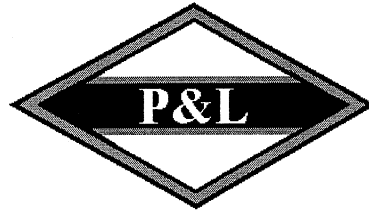
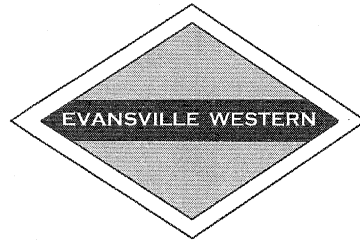


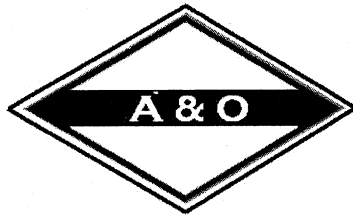
PADUCAH & LOUISVILLE RAILWAY, INC.



EVANSVILLE WESTERN RAILWAY, INC.



APPALACHIAN and OHIO RAILROAD, INC.



**Policy and Guidelines  
for  
Controlling Alcohol and Drug Use**

**Effective January 1, 2003**

## **I. OBJECTIVE**

Paducah & Louisville Railway, Inc., Evansville Western Railway, Inc. and Appalachian and Ohio Railroad, Inc. (referred to herein as the "Company") are committed to providing a safe and productive environment. An environment free from the effects of drugs and alcohol is essential to the achievement of our goal of providing a safe workplace for ourselves, our fellow employees, our neighbors, our customers and their goods.

In accordance with this commitment, the Company adopts the following policy and guidelines, and all employees must abide by the terms and conditions herein. This policy replaces and supercedes all previous Company policies and procedures on the use and possession of drugs and alcohol.

## **II. POLICY**

1. Company definitions of drugs, alcohol, and controlled substances are consistent with those found in CFR 49 219.5 and 40.3

2. Rule G:

The use of intoxicants, narcotics, sedatives, stimulants, hallucinogens, or a derivative or combination of any of these, or any controlled substance or any other mood altering substance, or any illegal drug, or drug paraphernalia by an employee subject to duty, or the use or possession of any of these by an employee while on duty, while on Company property, while occupying facilities paid for or furnished by the Company, is prohibited. The presence of alcohol in the body that produces a concentration level that is considered a violation of Federal Regulations (49 CFR 219.101) shall be deemed a violation of this rule.

The possession, sale or use of any illegal drug or controlled substance while on or off duty is prohibited.

Employees must not report for duty under the influence of any medication, including those prescribed by a doctor, that adversely alters alertness, coordination, reaction, response, or safe performance of work; nor shall such medication be used by employees while on duty.

Employees who have been assigned to perform service subject to the Hours of Service law during a tour of duty, whether or not the employees have performed or are currently performing such service, and any employees who perform such service are required to consent to breath, urine and blood (for FRA post-accident testing) testing and the release of information required in connection with such testing, under the circumstances specified in Federal Regulations (FRA Regulations 49 CFR-Part 219). When there is evidence of violation of this rule, the employee will be promptly removed from service.

3. Employees must notify their personal physicians or medical professional that is qualified to prescribe medication, of the safety sensitive duties they perform, as well as all other medications they are using, when receiving prescription medication.

4. The medical use of controlled substances prescribed by a medical professional or dentist is not prohibited under this policy; however, an employee must obtain from his/her medical professional or dentist information concerning possible side effects of any prescribed medication that might have an adverse effect on judgment, coordination, alertness, or which in any way might adversely affect his/her ability to perform his/her responsibilities. If such possibility exists, the employee is to notify his/her immediate supervisor of such use and possible effect prior to being subject to duty.

The supervisor will consult with the DER who will consult with a medical professional to determine if the employee can safely perform his/her duties.

5. Any employee who is charged with a violation of the law relating to drugs or alcohol must report this information to his/her supervisor within five days after such charge. Conviction of any employee for the sale, dispensing or trafficking in illegal drugs will result in immediate dismissal.

6. Employees who are experiencing a substance (including alcohol) abuse disorder are encouraged to contact the Company's Employee Assistance Program (EAP) for assessment and, if appropriate, referral for treatment. Voluntary contacts with the EAP in the absence of disciplinary action will be kept confidential. Employees referred to EAP because of job performance problems will be afforded the same services; however, the employee's supervisor will be advised by the EAP counselor of the employee's participation, or lack thereof, in the program. All other information will be kept confidential in conformity with the EAP policy.

7. Employees are required to cooperatively participate in all aspects of the program. Failure to do so constitutes refusal, and can result in discipline, including immediate dismissal for failure to follow instructions.

### **III. DRUG AND ALCOHOL**

1. It is Company policy that all employees whether in Safety sensitive positions or non safety sensitive positions are subject to testing for Pre-employment, Reasonable suspicion, Reasonable cause, Return-to-work, medical exams, and follow-up testing. Employees who test positive will be subject to discipline, including but not limited to dismissal.

Employees working safety sensitive positions are also required to be tested under federal statute set forth in the Code of Federal Regulations.

When testing under federal authority a federal form will be used. When testing under Company policy a Company form will be used. This applies to both safety sensitive and non safety sensitive employees.

