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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35063

**MICHIGAN CENTRAL RAILWAY, I.L.C. -
ACQUISITION AND OPERATION EXEMPTION
LINES OF NORFOLK SOUTHERN RAILWAY COMPANY**



**NORFOLK SOUTHERN RAILWAY COMPANY'S SUBMISSION OF
ADDITIONAL AGREEMENTS ENTERED INTO IN CONNECTION WITH THE
PROPOSED TRANSACTION**

**ENTERED
Office of Proceedings**

OCT 31 2007

**Part of
Public Record**

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**Attorneys for
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Dated October 31, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35063

**MICHIGAN CENTRAL RAILWAY, LLC –
ACQUISITION AND OPERATION EXEMPTION –
LINES OF NORFOLK SOUTHERN RAILWAY COMPANY**

**NORFOLK SOUTHERN RAILWAY COMPANY'S SUBMISSION OF
ADDITIONAL AGREEMENTS ENTERED INTO IN CONNECTION WITH THE
PROPOSED TRANSACTION**

Norfolk Southern Railway Company ("Norfolk Southern") hereby submits, for inclusion in the Board's record in this proceeding, the attached two additional agreements that have been entered into in connection with the proposed transaction that is the subject of the Petition for Exemption ("Petition") filed by Michigan Central Railway, LLC ("Michigan Central") on July 13, 2007, seeking an individual exemption under 49 U.S.C. § 10502 with regard to its proposed acquisition and operation of certain Norfolk Southern rail lines in Michigan and Indiana ("the subject lines"). This submission supplements the agreements submitted by Michigan Central with the Petition, and also supplements the "general statement of labor impacts" in the Petition at pages 8-9.

The document attached as Exhibit A is an agreement entered into on October 26, 2007, between Norfolk Southern and the United Transportation Union, which represents train service employees working on the subject lines. The document attached as Exhibit B is an agreement entered into on October 26, 2007, between Norfolk Southern and the Brotherhood of Locomotive Engineers and Trainmen, which represents locomotive engineers working on those lines.

In the Petition, Michigan Central reported that 131 Norfolk Southern agreement employees were working on the subject lines, and that 69 of them -- more than half the total number -- were train service employees or locomotive engineers, members of the crafts that are now covered by these two October 26, 2007 agreements.¹

The two agreements are substantively identical and cover the following points:

1. Each agreement recites that “[w]e agreed that the parties would focus their efforts on steps they could take to facilitate the transaction in a manner that would mitigate its impact on employees.” “To that end, therefore,” the parties agreed on the various procedures and benefits provided in the agreement.

2. Each agreement provides that on November 14 and 15, 2007, Norfolk Southern, assisted by the union, will conduct a selection process to determine which employees, actively employed on the subject lines as of October 26, 2007, desire to exercise seniority to a Norfolk Southern “zone,” “subsequent to the consummation of the transaction.” In seniority order, each employee will designate a Norfolk Southern zone and may exercise seniority to that zone at any time during the period beginning the day after consummation of the proposed transaction and ending six years after consummation. A Norfolk Southern employee who chooses to go to work for Michigan Central will be granted a leave of absence for up to six years and will retain his/her Norfolk Southern seniority rank and rights during that time. If such an employee chooses to return to Norfolk Southern at any time during the six-year period, he/she will

¹ In fact, the total number of train service employees and engineers actively working on the subject lines has increased to 72 since the filing of the Petition.

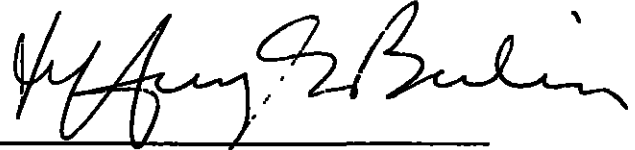
exercise seniority to the originally selected zone; however, if at that time the employee's seniority does not permit him/her to hold a position in that zone, the employee may exercise seniority to another zone where his/her seniority does permit the employee to hold a position. An employee may have only one leave of absence under this provision, an employee who returns to Norfolk Southern from Michigan Central and subsequently goes back to work for Michigan Central will be deemed to have resigned from Norfolk Southern.

3. Each agreement also provides for a payment of a lump sum allowance in the gross amount of \$10,000 to each Norfolk Southern employee who was actively employed on the subject lines as of October 26, 2007, and who continues to hold assignments, seniority permitting, on those lines until the proposed transaction is consummated. If, following consummation of the proposed transaction, the employee exercises seniority to another Norfolk Southern position and is required to change his/her place of residence (as defined in the agreement), the employee will receive an additional lump sum payment in the gross amount of \$5,000.

