

MERGER AGREEMENT
between
INTERNATIONAL BROTHERHOOD OF LOCOMOTIVE ENGINEERS
and
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

The International Brotherhood of Locomotive Engineers (IBLE) and the International Brotherhood of Teamsters (IBT) enter into this Merger Agreement subject to approval and ratification as required by their respective Constitutions.

WHEREAS, after considering several potential merger partners, the Advisory Board of the IBLE voted unanimously to pursue merger discussions with the IBT; and

WHEREAS, the Unions determined that the merger agreement should be discussed and negotiated through a Joint Committee procedure in which both Unions would participate; and

WHEREAS, a Joint Committee composed of representatives of the IBLE and the IBT have met over an extended period, and the representatives have become familiar with the operations of each Union and its various subordinate organizations and have mutually agreed upon the terms set forth in this Merger Agreement and in the Bylaws of the IBT Rail Conference, the Brotherhood of Locomotive Engineers and Trainmen (a Division of the IBT Rail Conference) and the Teamsters Canada Rail Conference; and

WHEREAS, representatives from both Unions have determined that the following terms and conditions and the Bylaws of the proposed IBT Rail Conference, the Brotherhood of Locomotive Engineers and Trainmen (a Division of the IBT Rail Conference) and the Teamsters Canada Rail Conference (all of which are incorporated by reference and are a part of this Merger Agreement) guarantee to the IBLE and its members maximum autonomy within the structure of the IBT; and

WHEREAS, the IBLE Advisory Board and the members of the Joint Committee believe that a merger with the IBT will give the IBLE strength and resources to enable it to better represent its members and to negotiate strong contracts; and

WHEREAS, the Joint Committee members from both Unions recommend approval of this agreement, the incorporated bylaws and the merger they represent;

NOW, THEREFORE, BE IT RESOLVED that the parties agree to the following terms and conditions to govern the merger of the IBLE into the IBT subject to the approval procedures set forth in the Constitutions of each Union.

1. Purpose. The purpose of this Agreement is to provide for the merger of the IBLE into the IBT; to maintain for the IBLE the maximum autonomy available within the structure established by the IBT Constitution; to gain for the IBLE and its members the strength and resources available both from the International Brotherhood of Teamsters and from cooperation and coordination with IBT Local Unions and other affiliates throughout the United States, Canada and Puerto Rico; to enable IBLE to better serve its members, to better represent its members and to secure stronger contracts for its members;

to establish a Rail Conference within the IBT in which IBLE will play the leading role; and to enable IBLE to expand its jurisdiction and membership to include all operating crafts within the Rail Industry to the fullest extent permitted by the rules of the AFL-CIO as they exist at the time this Merger Agreement is approved by the IBLE Advisory Board.

2. General Terms and Summary. This merger is subject to the approval of each Union in accord with the procedures established by their Constitutions.

2.1. United States. If the merger is approved, the IBLE and its subordinate bodies in the United States will become known as the Brotherhood of Locomotive Engineers and Trainmen (BLET) and will be constituted as a division within a newly formed IBT Rail Conference. The IBLE and its subordinate bodies will maintain the same control over their assets, contracts and affairs that they have prior to the merger limited only by the specific provisions of this Merger Agreement and the applicable bylaws for the BLET and the IBT Rail Conference. All current officers of all IBLE bodies (International Division, Local Divisions, General Committees of Adjustment and State Legislative Boards) will maintain their current offices, and elections in each body will be conducted as currently scheduled. In particular, the next IBLE Convention and the next elections of IBLE officers will go forward on their current schedule. The Rail Conference will be an umbrella organization designed to coordinate activities on behalf of members within the Rail Industry in the United States including all members of the IBLE in the United States and any rail union with independent jurisdiction that may merge with the IBT in the future. The Merger Agreement also provides a transition with respect to certain governing provisions of the IBT Constitution, with respect to the payment of per capita by IBLE to the IBT, and with respect to the assumption by IBT of certain IBLE administrative and legislative functions. The Merger Agreement guarantees the parties the right to withdraw from the merger during a two-year period following approval through the procedures set forth in paragraph 6.26, below.

