

Phillip D. Murphy, Governor
Sheila Y. Oliver, Lieutenant Governor
Diane Gutierrez-Scaccetti, Commissioner
Kevin S. Corbett, Executive Director

NJTRANSIT
One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

June 18, 2018

Mr. James P. Brown, General Chairman
Brotherhood of Locomotive Engineers and Trainmen
16 Cypress Point Road
Westampton, NJ 08060

Re: Appendix 5, "10.4% Differential"

Dear Mr. Brown,

This refers to our recent understanding to amend Appendix 5 by abrogating the existing language and replacing it with the following:

"This will reflect the parties' understanding to interpret Appendix 5 to the Agreement ("10.4% Differential") as follows, effective July 1, 2016.

The parties agree that the calculation of the 10.4% differential shall be limited to 1) Engineer and Conductor straight time wages, 2) Engineer and Conductor certification allowances (20 minutes straight time each), and 3) the (i) newly created BLET 15 minutes straight time safety/speed control seal payments and ii) the Conductors' 15 minutes straight time report writing payments only. In the future, should the UTU (SMART-TD) negotiate with Carrier for additional or increased arbitrary or allowance payments, or payments in lieu of those payments listed above, the BLET and Carrier will likewise confer to assure that the 10.4% differential is maintained. The 10.4% payments will be allowed on the same basis as the certification payments as outlined in Rule 56 (FRA Certification) the June 22, 2016 letter pertaining to FRA Certification payment."

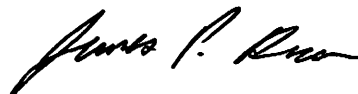
If you concur with the foregoing, please sign in the space provided.

Very truly yours,

I concur:



S. M. Drayzen
DGM- Labor Relations and Administration



J.P. Brown
General Chairman – BLE-T

Cc: E. Baksa; J. A. Sincaglia; L. Barone; P. Matalia; J. A. Devine