4. Finally, each agreement contains provisions regarding arrangements for the qualification of Norfolk Southern employees on new territory, as may occur following an exercise of seniority to a new zone, and for the familiarizing of Michigan Central employees on the subject lines.

Norfolk Southern respectfully requests that the agreements attached as Exhibits A and B be included in the Board's record in this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey S. Berlin", is written over a horizontal line.

John V. Edwards
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510
(757) 629-2838

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1501 K Street, N.W.
Washington, D.C. 20005
(202) 736-8000

Attorneys for
Norfolk Southern Railway Company

Dated October 31, 2007

Exhibit A



Norfolk Southern Corporation
223 East City Hall Avenue
Norfolk, Virginia 23510-1728

H. R. Mobley
Assistant Vice President
Labor Relations
(757) 629-2425

October 24, 2007

CD-20-813

Mr D G. Strunk, Jr., General Chairman
United Transportation Union
817 Kilbourne Street
Bellevue, Ohio 44811-9407

Dear Mr Strunk:

This refers to our discussion regarding the Petition for Exemption filed by Michigan Central Railway with respect to its proposed acquisition and operation of 299 route miles and 85 miles of trackage rights currently owned by Norfolk Southern Railway Company (NSR)

We agreed that the parties would focus their efforts on steps they could take to facilitate the transaction in a manner that would mitigate its impact on employees. To that end, therefore, the parties agree that:

1. To effect an orderly and efficient transition an employee selection process will be conducted with the following procedure utilized:
 - (a) The Carrier will conduct a selection process to identify active employees occupying a Michigan Line assignment or extra board on the Michigan Lines on October 24, 2007 who desire to exercise seniority to a NSR zone subsequent to the consummation of the transaction. The General Chairman or his designated representative will observe and assist with the selection process.
 - (b) The selection process will take place November 14 and 15, 2007. Employees must be available to participate in the selection process either in person or by telephone.
 - (c) Employees, in seniority order, will designate a NSR zone that they may exercise seniority to within six years of the consummation of the transaction but not sooner than the day following the consummation of the transaction. Employees may only select a zone where their seniority permits them to work at the time the selection process is conducted.
 - (d) The results of the selection process will be posted and the General Chairman notified
2. Employees who desire to work for Michigan Central will be granted a leave of absence to pursue that employment upon written request to the Dearborn Division Superintendent. The request is to be made before or within ten days following the consummation of the transaction. Employees on a leave of absence will retain their NSR seniority rank and rights for up to six years from initiation of employment with Michigan Central. Active Michigan Central employees on

such leave of absence may exercise their seniority to the NSR zone selected, seniority permitting, during the selection process and flowback to an assignment that their seniority will permit. If an employee's seniority does not permit holding a position at the original selection zone the employee may exercise seniority to another NSR zone. Employees, if in dismissed status, shall not be eligible to return to NSR if dismissed by Michigan Central for an offense that would be considered a Major Offense under NSR's START POLICY. Employees must notify the Dearborn Division Superintendent in writing 30-days in advance of the date they are exercising seniority to NSR.

An employee who returns to NSR from such leave of absence shall not be granted an additional leave of absence to obtain re-employment with Michigan Central, and subsequent resumption of employment with Michigan Central shall be regarded as self-executing resignation.

3. For purposes of this agreement, the lines to be acquired and operated by Michigan Central are referred to as the Michigan Lines. And, a Michigan Lines Employee is defined as a NSR employee who: a) was an active employee occupying a Michigan Lines assignment or extra board on the Michigan Lines on October 26, 2007 and b) continues to hold an assignment, seniority permitting, on the Michigan Lines until the transaction is consummated:
 - (a) Michigan Line Employees will be paid a lump sum allowance in the gross amount of \$10,000.00 following consummation of the transaction.¹
 - (b) An additional lump sum amount in the gross amount of \$5,000.00 will be paid to Michigan Lines employees if they a) exercise seniority to other positions on NSR after consummation of the transaction; and b) change their place of residence as result.²
4. (a) An employee who exercises seniority as a result of the transaction to another NSR assignment (or an employee who exercises seniority under paragraph two above) will be permitted time with pay to qualify on the new assignment. The superintendent, or designated supervisor, will determine the number of qualifying trips necessary. If the employee exercises seniority to a zone other than the one selected in the selection process the employee will qualify on his/her own time.³

¹ An employee voluntarily exercising seniority off the Michigan Lines prior to the consummation of the transaction is not eligible for either lump sum allowance.

² A change of residence, as referred to in this document, is required if the employee's former reporting point and former residence are greater than 50 miles from the reporting point of the employee's new position and the employee provides proof of purchase (Real Estate Closing Documentation) of a new residence and the new residence meets the foregoing 50 mile criteria.

