

**CSX TRANSPORTATION
MECHANICAL DEPARTMENT
CONTRACT EMPLOYEES
January 6, 2006 Revision
INDIVIDUAL DEVELOPMENT & PERSONAL ACCOUNTABILITY
POLICY**

Purpose

The professional development and well being of all employees is a critical element in CSXT's continued success. The vast majority of employees do their jobs in a professional manner, day in and day out. All employees are valued members of the CSXT team and must be treated with respect and fairness.

This policy is designed to provide everyone an opportunity to improve and grow through a measured, open, and just process. In order to build a more successful company and improve the workplace, serious violations of the rules must therefore be addressed in an appropriate and effective manner.

Responsibilities

All CSXT employees are expected to be safe, conscientious, dependable, and to comply with the rules. CSXT intends to continue to provide a safe work environment in which all employees can experience meaningful work and contribute to the success of everyone. Managers must provide fair and consistent treatment to all employees under their charge, using alternatives to formal discipline wherever appropriate. The terms of the applicable labor agreement shall be complied with in a fair and impartial manner.

General Guidelines

Incidents that are considered minor deviations will be subject to handling in accordance with procedures described in Part I of this policy.

Incidents of a more serious nature will be subject to handling prescribed in Parts II and III of this policy. Examples listed in Parts II and III are illustrative only, and not intended to limit appropriate handling for other serious offenses that may warrant corrective or disciplinary action.

Handling under any part of this policy does not in any way waive the appropriate labor organization's rights for further handling under the respective collective bargaining agreements or the railway labor act.

While not otherwise considered as part of this policy, CSXT desires that all non-passive injuries should be addressed through the Incident Review Committee Process in order to gain root cause information and develop corrective actions that will improve the safety of the work place for all employees. The individual employee may request appropriate handling under the Railway Labor Act and applicable collective bargaining agreement.

Part I: Minor Offenses

Managers are encouraged to utilize informal corrective instruction based upon individual circumstances.

The main concern is with repetitive behavior. Repeated violations of the rules may require more focused intervention with each succeeding offense. Just what that intervention should be will vary with individuals and circumstances.

This policy recognizes the fundamental importance of providing the Senior Local Manager with discretion on how best to handle minor issues. That discretion must include the input and consultation of the involved Local Chairman or designated representative involved, and will take into account the employee's specific case needs. The focus is on positive corrective action, not punishment.

Therefore, for minor offenses, the Senior Local Manager will determine, after consulting with the Local Chairman or designated representative involved, what non-disciplinary corrective action should be used to improve individual performance.

For repetitive cases when more focused intervention is needed as determined by the Senior Local Manager, an employee will elect between the following two (A or B) options:

Option A: Within three days of knowledge of a violation, and after consultation with the employee's local chairman, the employee will be offered the opportunity to participate in the Incident Review Committee Process (IRC). The IRC is comprised of fellow craft employees selected by the appropriate Local Chairman or designated representative. Corrective intervention will be determined during the IRC meeting. The IRC will assist the employee in developing the root cause and action plan for the problem and prescribe appropriate corrective follow up. The IRC will forward to the IRC Co-Coordinator, information for each case handled for use in preparing a summary review of case circumstances, root causes, and corrective handling. The Mechanical Operations Oversight Team will review this summary of IRC information on a periodic basis. This will help in the development of improved procedures to prevent future incidents of a similar nature. The only record maintained, in the employee's personnel file, will be a note that the individual was referred to the IRC and if he/she successfully completed the incident review. IRC participation will not be referred to in further handling or in the arbitration process nor will it be referred to in future handling by either party.

Option B: Customary handling under Railway Labor Act and applicable collective bargaining agreement.

For instances where an individual fails to improve and minor offenses continue to occur, the Senior Local Manager may elect to conduct a formal (documented) consultation to address the offenses with labor representation or a hearing under the appropriate collective bargaining agreement. Based on the findings of the consultation/hearing, corrective action will be developed.

Part II: *Serious Offenses*

This part of the policy describes the corrective action prescribed for an alleged serious offense. A single serious offense will not be considered to warrant

dismissal. However, suspension and/or retraining may be appropriate depending upon circumstances.

If it is proven that an employee commits three serious offenses within a period of three years the employee may be subject to dismissal. The employee's entire record will be taken into consideration when assessing discipline. (*"Time Out" situations will be considered serious offenses as addressed in this part, unless the employee is found to not be at fault in the "situation" which prompted the "Time Out"*)

For purposes of illustration only, the following are among examples of rule violations, which will be considered serious:

- * A violation of operating or safety rules or practices which results in railroad property damage that meets or exceeds the FRA reportability standard, but is not willful or due to indifference to duty.
- * Any disregard for one's own personal safety or the safety of one's coworkers; e.g.: Serious unsafe act that was not willful and does not result in the injury of other(s).

