



INDIANA HARBOR BELT RAILROAD COMPANY
2721-161ST STREET, HAMMOND, IN 46323-1099

February 5, 2003

Mr. R.R. Pasquarella
General Chairman, BLE
1152 North Cedar Road
New Lenox, IL 60451

Re Revision to Home Terminal Agreement effective July 12, 1965,
revised November 13, 1980 and further revised on May 24, 1990.

Dear Mr. Pasquarella:

Pursuant to our discussions of January 8, 2003 and February 3, 2003, the following are revisions to the July 12, 1965 Home Terminal Agreement between the Indiana Harbor Belt Railroad and the Brotherhood of Locomotive Engineers.

During our discussions, it was agreed that Paragraph four (4) would be modified as set forth below:

1. It is understood that should a vacancy occur at any terminal(s) because of a lack of manpower, those engineers on the extra board at the nearest terminal with the surplus of men will be called in order on a first in, first out basis, to cover the vacancy. Each extra board engineer, with the exception of the most junior engineer, will have the option to refuse the vacancy.
2. In the event there is no available engineer on the extraboard to cover such vacancy, the junior available engineer will be required to cover the vacancy.
3. All other provisions of the July 12, 1965 "Home Terminal" Agreement and the subsequent revisions to the Agreement dated November 13, 1980 and May 24, 1990 shall remain in effect.
4. This understanding will become effective February 7, 2003 and will remain in effect for a trial period of sixty (60) days. Should it prove satisfactory to the parties, it shall become permanent after the sixty (60) day trial period and thereafter be subject to revision in accordance with Section 6 of the Railway Labor Act or cancellation upon a thirty (30) day written notice of intent by either of the parties signatory hereto.

If the above changes in the July 12, 1965 "Home Terminal" Agreement meet with your understanding, please so indicate by signing in the space provided below.

Very truly yours,

Mary Kay Conley
Director Labor Relations & Human Resources

I concur:

Ronald R. Pasquarella,
General Chairman, BLE