2.2. Canada. The IBLE subordinate bodies in Canada will become the Teamsters Canada Rail Conference (TCRC) and will be directly affiliated with Teamsters Canada. The IBLE subordinate bodies in Canada will maintain the same control over their assets and affairs that they have prior to the merger limited only by the specific provisions of this Merger Agreement and the TCRC Bylaws. All current officers of all IBLE subordinate bodies in Canada (Divisions, General Committees of Adjustment and Provincial Legislative Boards) will maintain their current offices, and elections in each of these subordinate bodies will be conducted as currently scheduled. The TCRC will be established with an Executive Board consisting of the two IBLE Vice Presidents from Canada and five other officers as specified in paragraph 5.4, below. These officers will serve until the TCRC Convention which will be held in 2006, at which time the TCRC Executive Board will be elected by the delegates to the TCRC Convention. The Merger Agreement also provides a transition with respect to certain governing provisions of the IBT Constitution and the Bylaws of Teamsters Canada. The Merger Agreement guarantees IBLE affiliates in Canada and the IBT the right to withdraw from the merger during a two-year period following approval through the procedures set forth in paragraph 6.27, below.

A

Provisions Applicable in the United States

3.1 Rail Conference. The IBT will establish a Rail Conference within the IBT as provided by the Rail Conference Bylaws which are incorporated by reference and are a part of this Merger Agreement.

The Rail Conference will be a representative body whose officers will be appointed by the Craft Divisions established within the Conference and the purpose of the Rail Conference will be to coordinate the representation of and all activities on behalf of members within the Rail Industry in the United States including all members of the IBLE in the United States.

3.2. Rail Conference Jurisdiction. The jurisdiction of the Rail Conference shall consist of employees working in the Rail Industry within the United States of America. The Craft Divisions within the Rail Conference shall have jurisdiction in accord with traditional craft lines with the BLET representing all locomotive engineers, all trainmen and all related operating personnel within the United States.

3.3. Rail Conference Headquarters and Offices. The headquarters and office of the Rail Conference shall be located at the IBT headquarters building in Washington, D.C.

3.4. Rail Conference Officers. The initial members of the Rail Conference Policy Committee shall be the IBLE President, First Vice President, General Secretary-Treasurer and a fourth representative designated by the IBLE/BLET Advisory Board. The BLET National President (IBLE President) and the BLET National Secretary-Treasurer (IBLE General Secretary-Treasurer) shall serve as the initial President and Secretary-Treasurer of the Rail Conference. As provided in the Rail Conference Bylaws, additional members of the Rail Conference Policy Committee shall include an appropriate number of representatives from any other affiliated Rail Industry Craft Divisions that may hereafter be established and affiliated with the Rail Conference. In accord with the Rail Conference Bylaws, these officers shall fill these offices until the 2006 Rail Conference Convention at which time the members and officers of the Rail Conference Policy Committee shall be appointed and elected as provided in the Rail Conference Bylaws.

3.5. Rail Conference Convention. The Rail Conference shall hold its first Convention at or about the time of the 2006 IBT Convention and every four years thereafter at a time and place set by the Rail Conference Policy Committee.

3.6. Rail Conference Per Capita. Operations of the Rail Conference shall be supported initially by the IBT by a per capita of \$0.25 per member per month to be allocated from the per capita paid to the IBT by the Craft Divisions within the Rail Conference. The delegates at the first Rail Conference Convention shall continue or change the per capita and, beginning with the month after they have acted, the per capita shall be paid by the Craft Divisions directly to the Conference and separate from any other per capita. These funds shall be maintained and controlled by the Rail Conference in accord with the Rail Conference Bylaws.

3.7. Rail Conference Operations. As provided by its Bylaws, the Rail Conference shall coordinate the activities of its affiliated Craft Divisions. The expenses of the Rail Conference shall be paid by the Rail Conference except as otherwise explicitly provided in this Merger Agreement.