³ An employee whose seniority does not permit holding a position at the zone selected during the selection process may exercise seniority to another NSR zone and will be subject to 4.

- (b) Employees who are not qualified at the zone selected in the selection process may, consistent with workforce and availability requirements as determined by the Superintendent, make qualifying trips before the consummation of the transaction on the assignment or for the territory they intend to exercise displacement rights.
5. NSR may elect, at its discretion, to require NSR train service employees to familiarize Michigan Central employees on the Michigan Lines. NSR train service employees who are so used for this service will be paid in accordance with the UTU NSR collective bargaining agreement.
6. In the event the transaction is not consummated this Agreement is null and void.

Please sign below if the above accurately represents our understanding

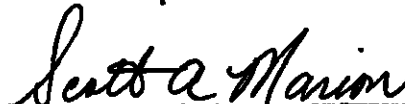
Very truly yours,


H. R. Mobley

I agree:


S. Cole, Local Chairman
United Transportation Union


M. R. Hunter, Local Chairman
United Transportation Union


S. A. Marion, Local Chairman
United Transportation Union


D. G. Strunk, Jr., General Chairman
United Transportation Union



Norfolk Southern Corporation
223 East City Hall Avenue
Norfolk, Virginia 23510-1728

H. R. Mobley
Assistant Vice President
Labor Relations
(757) 629-2425

October 26, 2007

CD-20-813
Side Letter No. 1

Mr D G. Strunk, Jr., General Chairman
United Transportation Union
817 Kilbourne Street
Bellevue, Ohio 44811-9407

Dear Mr. Strunk:

This refers to the Michigan Lines Agreement dated October 26 2007.

An employee's exercise of seniority to an assignment in his/her selected zone will be qualified in accordance with Paragraph 4. A subsequent exercise of seniority outside the selected zone will not be covered by Paragraph 4.

Very truly yours,

H. R. Mobley

I agree:

S. G. Cole
S. G. Cole, Local Chairman
United Transportation Union

M. R. Hunter
M. R. Hunter, Local Chairman
United Transportation Union

S. A. Marion
S. A. Marion, Local Chairman
United Transportation Union

D. G. Strunk, Jr.
D. G. Strunk, Jr., General Chairman
United Transportation Union

Exhibit B



Norfolk Southern Corporation
223 East City Hall Avenue
Norfolk, Virginia 23510-1728

H. R. Mobley
Assistant Vice President
Labor Relations
(757) 629-2425

October 26, 2007

CD-20-813

Mr. C. W. Davis, General Chairman
Brotherhood of Locomotive Engineers & Trainmen
509 West Reed Street
Moberly, Missouri 65270

Dear Mr. Davis

This refers to our discussion regarding the Petition for Exemption filed by Michigan Central Railway with respect to its proposed acquisition and operation of 299 route miles and 85 miles of trackage rights currently owned by Norfolk Southern Railway Company (NSR).

We agreed that the parties would focus their efforts on steps they could take to facilitate the transaction in a manner that would mitigate its impact on employees. To that end, therefore, the parties agree that

- 1 To effect an orderly and efficient transition an employee selection process will be conducted with the following procedure utilized:
 - (a) The Carrier will conduct a selection process to identify active employees occupying a Michigan Line assignment or extra board on the Michigan Lines on October 26, 2007 who desire to exercise seniority to an NSR zone subsequent to the consummation of the transaction. The General Chairman or his designated representative will observe and assist with the selection process.
 - (b) The selection process will take place November 14 and 15, 2007. Employees must be available to participate in the selection process either in person or by telephone.
 - (c) Employees, in seniority order, will designate an NSR zone that they may exercise seniority to within six years of the consummation of the transaction but not sooner than the day following the consummation of the transaction. Employees may only select a zone where their seniority permits them to work at the time the selection process is conducted.
 - (d) The results of the selection process will be posted and the General Chairman notified.

2. Employees who desire to work for Michigan Central will be granted a leave of absence to pursue that employment upon written request to the Dearborn Division Superintendent. The request is to be made before or within ten days following the consummation of the transaction. Employees on a leave of absence will retain their NSR seniority rank and rights for up to six years from initiation of employment with Michigan Central. Active Michigan Central employees on such leave of absence may exercise their seniority to the NSR zone selected, seniority permitting, during the selection process and flowback to an assignment that their seniority will permit. If an employee's seniority does not permit holding a position at the original selection zone the employee may exercise seniority to another NSR zone. Employees, if in dismissed status, shall not be eligible to return to NSR if dismissed by Michigan Central for an offense that would be considered a Major Offense under NSR's START POLICY. Employees must notify the Dearborn Division Superintendent in writing 30-days in advance of the date they are exercising seniority to NSR.

