



INDIANA HARBOR BELT RAILROAD COMPANY

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

C. H. ALLEN
GENERAL MANAGER

HAMMOND
(219) 989-4703
FAX (219) 989-4707

May 7, 1997

Mr. P.D. Drennan
General Chairman, UTU(y)
P.O. Box 3162
Lisle, Illinois 60532-3162

Dear Mr. Drennan:

This will confirm our understanding reached in our conference of May 7, 1997, at Hammond, Indiana, wherein it is mutually agreed and understood that the Labor Agreement (Yardmen) of June 1, 1997, PART ONE, APPENDIX I, APPENDIX II, APPENDIX III and Side Letters #1 through and including #12; PART TWO, CREW CONSIST, APPENDIX I, APPENDIX II, APPENDIX III, APPENDIX IV, nad APPENDIX V, Side Letter #1 through and including #8; and PART THREE shall be null and void and of no application if this Agreement is not ratified by UTU(y) Membership.

The UTU(y) General Chairman shall notify the Carrier on May 30, 1997, as to the outcome of the Membership Ratification.

If this correctly sets forth our understanding, please affix your signature in the space provided for below.

Sincerely,

C.H. ALLEN
General Manager

AGREED:

P.D. Drennan, General Chairman, UTU(y)