4.1. Brotherhood of Locomotive Engineers and Trainmen. The IBLE shall become the Brotherhood of Locomotive Engineers and Trainmen, a Division of the IBT Rail Conference, and will be governed by the BLET Bylaws which are incorporated by reference and are a part of this Merger Agreement. The BLET Bylaws are designed to establish and continue within the IBT as much of the existing structure and operation of IBLE and its subordinate bodies as is consistent with the IBT Constitution.

4.2. BLET Jurisdiction. The jurisdiction of the BLET shall consist of the jurisdiction of the IBLE within the United States and shall include all locomotive engineers, all trainmen and all related operating personnel within the United States.

4.3. BLET Headquarters and Office. The headquarters and office of the BLET shall be located at the current headquarters and office of the IBLE in Cleveland, Ohio, or at such other place as the BLET may determine in accord with its Bylaws.

4.4. BLET Officers. The initial officers of the BLET will be the same as the officers of the IBLE as provided in the BLET Bylaws. The officers of the BLET shall thereafter be elected at the BLET Convention.

4.5. BLET Convention. The BLET shall hold its first Convention at the same time that the next regular IBLE Convention would have been held but for the merger and every four years thereafter.

4.6. BLET Dues. Dues and other financial obligations among and between the BLET and the subordinate bodies of the IBLE/BLET shall not be affected by this agreement and shall in the future be determined and adjusted as provided by the BLET Bylaws and in accord with the requirements of federal law. All expenses of operating the BLET and its subordinate bodies shall be borne by the BLET and its subordinate bodies except as otherwise explicitly provided by this Merger Agreement.

4.7. BLET Operations. As provided by its Bylaws, the BLET shall have responsibility and authority over the activities of its affiliated Local Divisions, General Committees of Adjustment and State Legislative Boards. Except as explicitly modified by the BLET Bylaws, the BLET shall retain and maintain the same responsibility and authority as the IBLE with respect to IBLE operations and subordinate bodies.

4.7.1. Control of Assets and Funds. The BLET shall retain and maintain control of all IBLE assets and funds. All IBLE subordinate bodies shall retain control of their assets and funds. In particular, the BLET shall retain control of the IBLE General Fund, Convention Fund and Mobilization/Strike Fund. The IBLE Building Association shall continue to operate under its current articles of incorporation. The IBLE Building Association shall maintain the same relationship to the BLET as it currently maintains with respect to the IBLE.

4.7.2. Benefit Plans. The BLET shall retain and maintain control of any existing IBLE benefit plans, shall continue to participate in current benefit plans, and shall in the future determine its participation in any such plans in accord with its bylaws.

4.7.3. Employees and Contractors. The BLET shall have authority and responsibility to hire, supervise and direct its own employees and establish their benefits and other terms and conditions of employment. The BLET shall have authority and responsibility to engage its own attorneys, accountants, consultants and other vendors.

4.7.4. Collective Bargaining Agreements. The BLET shall be the successor to and shall continue to hold the certifications currently held by the IBLE and shall have complete authority to negotiate and administer collective bargaining agreements pursuant to those certifications.

4.7.5. Initiation Fees, Dues and Per Capita. Initiation fees, dues, and any other financial obligations between and among the IBLE and its subordinate bodies shall continue as before the merger. The BLET shall pay a monthly per capita to the IBT International Union which shall be \$5.00 for the period January 2004 through December 2005. The monthly per capita for 2006 shall be \$11.00 for engineers, \$9.90 for trainmen and \$6.60 for members under non-standard contracts. Beginning with the month of January 2007, monthly per capita shall be set for the three classes of members within the IBLE/BLET based upon the average hourly wage rate for each class – engineers (based on national contract rates), trainmen, non-standard. The average hourly rate will be recalculated in December of each year for each class and the per capita (calculated in accord with Article X of the IBT Constitution for each class) will become applicable the following January. It is the intent of the parties that this per capita will be paid by the IBLE/BLET National Division and will not be passed on to members in the form of a dues increase or to Local Divisions or other subordinate bodies within the IBLE/BLET. In order to protect the arrangements made in the following paragraph to effectuate this intent, and notwithstanding any other provision of the BLET Bylaws, the provisions of Section 25 of the National Division Rules of the BLET Bylaws will remain in effect until the close of the National Division Convention held in 2006.