**A. Pre-employment**

Applicants who are selected for prospective employment will be required to take a pre-employment drug-screen. For those applicants applying for a Safety Sensitive position or positions that require a Commercial Drivers License, a federal form will be used and for those applicants applying for non safety sensitive position, a Company form will be used. Failure to provide a negative sample will result in immediate disapproval of the application. Additionally, during the employee's probationary period, the employee may be required to undergo Company drug and/or breath alcohol test(s) on an unannounced, unscheduled basis. Probationary period employees who produce a positive drug and/or alcohol test will be terminated from employment with the Company.

**B. Reasonable Suspicion**

Reasonable suspicion testing is performed when a supervisor suspects an employee is under the influence of drugs and/or alcohol, based on specific, articulable observations concerning the appearance, behavior, speech or body odors of the employee.

This testing may include either a urine drug screen, a breath alcohol test, or both as deemed appropriate by management.

**C. Reasonable Cause**

Reasonable cause testing may be performed whenever an employee is involved in an accident, injury, near-miss, or incident in which evidence indicates the employee's performance may have caused or contributed to the incident or severity, and the employee exhibits behaviors of neglect of established safety or other Company procedures and/or errors in judgment and control.

This testing may include either a urine drug screen, a breath alcohol test, or both as deemed appropriate by management.

**D. Return-To-Work**

Return-To-Work testing may be performed when:

1. An employee is attempting to return to work after removal from service following violations of this policy.
2. The employee is attempting to return to work after an absence greater than six months.

**E. Follow-Up**

Employees permitted to return to work following a violation of this policy, will be required to participate in follow-up testing as determined appropriate by a Substance Abuse Professional (SAP). A minimum of six (6) unannounced tests will be conducted during the first year following the return to service. The tests may include a urine drug screen and/or a breath alcohol test for a period up to five (5) years. Failure to produce a negative test will result in dismissal.

**F. Medical exams**

Testing for alcohol and/or drugs may take place during the course of medical examinations performed at the request of the Company.

2. Employees who test positive for alcohol or controlled substances when undergoing testing for random, cause, reasonable suspicion, post accident, return-to-duty, follow-up testing, or medical exam, will be subject to discipline, including but not limited to dismissal.

3. Employees who test positive or who fail to provide a sample for alcohol and/or controlled substances when undergoing any Company required examination or test will not be allowed to return to work.

**IV. GUIDELINES FOR DISCIPLINE OF SUBSTANCE ABUSE VIOLATORS**

The following is a guideline for the assessment of discipline when an employee has violated the Company's Substance Abuse Policy. However, the following is intended to serve only as a guideline and the actual discipline (up to and including dismissal) imposed for any violation of Company policy is to be determined on a case-by-case basis, dependent upon the circumstances involved, and subject to the provisions of any applicable collective bargaining agreement. Any employee violating this policy who demonstrates a disregard for safe work practices, resulting in injury to himself/herself or others or damage to equipment or property, may be subject to immediate dismissal.

1. An employee who has not previously violated this policy (unless the offense involves the distribution or sale of a controlled substance) will be placed on a conditional suspension. The suspension will be conditioned on the employee's full compliance with all instructions issued to him by any Company official, or Employee Assistance Counselor. Any time a conditionally suspended employee fails to comply with all instructions issued to him in connection with his Rule G violation, his suspension automatically converts to dismissal. Actual suspension under this provision shall be no less than 45 days and no more than 270 days. Release to return to work by the Employee Assistance Counselor must be obtained before consideration for return to work, and if the counselor does not release the employee to return to work within 270 days, the suspension

automatically converts to dismissal. Release to return to work by the Employee Assistance Counselor does not automatically end the suspension. Consideration for the events surrounding the incident and the employee's discipline record will be considered in determining the actual length of the suspension, subject to the 45-270 day guideline.

2. Employees will be dismissed for any violation of this policy involving distribution or sale of a controlled substance.
3. Employees will be dismissed for a repeated violation of the policy.
4. The application of this policy shall comport with any relevant labor agreement rules covering formal investigations or waiving thereof.

## **V. COMPLIANCE WITH CONDITIONS OF RETURN TO ACTIVE SERVICE**

Employees who are reinstated to active service following a conditional suspension will be required, as a condition or reinstatement, to meet the following additional requirements. Failure or refusal to meet these conditions will result in dismissal:

1. Execute an agreement to submit to urinalysis and/or breath analyzer testing on an unannounced basis at least six times during the first twelve months following reinstatement.
2. Upon request by the EAP Counselor, execute a clinical reinstatement contract specifying additional conditions for continued employment. The term of this contract shall be for a period of up to five years, but may be shortened at the discretion of the EAP Counselor.
3. Remain substance-free for the remainder of his career.

## **VI. SUBSTANCE ABUSE DISORDERS AS A HEALTH PROBLEM**

These guidelines recognize substance abuse as a major health problem that should be addressed by offers of assistance to the employee experiencing a substance abuse disorder. At the same time, the employee has an obligation to accept responsibility for his actions and for cooperating in a plan to address his substance abuse and continue in a program of recovery. Above all, the safety of railroad operations, or other employees and the communities through which we operate must be paramount.