

Peter A. Cannito
President



January 15, 2004

Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

Re: **Rule 23 - Discipline and Investigation**

Dear Mr. Doyle:

This will confirm our understanding that the parties have agreed to amend Rule 23 to provide for an appeal of discipline action taken to the Labor Relations Department rather than the existing internal appeal process to the Operations Services Department. The time frame for filing an appeal, and Metro-North Railroad's response, will mirror the time frames currently in place in the ACRE Division 1 Collective Bargaining Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ray B", with a long, sweeping underline that extends to the right.

Raymond Burney
Director – Labor Relations

Peter A. Cannito
President



January 15, 2004

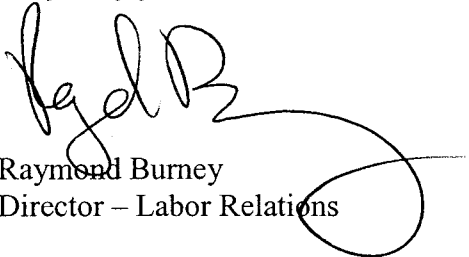
Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

Re: Deposit of \$1,000 Lump Sum Directly into Deferred Compensation Plan

Dear Mr. Doyle:

This will confirm that Metro-North will examine the legal and administrative implications of allowing employees, at their choice, to have the \$1,000 lump sum payment for 2003 deposited directly into an MTA Deferred Compensation Plan account.

Very truly yours,



Raymond Burney
Director – Labor Relations

Peter A. Cannito
President



January 15, 2004

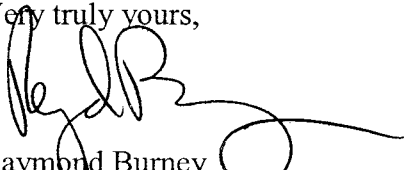
Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

Re: **Vacation Preference Selections**

Dear Mr. Doyle:

This will confirm our agreement that vacation preferences will be posted in weekly increments.

Very truly yours,



Raymond Burney
Director – Labor Relations

Peter A. Cannito
President



January 15, 2004

Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

Dear Mr. Doyle:

This letter will confirm our discussions during the recently completed negotiations for a new collective bargaining agreement regarding the financial impact of employee contributions to the new Defined Benefit Pension Program. MTA's consulting actuaries determined that the cost of limiting the 3% employee contribution for 10 years of service was .009 of the affected payroll (.9%).

Very truly yours,

A handwritten signature in black ink, appearing to read "Ray B", with a long horizontal flourish extending to the right.

Raymond Burney
Director – Labor Relations

Peter A. Cannito
President



January 15, 2004

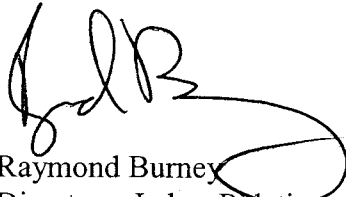
Mr. Michael Doyle
General Chairman - ACRE - Div. 9
420 Lexington Avenue, Suite 215
New York, New York 10017

Re: Retiree Health Benefits

Dear Mr. Doyle:

Retired Metro-North employees are ineligible for health and welfare benefits under the Empire Plan when they become eligible for Medicare benefits. Metro-North agrees to seek agreement from the Empire Plan administrators to allow retired Metro-North employee's to continue enrollment in the Empire Plan with the retiree paying the full cost of this continued enrollment directly to the Empire Plan.

Very truly yours,



Raymond Burney
Director – Labor Relations