4.7.6. Functions Assumed by IBT. In order to insure that IBLE will be able to pay the per capita due to the IBT during the period from January 2004 through December 2005, the IBT agrees to pay all AFL-CIO, TTD and Rail Labor Division per capita on behalf of IBLE; to assume responsibility for the salaries and certain fringe benefits for one auditor, one education/training coordinator and one full-time organizer currently employed by IBLE; to fund certain temporary organizers to assist IBLE in IBLE/BLET and joint organizing campaigns, which funds are currently provided directly by IBLE; to provide office space in the IBT Headquarters Building for the IBLE Washington Office including the National Legislative Office; to bear the expense for publishing the IBLE quarterly magazine and the IBLE newsletter; and to subsidize IBLE expenses for outside legal counsel. Members within the BLET shall participate in the IBT Strike and Defense Fund to the same extent as any other member of the IBT. A Joint Committee on Finances will be formed to reach a similar agreement to fulfill the intent of the parties that the cost of per capita due on and after January 1, 2006, will not be passed on to members in the form of a dues increase or to Local Divisions or other subordinate bodies within the IBLE/BLET.

B

Provisions Applicable in Canada

5.1. Teamsters Canada Rail Conference (TCRC). The IBLE affiliates located in Canada shall be organized into the Teamsters Canada Rail Conference (TCRC) which will be directly affiliated with Teamsters Canada. The TCRC Bylaws are designed to continue and establish within Teamsters Canada as much of the existing structure and operation of IBLE affiliates located in Canada within the Teamsters Canada Rail Conference as possible consistent with the IBT Constitution and the Bylaws of Teamsters Canada.

5.2. TCRC Jurisdiction. The jurisdiction of the TCRC shall be all railway employees represented by the IBLE and IBT within Canada and shall include, but not be limited to, all locomotive engineers, all trainmen and all related operating personnel within Canada.

5.3. TCRC Headquarters and Office. The headquarters and office of the TCRC shall be located in Ottawa, Province of Ontario, Canada.

5.4. TCRC Executive Board and Officers. The initial officers of the TCRC Executive Board shall be G. Halle (TCRC President; IBLE Vice President, Canadian Director); T.G. Huckler (TCRC Vice President; IBLE Vice President and National Legislative Representative, Canada); R. Dyon (TCRC Secretary-Treasurer; IBLE 1st Alternate Vice President, Canada); D.C. Curtis (TCRC Recording Secretary; IBLE 2nd Alternate Vice President, Canada); M.A. Wheten (TCRC Trustee; IBLE 3rd Alternate Vice President, Canada); D. Shewchuk (TCRC Trustee); and J. Ruddick (TCRC Trustee). These officers shall serve until the 2006 TCRC Convention at which the Executive Board offices shall be elected by the delegates as provided in the TCRC Bylaws.

5.5. TCRC Dues. Dues, assessments and other financial obligations among and between the TCRC and the subordinate bodies of the IBLE shall not be affected by this agreement except that any dues, assessments or other payments payable by IBLE affiliates in Canada to the IBLE for any time after January 1, 2004 (including administrative dues, convention assessment and national legislative assessment), shall be paid directly to the TCRC. On and after January 1, 2004, all expenses of operating the TCRC and its subordinate bodies shall be borne by the TCRC and its subordinate bodies except as otherwise explicitly provided by this Merger Agreement.

5.6. TCRC Operations. As provided by its Bylaws, the TCRC shall have responsibility and authority over the activities of its affiliated Local Divisions, General Committees of Adjustment and Provincial Legislative Boards. Except as explicitly modified by the TCRC Bylaws, the TCRC shall assume and maintain the same responsibility and authority as the IBLE with respect to IBLE/TCRC operations and subordinate bodies in Canada.

5.6.1. Control of Assets and Funds. The TCRC shall maintain control of all TCRC assets and funds. All IBLE/TCRC subordinate bodies in Canada shall retain control of their assets and funds as provided by the TCRC Bylaws.

