day Work Week" or the "Five Day Work Week" all IHB Yardmen shall possess System Seniority and such System Seniority may be exercised at Norpaul, Argo, Blue Island, and/or Gibson. System Seniority may be utilized at all Districts i.e., Norpaul, Argo, Blue Island and/or Gibson on a daily basis unless otherwise mutually agreed upon between the Parties signatory hereto. There shall be one (1) Extra Board to cover Extra Board vacancies at all Districts i.e., Norpaul, Argo, Blue Island, and Gibson unless otherwise mutually agreed upon between the Parties signatory hereto.
3. Simultaneously to the implementation of the "Gibson Five Day Work Week" or the "Five Day Work Week" and simultaneously to the implementation of System Seniority, ARTICLE IX-EQUALIZATION OF OUTER BELT TRANSFER CREWS as contained in the October 1, 1992 Agreement Between the IHB and UTU(y) shall be abrogated in its entirety and the Carrier shall bulletin all Outer Belt Transfer Assignments at any of the various Districts i.e., Norpaul, Argo, Blue Island, and/or Gibson unless otherwise mutually agreed upon between the Parties signatory hereto.

In the event the Carrier operates in excess of thirty (30) extra Outer Belt Transfer Assignments in any one given calendar month, the Carrier shall, within three (3) Calendar days subsequent to the last day of such calendar month, establish an additional Outer Belt Transfer Assignment(s) at one or more of the Districts unless otherwise mutually agreed upon between the Parties signatory hereto.

Furthermore, this will confirm our understanding reached during our negotiations of the August 1, 2005 Agreement that the Twenty-Two Start Agreements as they apply to Norpaul, Argo, and Blue Island Yardmen as contained in the GENERAL LABOR AGREEMENT by and between the IHB and the UTU; the Point Seniority System and the Separate Seniority Districts as provided for and contained in the GENERAL LABOR AGREEMENT by and between the IHB and the UTU and the EQUAL DISTRIBUTION OF WORK AGREEMENT Contained in the October 1, 1992 Agreement by and Between IHB and UTU(y) shall not be subject to negotiations, therefore, the Parties to this Agreement shall not serve nor progress any notice or proposal for changing any of the specific provisions as contained in the Agreements identified in this Side Letter #9 until all IHB Yardmen that were employed, on or prior October 1, 1992 have been attrited for reasons such as but not limited to death, retirement, resignation or disability that renders a Yardman unable to perform his/her duties as a Yardman. However, the Parties may negotiate changes to the aforementioned subject matter(s) by mutual agreement.

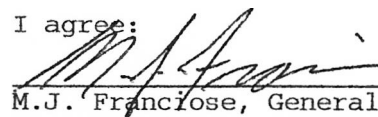
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



D.H. Nelson
General Superintendent

I agree:



M.J. Franciose, General Chairman, UTU(y)