Progressive handling of serious offenses will be pursuant to the following principles:

- * For the first serious offense an employee will be issued a charge letter and a Time Out Option and will elect between the following:
 - Option A:** At the time of the charge letter being issued, the employee will be offered an opportunity to participate in the Time Out process conducted by the Senior Local Manager. This process will include voluntary and full participation by the involved parties to develop the root cause and corrective solution. There will be a list of action items retained to ensure follow up is accomplished. A record of root causes and solutions developed for each time out handled will be forwarded to the Director of Mechanical Operations Support, for use in preparing a summary review of case circumstances, root causes, and solutions developed. On a periodic basis, the Mechanical Operations Oversight Team will review this summary of time out information. This will help in the prevention of future incidents around the system. The only recorded information, which will be placed on the employee's personnel file, will be a note that the individual was referred to a Time Out and successfully completed the action items agreed to. If the individual was found to not be at fault in the "situation" which prompted the Time Out, all records of the Time Out handling will be cleared from the employee's file. If the employee does not complete the action items as agreed during the time out in the time agreed to, the handling will not be considered complete and may be progressed to Option B by the Senior Local Manager after consultation with the employee's local chairman.

Option B: Customary handling under Railway Labor Act and the applicable collective bargaining agreement. For the second serious offense within three years, a minimum of 30 days actual suspension may be assessed. This assumes that a fair and impartial hearing under the terms of the applicable labor agreement has been conducted and the employee is found to be at fault; or, a waiver was exercised under the applicable labor agreement and the employee accepted responsibility. The actual length of suspension will be based upon the nature of the violation, the employee's record, and taking into consideration the employee's willingness to accept responsibility. At the discretion of the Senior Local Manager, with the consultation of the General Chairman or designated representative involved, the employee may be offered the opportunity to use positive corrective action (see Part VI) for up to one-half of the time actually suspended. The third serious incident within three years may result in dismissal. This assumes that a fair and impartial hearing under the terms of the applicable labor agreement has been conducted and the employee found to be at fault.

PART III: Offenses Warranting Removal from Service Prior to Hearing

A single rule violation or offense may be so serious or egregious as to warrant dismissal. For such an offense, the penalty shall be removal from service prior to a hearing, and dismissal following a fair and impartial hearing under the terms of the applicable labor agreement at which the individual is proven to be at fault. Among the examples of conduct that warrants removal from service and dismissal include, but are not limited to, the following:

1. Willful serious disregard of the rights of the Company or other employees (i.e., assault, theft, etc.);
2. Reckless or willful serious endangerment (i.e., weapons on Company property, Rule G violations without bypass, etc.);

Part IV: FRA Regulation Event

Notwithstanding anything else in this policy, if a willful violation incident is covered by the FRA regulations, the involved employee is subject to those regulations and must satisfy the federally mandated handling. Based upon the employee's record, acceptance of responsibility, and the employee's work history, the Senior Local Manager may elect, after consultation with the General Chairman or designated representative involved and with the employee's consent, to use positive corrective action for up to one-half of the time of the suspension, consistent with FRA or other federal requirements.

Part V: Administration of Policy

Responsibility for administration of the policy rests with Chief Mechanical Officers, and Vice President Mechanical. The execution of the policy will be the responsibility of the Senior Local Manager.

For cases resulting in dismissals or suspensions of 30 days or more, a joint labor-management oversight committee will be established to review each case to ensure consistency and fairness in policy administration. The oversight committee will meet on a periodic basis as necessary. The Discipline Oversight Committee will be made up of CSXT Senior Management, and Shopcraft Coalition selected General Chairmen/International Representatives, or their designees equal to the number of CSXT management voting members. The V. P. Mechanical will participate only in a "tie breaker role" if the members cannot otherwise reach a majority decision. The handling by the Oversight Committee will not be referred to in further handling or in the arbitration process nor will it be referred to in future handling by either party including future litigation.

Part VI: Positive Corrective Action

As provided in this policy, positive corrective action (PCA) may be substituted for up to one-half of an assigned suspension. Employees involved in PCA will be compensated at the rate of the position last worked immediately prior to suspension.