5.6.2. Benefit Plans. The TCRC shall maintain control of any existing IBLE benefit plans in Canada, shall continue to participate in current benefit plans, and shall in the future determine its participation in any such plans in accord with its bylaws.

5.6.3. Employees and Contractors. The TCRC shall have authority and responsibility to hire, supervise and direct its own employees and establish their benefits and other terms and conditions of employment. The TCRC shall have authority and responsibility to engage its own attorneys, accountants, consultants and other vendors.

5.6.4. Collective Bargaining Agreements. The TCRC shall be the successor to and shall continue to hold the certifications currently held by the IBLE with respect to any carrier in Canada and shall have complete authority to negotiate and administer collective bargaining agreements pursuant to those certifications.

5.6.5. Initiation Fees, Dues and Per Capita. The TCRC shall pay a monthly per capita of \$4.00 to the IBT International Union and a monthly per capita of \$1.50 to Teamsters Canada for the period of January 2004 through December 2005. The monthly per capita to the IBT International Union for

2006 shall be \$8.25 for engineers, \$7.42 for trainmen and \$4.95 for members under non-standard contracts. Beginning with the month of January 2007, monthly per capita shall be set for the three classes of members within the TCRC based upon the average hourly wage rate for each class – engineers (based on national contract rates), trainmen, non-standard. The average hourly rate will be recalculated in December of each year for each class and the per capita (calculated in accord with Article X of the IBT Constitution for each class) will become applicable the following January. TCRC shall continue to pay per capita to Teamsters Canada. It is the intent of the parties that these per capitae will be paid by the TCRC and will not be passed on to members in the form of a dues increase or to Local Divisions or other subordinate bodies within the TCRC. Teamsters Canada has agreed to assume responsibility for certain TCRC functions in order to insure that TCRC will be able to pay the per capita due to the IBT International Union and to Teamsters Canada during the period from January 2004 through December 2005. TCRC and Teamsters Canada will establish a Joint Committee on Finances to reach a similar agreement to fulfill the intent of the parties that the cost of per capita due on and after January 1, 2006, will not be passed on to members in the form of a dues increase or to Local Divisions or other subordinate bodies within the TCRC.

C

Common Provisions

6.1. Continued Cooperation. IBT and IBLE will continue to cooperate during the approval/ratification process with respect to all matters of mutual interest including, but not limited to, legislation, organizing, representation and issues pending before the National Mediation Board.

6.2. Effective Date. The Merger shall become effective on January 1, 2004 (Effective Date) and the Rail Conference, BLET and TCRC Bylaws will become effective on that date.

6.3. Membership. On the Effective Date, all IBLE members will become and be considered IBT members.

6.4. Officers. All current officers of all IBLE bodies (National Division, Divisions, General Committees of Adjustment, State and Provincial Legislative Boards) will maintain their current offices, and elections in each body will be conducted according to the existing schedule except as specifically provided in paragraph 5.4 with respect to the IBLE Vice Presidents for Canada and the Executive Board and officers of TCRC.

6.5. Charters. All charters issued by IBLE will be considered as having been issued by IBT. IBT will issue replacement or duplicate charters upon request. IBT will issue charters to all IBLE affiliates that do not already have charters issued by IBLE (BLET, TCRC, General Committees of Adjustment, and State and Provincial Legislative Boards). The BLET and TCRC Bylaws will otherwise govern the issuance of charters within the IBLE/BLET/TCRC and the IBT will issue charters for subordinate bodies within the IBLE/BLET/TCRC, provided that the issuance of such charters is consistent with the provisions of the BLET or TCRC Bylaws.

6.6. Transition to IBT Constitution. Except as otherwise provided by this Merger Agreement or in the BLET or TCRC Bylaws, the provisions of the IBT Constitution shall apply on and after January 1, 2004. The BLET Bylaws and the TCRC Bylaws shall govern in the event of any inconsistency with the IBT Constitution.

6.7. Eligibility to Vote. The provisions of the IBT Constitution concerning eligibility to nominate, second and vote will become effective on January 1, 2006.

