

AGREEMENT

Conrail and the undersigned representatives of its employees agree as follows, in order to: (1) enhance Conrail's ability to remain a profitable carrier; and (2) facilitate Conrail's transfer to private sector ownership.

1. (a) Rates of pay will be adjusted, effective July 1, 1984, to those rates that would have prevailed but for the pay increase deferral provisions of Section 2 of the Agreement of May 5, 1981 (i.e., wages will be adjusted to the so-called "industry standard.")

(b) To accomplish the provisions of paragraph (a), Conrail shall recompute pay rates from July 1, 1984, forward as if no pay increase deferral had occurred, and every effort will be made to distribute any retroactive pay adjustment (back to July 1, 1984) within sixty (60) days of notification to Conrail that this Agreement is formally in effect between Conrail and the affected labor organization.

2. Conrail and the representatives of its employees will take all steps necessary to pursue resolution of pending Section 6 notices which propose national handling, in such national handling, and agree to be

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bound by agreements resulting from such national handling, except as set forth below:

(a) Conrail's right to transfer and rearrange work, as provided for in Section 706 of the Regional Rail Reorganization Act ("3R Act"), and in current agreements, will be continued.

(b) Section 6 notices proposing changes in work rules or in other working conditions not resolved by the terms of a National Agreement covering a craft or class of employees, will be addressed through Section 5 of the Agreement of May 5, 1981, which implements Section 712 of the 3R Act.

(c) The provisions of this Agreement will apply in the event of any conflict with a National Agreement.

3. All Agreements between the parties regarding rates of pay, rules and working conditions are hereby continued in effect except as provided herein.

4. This Agreement shall continue in effect until superseded by an agreement between the parties in connection with the sale of the United States' ownership interest in Conrail, or unless otherwise agreed by the parties, whichever shall first occur.

5. This Agreement is considered to be a separate agreement between Conrail and the representative of each craft or class of employees.

February 13, 1985

CONSOLIDATED RAIL CORPORATION

BY: /s/ R. E. Swert

Dated: 2/14/85

/s/ R. I. Kilroy

/s/ F. Ferlin

/s/ John F. Sytsma

/s/ R. T. Bates

/s/ R. E. Johnson

/s/ C. E. Wheeler

/s/ William G. Linder

/s/ O. M. Berge

/s/ James L. Walker

/s/ A. M. Ripp

/s/ Joseph E. Burns, Jr.

/s/ Charles C. Arthur, Jr.

/s/ R. L. King

/s/ E. J. Fusco

/s/ W. D. Summerville

/s/ A. V. Robey