

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN
REPRESENTING
ENGINEERS AND ASSISTANT ENGINEERS
AND
NEW JERSEY TRANSIT RAIL OPERATIONS

The parties hereby agree to the following terms and conditions of employment for a new labor agreement ("Agreement") for the period July 1, 2008, through June 30, 2011. This Memorandum of Understanding is subject to ratification by the membership of the Brotherhood of Locomotive Engineers & Trainmen and final approval by the New Jersey Transit Board of Directors.

This agreement amends the agreement between the Brotherhood of Locomotive Engineers & Trainmen and New Jersey Transit Rail Operations (NJTRO) amended through June 30, 2008. The rules in the agreement are changed only to the extent indicated herein and remain otherwise unchanged and in full force until changed in accordance with the provisions of the Railway Labor Act, as amended. The rule changes set forth in this Memorandum of Understanding shall be effective upon date of ratification unless otherwise specified.

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1. Wages

Effective July 1, 2008, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2009, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2010, all current wage rates shall be increased by three (3%) percent.

Employee classifications and rates of pay are:

Engineer-Passenger Service and Other Than Passenger Service:

	<u>Hourly Rate</u>
Effective July 1, 2008	\$ 30.45
Effective July 1, 2009	\$ 31.36
Effective July 1, 2010	\$ 32.30

Qualified Assistant Engineer:

Effective July 1, 2008	\$ 24.98
Effective July 1, 2009	\$ 25.73
Effective July 1, 2010	\$ 26.50

Assistant Engineer:

Effective July 1, 2008	\$ 23.60
Effective July 1, 2009	\$ 24.31
Effective July 1, 2010	\$ 25.04

2. Health and Welfare Modification

Effective July 1, 2008, the increase in the employee contribution toward individual health insurance contributions shall not exceed the percentage by which wages were increased pursuant to Section 1, above. Accordingly, the employee contribution toward health care premiums is reflected in the chart below.

<u>Effective Date</u>	<u>Employee Contribution Per Month</u>	<u>Weekly Before Tax</u>	<u>Weekly After Tax*</u>
July 1, 2008	\$77.25	\$19.31	\$11.59
July 1, 2009	\$79.57	\$19.89	\$11.94
July 1, 2010	\$81.95	\$20.49	\$12.29

- for illustration purposes only

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- a. Effective as soon as practicable following ratification, oral contraceptives will be covered under the plan for female employees and eligible female dependents.
- b. Effective upon ratification, employees that retire following ratification shall be eligible to receive retiree medical coverage under the Basic Plan, for the employee and his/her spouse, beginning at age 60, at no cost to the retiree or spouse.

3. Choice Holiday (Rule 9)

Effective January 1, 2008 the personal holiday schedule referenced in paragraph 2 will be amended to reflect the following schedule:

- a. An employee with one (1) but less than eight (8) years of continuous service shall be entitled to a total of two (2) choice holidays.
- b. An employee with eight (8) but less than seventeen (17) years of continuous service shall be entitled to a total of three (3) choice holidays.
- c. An employee with seventeen (17) but less than twenty-five (25) years of continuous service shall be entitled to a total of four (4) choice holidays.
- c. An employee with twenty-five (25) or more years of continuous service shall be entitled to a total of five (5) choice holidays.

4. Engineer Sickness – Leaves: Rule 10

Delete last sentence of Rule 10, Section 2, paragraph (a).

Re-write Rule 10, Section 3 Sickness Leave Reimbursement Plan to read as the follows:

Effective January 1, 2008 all employees will have the option, in December, of each year, of receiving 100% payment for the unused sick days (up to 5 days) from the current year allotment, or placing the unused sick days in his/her sick leave reserve. Payment for unused sick days will be made by the close of January of the following year.

Any employee who leaves NJ Transit service for any reason, other than termination for cause, with a minimum of ten (10) years of continuous service at the time of separation shall be entitled to a cash severance payment of ninety (90%) percent of the daily rate of pay of all accumulated but unused sick days, to a maximum of \$15,000.

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5. Supplemental Sickness:

Effective as soon as practicable following ratification, the NJ Transit Supplemental Sickness Benefits Plan will be amended. The "Basic Benefit Amount" provided for under the Plan shall be revised to reflect wage rates in effect as of July 1, 2007. Thereafter, on the first day after the final date of each contract term, the "Basic Benefit Amount" will be revised again to reflect the wage rates in effect as of the final date of the contract term.

6. Bereavement: Rule 33

Effective upon ratification add grandparents and grandchildren to the bereavement leave list of relatives.