An employee who returns to NSR from such leave of absence shall not be granted an additional leave of absence to obtain re-employment with Michigan Central, and subsequent resumption of employment with Michigan Central shall be regarded as self-executing resignation.

3. For purposes of this agreement, the lines to be acquired and operated by Michigan Central are referred to as the Michigan Lines. And, a Michigan Lines Employee is defined as an NSR employee who: a) was an active employee occupying a Michigan Lines assignment or extra board on the Michigan Lines on October 26, 2007 and b) continues to hold an assignment, seniority permitting, on the Michigan Lines until the transaction is consummated.
 - (a) Michigan Line Employees will be paid a lump sum allowance in the gross amount of \$10,000.00 following consummation of the transaction.¹
 - (b) An additional lump sum amount in the gross amount of \$5,000.00 will be paid to Michigan Lines employees if they a) exercise seniority to other positions on NSR after consummation of the transaction; and b) change their place of residence as result.²

¹ An employee voluntarily exercising seniority off the Michigan Lines prior to the consummation of the transaction is not eligible for either lump sum allowance

² A change of residence, as referred to in this document, is required if the employee's former reporting point and former residence are greater than 50 miles from the reporting point of the employee's new position and the employee provides proof of purchase (Real Estate Closing Documentation) of a new residence and the new residence meets the forgoing 50 mile criteria.

4. (a) An employee who exercises seniority as a result of the transaction to another NSR assignment (or an employee who exercises seniority under paragraph two above) will be permitted time with pay to qualify on the new assignment. The superintendent, or designated supervisor, will determine the number of qualifying trips necessary. If the employee exercises seniority to a zone other than the one selected in the selection process the employee will qualify on his/her own time.³
- (b) Employees who are not qualified at the zone selected in the selection process may, consistent with workforce and availability requirements as determined by the Superintendent, make qualifying trips before the consummation of the transaction on the assignment or for the territory they intend to exercise displacement rights
5. NSR may elect, at its discretion, to require NSR engineers to familiarize Michigan Central employees on the Michigan Lines. NSR engineers who are so used for this service will be paid in accordance with the BLET NSR collective bargaining agreement.
6. In the event the transaction is not consummated this Agreement is null and void

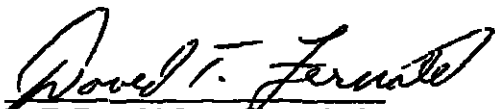
Please sign below if the above accurately represents our understanding

Very truly yours,

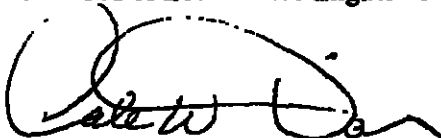


H. R. Mobley

I agree:



D. T. Fernald, Vice General Chairman
Brotherhood of Locomotive Engineers & Trainmen



C. W. Davis, General Chairman
Brotherhood of Locomotive Engineers & Trainmen

³ An employee whose seniority does not permit holding a position at the zone selected during the selection process may exercise seniority to another NSR zone and will be subject to 4.



Norfolk Southern Corporation
223 East City Hall Avenue
Norfolk, Virginia 23510-1728

H. R. Mobley
Assistant Vice President
Labor Relations
(757) 629-2425

October ~~26~~²⁶, 2007

CD-20-813
Side Letter No. 1

Mr. C. W. Davis, General Chairman
Brotherhood of Locomotive Engineers & Trainmen
509 West Reed Street
Moberly, Missouri 65270

Dear Mr. Davis,

This refers to the Michigan Lines Agreement dated October ~~26~~²⁶, 2007.

An employee's exercise of seniority to an assignment in his/her selected zone will be qualified in accordance with Paragraph 4. A subsequent exercise of seniority outside the selected zone will not be covered by Paragraph 4.

Very truly yours,

Handwritten signature of H. R. Mobley in cursive.

I agree:

Handwritten signature of D. T. Fernald in cursive.

D. T. Fernald, Vice General Chairman
Brotherhood of Locomotive Engineers & Trainmen

Handwritten signature of C. W. Davis in cursive.

C. W. Davis, General Chairman
Brotherhood of Locomotive Engineers & Trainmen

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of October, 2007, I caused a copy of the foregoing Submission of Additional Agreements of the Norfolk Southern Railway Company to be served on all parties of record in this proceeding by first class mail, postage prepaid or more expeditious method of delivery.



Jeffrey S. Berlin