The Senior Local Manager or Chief Mechanical Officers may develop and implement PCA after consultation with the involved General Chairman or designated representative involved based upon the specific circumstances of the offense. Examples of possible PCA include, but are not limited to, the following:

1. Provide the involved employee additional formal and/or on-the-job training.
2. Assign the employee to an experienced employee from the same craft that volunteer.
3. Provide other training experiences that relate to the offense.
4. Use the employee to conduct job-briefings where instructive and appropriate.

Part VII: Personal Injury Handling

There will be no formal disciplinary hearings convened to investigate an individual's personal injury, unless requested by the employee. The Individual Development and Personal Accountability Policy outlined herein sets forth the manner in which rules violations are to be addressed. In any event, no discipline will be assessed as a result of the injury.

An employee will not be subject to discipline for the late reporting of an injury if the employee makes a report to the appropriate supervisor as soon as an injury manifests itself. As clarification, the CSXT Medical Department has advised that an injury will usually manifest itself within 24 to 48 hours. An injury would be considered to have manifested itself when the employee first becomes aware of the injury, by such factors as seeking medical attention, telling co-workers about the injury, use of over the counter treatments or remedies in response to the injury, etc. *Example:* An employee bends down to pick up an

object lying along the field side of a rail. He feels a slight "twinge" in his right knee, but doesn't think anything of it and he goes on to complete his shift unencumbered. Upon awakening the next morning, the employee's knee aches and is slightly swollen. So long as he then immediately calls his supervisor and reports the injury, there would be no violation of Company policy.

On the other hand, if the employee fails to report the injury to his supervisor within 48 hours of the incident or after he has clearly recognized that he is injured (injury manifests itself-see above), he would have committed an offense under this Policy for failure to report.

The seriousness of the offense will determine the level of handling, but may result in a hearing and up to 10 days actual suspension if the facts ascertained in the hearing support the charge.