(NOTE: The IBT Constitution provides that members are eligible to nominate and vote only if, as of the date of nominations or election, they are members in good standing through the month prior to the nominations meeting or election.)

6.8. Eligibility to Run for Office (IBT “Continuous Good Standing” Rule). The provisions of the IBT Constitution concerning eligibility to run for office will become effective on January 1, 2006. For the purpose of determining eligibility to run only, all IBLE/BLET/TCRC bodies will be treated as “newly chartered” on January 1, 2006 and the provisions of Article II, Section 4(b), of the IBT Constitution will be applied.

(NOTE: The IBT Constitution provides that members are eligible to run for election only if they are “in continuous good standing . . . and actively employed in the craft . . . for a period of twenty-four (24) consecutive months prior to the month of nomination” (IBT Constitution, Article II, Section 4(a)(1)). In general, “continuous good standing” means the timely payment of dues for each of the twenty-four months during the applicable period together with no interruptions in active service during that period. In “newly chartered” affiliates, Article II, Section 4(b), of the IBT Constitution reduces the twenty-four month period to “at least half of the period of time since the [affiliate] was separately chartered.” For nominations held in September 2006 within the former IBLE, for example, a member will be eligible to run only if he has maintained continuous good standing for four months (one-half the eight-month period from January 1, 2006, through August 2006).)

6.9. Elections. All elections within the former IBLE shall be conducted in accord with the procedures set forth in the applicable BLET or TCRC Bylaws. Effective for all nominations conducted after January 1, 2006, appeals concerning eligibility shall be handled in accord with Article XXII, Section 5(a), of the IBT Constitution. All other appeals and disputes with respect to elections held within the BLET or the TCRC shall be handled in accord with the applicable provisions of the BLET/TCRC Bylaws.

6.10. Charges and Appeals. All internal union charges and appeals filed before the Effective Date will be handled under the provisions, rules and procedures in effect prior to the Merger. All internal union charges and appeals filed after the Effective Date will be handled under the provisions, rules and procedures established by the BLET or TCRC Bylaws and the IBT Constitution. For the purpose of applying the provisions of Article XIX within the IBLE/BLET/TCRC, Local Divisions will be considered as the equivalent of Local Unions and the BLET National Division and the TCRC will be considered as the equivalent of Joint Councils. Time limits shall be as set forth in the BLET and TCRC Bylaws with the provision that the time limits provided in Article XIX shall apply with respect to appeals from the BLET National Division or the TCRC to the IBT General Executive Board. The International Union shall not entertain any appeal from any collective bargaining matter or administrative matter decided by the BLET or TCRC. Decisions appealable to the IBT General Executive Board shall be sustained unless inconsistent with the IBT Constitution or applicable law.

6.11. Trusteeships. During the period from January 1, 2004, through December 31, 2006, trusteeships may only be imposed on IBLE/BLET affiliated bodies with the consent of the National President of the IBLE/BLET or upon IBLE/TCRC affiliated bodies with the consent of the President of the TCRC. Neither the IBLE/BLET nor the TCRC may be placed in trusteeship during this period. On and after January 1, 2006, in the event that the IBT General President should determine that conditions exist that would warrant imposing a trusteeship on any IBLE/BLET/TCRC affiliate he shall consult with the National President of the IBLE/BLET or the President of the TCRC, as the case may be, and seek his assistance in resolving the problems before exercising his authority under Article VI, Section 5, of the IBT Constitution. This shall not prevent the IBT General President from taking immediate action where, in his discretion, the facts indicate the existence of a situation that is imminently dangerous to the IBLE/BLET/TCRC affiliate, the IBLE/BLET/TCRC, the IBT or any IBT affiliate. In such a situation the IBLE/BLET National President or the TCRC President, as the case may be, shall be fully informed of the imposition of the trusteeship and the reasons such action was necessary.

6.12. Ratification of Contracts. Collective bargaining agreements within the BLET and TCRC shall be ratified in accord with the provisions of the BLET and TCRC Bylaws.