7. Moratorium:

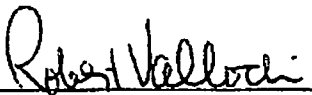
There shall be a moratorium on the serving of Section 6 Notices until April 1, 2011, any changes not to become effective before July 1, 2011.

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This Memorandum of Understanding constitutes the complete agreement of the parties with respect to changes in the Collective Bargaining Agreement reached between the undersigned on JANUARY 23, 2008

For the Organization:

Brotherhood of Locomotive Engineers
and Trainmen




Robert Vallochi
General Chairman

For the Company:

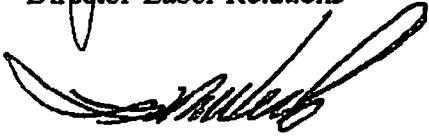
New Jersey Transit Rail Operations



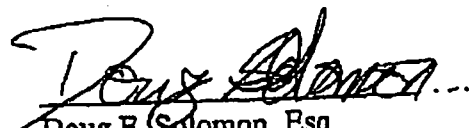
William B. Murphy
Deputy General Manager



Philip B. Charles
Director-Labor Relations



Leon Werb
Manager-Labor Relations



Doug E. Solomon, Esq
Labor Counsel

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

Richard R. Saries
Executive Director



Letter No. 2

January 23, 2008

Mr. Robert A. Vallochi
General Chairman, BLE
7 Glen Court
Barnegat, NJ. 08005-2057

Dear Mr. Vallochi:

This serves to confirm our understanding regarding the application of a drug and alcohol screen and shall be incorporated into the questions and answers as it pertains to Rule 22.

Question: Would the provisions of Rule 22(c) apply whenever a BLE represented employee is required to submit to a random and/or mandatory drug test after he or she completes operating the last train of their assignment?

Answer: Yes. An employee will be paid for the actual time worked at the time and one-half rate of pay with a minimum of three (3) hours when called for a random and/or mandatory drug test after having earned compensation for the entire day or after completion of running his or her last train of their assignment. This provision does not apply to any EAP follow up drug test.

If the above accurately reflects our understanding, please affix your signature below:

Sincerely,

A handwritten signature in black ink that reads "William B. Murphy".

William B. Murphy
Deputy General Manager
Labor Relations/Administration

I Concur:

A handwritten signature in black ink that reads "Robert A. Vallochi".

Robert A. Vallochi
General Chairman, BLE

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

Richard R. Sarias
Executive Director

NJ TRANSIT
One Penn Plaza East
Newark, New Jersey 07105-2246
973-491-7000



Letter No. 1

January 23, 2008

Mr. Robert A. Vallochi
General Chairman, BLE
7 Glen Court
Barnegat, NJ. 08005-2057

Dear Mr. Vallochi:

This serves to confirm our understanding regarding overtime eligibility and shall be incorporated into the questions and answers as it pertains to Rule 19.

Question: Will an employee on a regular assigned position who is called off of the Relief Day List; and, as result, does not have sufficient time to work his or her regular assignment, be eligible for overtime pay under Rule 3(d) on the sixth and/or seventh day of his or her work week?

Answer: Yes. An employee will be credited with a "first start" for the date in which he or she is unable to work their assignment due to insufficient rest under the Hours of Service Act after being called to work from the Relief Day List.

If the above accurately reflects our understanding, please affix your signature below:

Sincerely,

William B. Murphy
Deputy General Manager
Labor Relations/Administration

I Concur:

Robert A. Vallochi
General Chairman, BLE

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

Richard R. Sarlas
Executive Director



Letter No. 3

January 23, 2008

Mr. Robert A. Vallochi
General Chairman, BLE
7 Glen Court
Barnegat, NJ 08005

Dear Mr. Vallochi:

Subject: Availability of Extra List Engineers

The following "Q&A" clarifies our understanding regarding availability of Extra List Engineers under Rule 21.

Q: When will an Extra List Engineer who has requested either a personal day, or a single vacation day, be considered unavailable for duty?

A: An Extra List Engineer who has requested either a personal day, or single vacation day, will be considered unavailable for any assignment with a sign up after 8:00 PM on the day prior to the requested day of leave. The Engineer will have the option of the requested leave beginning either at 12:0a AM on the day requested, or the time at which the Engineer called in accordance with the above ties up on the day requested.

If the above accurately reflects our understanding, please affix your signature below.

Sincerely,

A handwritten signature in black ink that reads 'William B. Murphy'.

William B. Murphy
Deputy General Manager
Labor Relations/Administration

I Concur:

A handwritten signature in black ink that reads 'Robert A. Vallochi'.

Robert A. Vallochi
General Chairman-BLE