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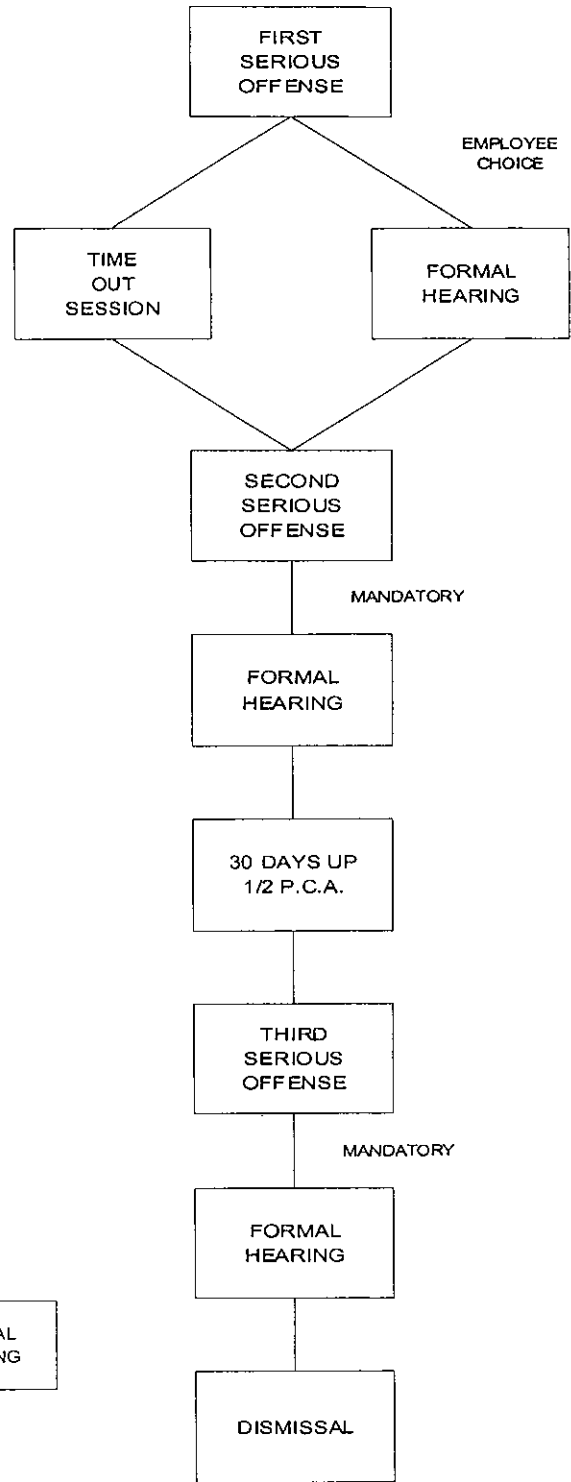
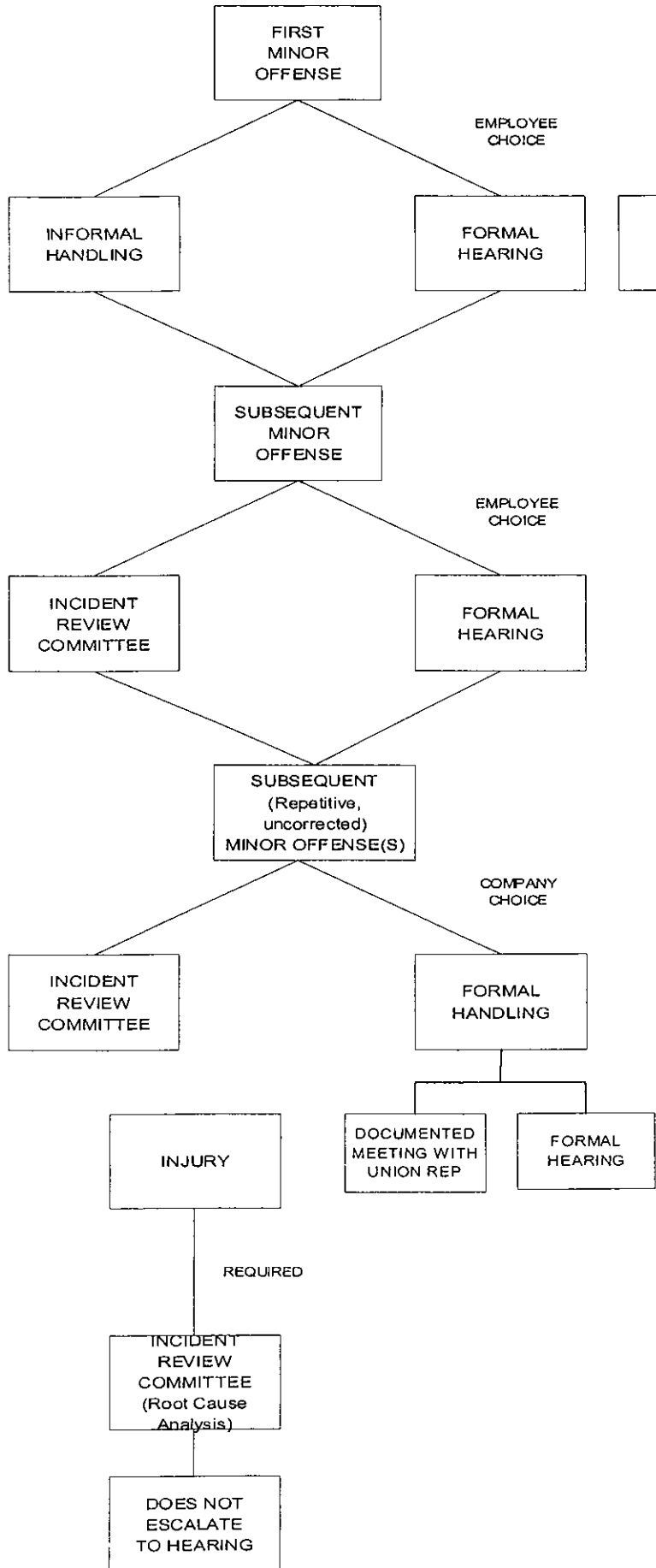
Revision: 12/01/2000

Revision:8/15/2001

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Revision 1/6/06

KCJ



3 YEAR TIME CYCLE

**I.D.P.A.P.
Mechanical
Operations**



TRANSPORTATION

Date _____

**Mechanical Operations
IDPAP / IRC**

Mr. / Ms. _____

ID# _____

As a result of an incident, which occurred on _____, you are being offered the opportunity to participate in the **Mechanical Operations Incident Review Committee Process (IRC)**. This Program was developed to assist Employees in improving their Safety and Rules Performance as an alternative to Formal Discipline. Members of the **IRC** were selected by your Local Chairman or Designated Representative and will meet with you to discuss this incident.

Key points for you to remember about the IRC are:

- **No one except you and the IRC will be present at this meeting.**
- **The meeting will be completely confidential.**
- **Participation in this Program is voluntary and it will not be considered an admission of guilt nor a step in the discipline process. It also will not be referred to in any future discipline handling. However, if you choose not to participate in this process, you may request customary handling under the railway Labor Act and the Applicable Collective Bargaining Agreement.**

In the very near future you will be contacted by an IRC Member to give you the opportunity to review the incident referenced above.

Yes, I will participate

No, I decline

Signed: _____

Date: _____

Manager: _____

Cc: Local Chairman / Organization Representative