6.13. Joint Council Affiliation. BLET Local Divisions and other affiliates will not be required to be affiliated with IBT Joint Councils. Officers of BLET Local Divisions and other affiliates will be invited to attend meetings and other functions and events conducted by the Joint Council having jurisdiction over the geographic area in which the Local Division or other affiliate is located. BLET Local Divisions and other affiliates may enter into agreements with the Joint Council having jurisdiction over the geographic area in which the Local Division or other affiliate is located on mutually agreeable terms, subject to the approval of the BLET President (or the TCRC President) and the IBT General President (acting on the recommendation of the President of Teamsters Canada).

6.14. Jurisdictional Disputes. Any jurisdictional dispute that arises within the BLET or within the TCRC shall be resolved in accord with the provisions of the BLET or TCRC Bylaws. As of January 1, 2004, any jurisdictional dispute that may arise between any IBLE/BLET/TCRC affiliate and any IBT affiliate will be handled as provided by Article XII, Section 21, of the IBT Constitution with one member of the panel appointed by the IBLE/BLET National President or the TCRC President and two members appointed by the IBT General President.

6.15. IBT General Executive Board. The IBLE/BLET President will be considered by the IBT General President for any vacancy that may occur on the IBT General Executive Board. The President of the Rail Conference will attend all meetings of the IBT General Executive Board.

6.16. IBT Convention Delegates, United States. For the purpose of allocating and electing delegates to the IBT Convention in accord with Article III, Section 2, of the IBT Constitution, IBLE/BLET General Committees of Adjustment (GCAs) shall be treated as Local Unions as provided in this paragraph. Each GCA having at least 100 active members shall be entitled to one (1) delegate to the IBT for up to the first thousand active members and to one additional delegate for each additional 750 active members or major fraction thereof. GCAs with less than 100 active members shall be grouped into three geographic groups: (1) New York, New Jersey, Pennsylvania and the New England States; (2) Minnesota and all states west of the Mississippi River; and (3) the remaining states (Midwest and South). The active members in GCAs with less than 100 active members within these designated geographic areas shall be consolidated for the purpose of electing delegates to the IBT Convention and shall be entitled to elect del-

legates according to the formula set out above and in the IBT Constitution as though they constituted a single Local Union. Delegates to the IBT Convention must satisfy the eligibility requirements set forth in the IBT Constitution and shall be elected in accord with the applicable provisions of the IBT Constitution and the Rules governing the election.

6.17. IBT Convention Delegates, Canada. For the purpose of allocating and electing delegates to the IBT Convention, TCRC shall be treated as a Local Union within the provisions of Article III, Section 2, of the IBT Constitution and shall be entitled to the number of delegates there provided.

(NOTE: Article III, Section 2, of the IBT Constitution provides that a Local Union is entitled to one delegate for the first 1000 members or less and one additional delegate for each additional 750 members or major fraction thereof. Delegates are elected at-large in a mail ballot election directly by the membership.)

6.18. IBLE Assets. Notwithstanding the provisions of Article XX of the IBT Constitution, all properties, funds and assets, both real and personal, held by the IBLE or any IBLE affiliate as of December 31, 2003, shall remain the property, funds and assets of the IBLE/BLET/TCRC or affiliate in the event of secession or disaffiliation.

6.19. IBLE PAC Fund. IBLE/BLET will continue to maintain its separate Political Action Committee but will coordinate contributions, reporting and other functions with IBT DRIVE as required by United States law.

6.20. Designated Counsel (FELA). IBLE/BLET National Division will retain exclusive authority to specify designated legal counsel to represent members within the IBLE/BLET under the Federal Employer's Liability Act (FELA).

6.21. United Transportation Union (UTU). In accordance with the explicit provisions of this Merger Agreement, it is the express intent of the parties to include jurisdiction over all rail operating crafts exclusively within the BLET. Therefore, the IBT agrees that it will not exercise its authority under Article IX, Section 12, of the IBT International Constitution to enter into any agreement or arrangement with the UTU for the purpose of effectuating any affiliation or merger of the UTU with the IBT without the consent of the BLET. The BLET shall obtain such consent only through a referendum vote of its active membership.

6.22. Organizing. IBT and Teamsters Canada commit to assist IBLE/BLET/TCRC and their affiliates in a major campaign to organize employees within the jurisdiction of the IBLE/BLET and TCRC and, in particular, to bring within the jurisdiction of the IBLE/BLET and the TCRC all locomotive engineers, all trainmen and all related operating personnel within the United States and Canada.

6.23. Joint Committee on Finances. IBLE/BLET and IBT will each appoint three members to a Joint Committee on Finances for the purpose of determining what measures shall be undertaken by the parties, including what additional services, if any, the IBT should undertake to perform on behalf of the IBLE/BLET (or Teamsters Canada on behalf of TCRC), to fulfill the intent of the parties that the per capita that becomes effective on and after January 1, 2006, will not be passed on to members in the form of a dues increase or to Local Divisions or other subordinate bodies within the IBLE/BLET/TCRC.

6.24. Ratification. This Merger Agreement and the incorporated bylaws shall be subject to approval and ratification by the IBLE and the IBT through the procedures set forth in their Constitutions. The parties shall promptly and expeditiously proceed to submit this Merger Agreement and the incorporated bylaws for approval through the procedures set forth in their respective Constitutions. IBT shall be permitted to address IBLE members and officers with respect to this merger and throughout the approval procedure to the fullest extent permitted by the IBLE Constitution.

6.25. Disputes. Any disputes concerning the terms of this Merger Agreement or their application with respect to matters affecting the United States shall be initially submitted to the National President of the IBLE/BLET and the General President of the IBT or their designated representatives and any agreed-upon resolution will be subject to the approval of the IBLE/BLET Advisory Board and the IBT General Executive Board. Any disputes concerning the terms of this Merger Agreement or their application with respect to matters affecting Canada shall be initially submitted to the President of the TCRC and the President of Teamsters Canada or their designated representatives and any agreed-upon resolution will be subject to the approval of the IBLE/TCRC Executive Board and the IBT General Executive Board. Any dispute concerning the terms or application of this Merger Agreement in the United States or in Canada which cannot be resolved will be promptly submitted to a mutually agreeable neutral third party.

6.26. Withdrawal, United States. With respect to the IBLE/BLET within the United States, either Union may withdraw from this merger at any time during the period from January 1, 2004, through December 31, 2005. BLET may withdraw from this merger if (a) the officers of the BLET vote by a two-thirds majority to withdraw from the merger at any time during this period and (b) the withdrawal is subsequently approved by a majority of active members within the BLET voting in a properly conducted referendum. For the purpose of conducting such a referendum, the parties will designate a mutually acceptable independent individual or agency and the costs will be borne equally between the parties. IBT may withdraw from this merger by action of its General Executive Board. A withdrawal from the merger in the United States shall not affect the independent right of the IBLE/TCRC in Canada to withdraw from the merger.

6.27. Withdrawal, Canada. With respect to the IBLE/TCRC in Canada, either Union may withdraw from this merger at any time during the period from January 1, 2004, through December 31, 2005. TCRC may withdraw from this merger if (a) the officers of the TCRC Executive Board vote by a two-thirds majority to withdraw from the merger at any time during this period and (b) the withdrawal is subsequently approved by a majority of the active members within the TCRC voting in a properly conducted referendum. For the purpose of conducting such a referendum, the parties will designate a mutually acceptable independent individual or agency and the costs will be borne equally between the parties. IBT may withdraw from this merger by action of its General Executive Board following a recommendation by Teamsters Canada. A withdrawal from the merger in Canada shall not affect the independent right of the IBLE/BLET in the United States to withdraw from the merger.

6.28. Savings Clause. The fact that any provision of this Merger Agreement is held illegal or unenforceable by a court or other tribunal of competent jurisdiction shall not affect the validity or enforceability of any other severable portion of this Agreement.

6.29. Correction of Inadvertent Errors. The parties shall have the power to correct any typographical, grammatical or punctuation errors in any of the documents involved in this Merger, provided that any such change must be consistent with the spirit and intent of the provision involved.