

STB FD 32760 (SUB 22) 5-5-97 A 179587 9/10

NEW YORK DOCK RY.—CONTROL—BROOKLYN EASTERN DIST.

(d) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employee's resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible after appropriate notification, if his return does not infringe upon the employment rights of other employees under a working agreement.

7. *Separation allowance.*—A dismissed employee entitled to protection under this appendix, may, at his option within 7 days of his dismissal, resign and (in lieu of all other benefits and protections provided in this appendix) accept a lump sum payment computed in accordance with section 9 of the Washington Job Protection Agreement of May 1936.

8. *Fringe benefits.*—No employee of the railroad who is affected by a transaction shall be deprived, during his protection period, of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, reliefs, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of the railroad, in active or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

9. *Moving expenses.*—Any employee retained in the service of the railroad or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment as a result of the transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not to exceed 3 working days, the exact extent of the responsibility of the railroad during the time necessary for such transfer and for reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by the railroad and the affected employee or his representatives; *provided, however*, that changes in place of residence which are not a result of the transaction, shall not be considered to be within the purview of this section; *provided further*, that the railroad shall, to the same extent provided above, assume the expenses, et cetera, for any employee furloughed with three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provision of this section unless such claim is presented to railroad within 90 days after the date on which the expenses were incurred.

10. Should the railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employee of benefits to which he otherwise would have become entitled under this appendix, this appendix will apply to such employee.

11. *Arbitration of disputes.*—(a) In the event the railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except sections 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall



## INTERSTATE COMMERCE COMMISSION REPORTS

serve as chairman. If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding, upon the parties.

(b) In the event a dispute involves more than one labor organization, each will be entitled to a representative on the arbitration committee, in which event the railroad will be entitled to appoint additional representatives so as to equal the number of labor organization representatives.

(c) The decision, by majority vote, of the arbitration committee shall be final, binding, and conclusive and shall be rendered within 45 days after the hearing of the dispute or controversy has been concluded and the record closed.

(d) The salaries and expenses of the neutral member shall be borne equally by the parties to the proceeding and all other expenses shall be paid by the party incurring them.

(e) In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the railroad's burden to prove that factors other than a transaction affected the employee.

12. *Losses from home removal.*—(a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the railroad (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of the transaction and is therefore required to move his place of residence:

(i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the railroad for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

(ii) If the employee is under a contract to purchase his home, the railroad shall protect him against loss to the extent of the fair value of equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, the railroad shall protect him from all loss and cost in securing the cancellation of said lease.

(b) Changes in place of residence which are not the result of a transaction shall not be considered to be within the purview of this section.

(c) No claim for loss shall be paid under the provisions of this section unless such claim is presented to the railroad within 1 year after the date the employee is required to move.

NEW YORK DOCK RY.—CONTROL—BROOKLYN EASTERN DIST.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or their representatives and the railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner. One to be selected by the representatives of the employees and one by the railroad, and these two, if unable to agree within 30 days upon a valuation, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

ARTICLE II

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when his employment was terminated or he was furloughed, even though in a different craft or class, on the railroad which he is, or by training or retraining physically and mentally can become, qualified, not, however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, the railroad shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who had made a request under section 1 or 2 of the article II fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this appendix.

ARTICLE III

Subject to this appendix, as if employees of railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by railroad and employees of any other enterprises within the definition of common carrier by railroad in section 1(3) of part I of the Interstate Commerce Act, as amended, in which railroad has an interest, to which railroad provides facilities, or with which railroad contracts for use of facilities, or the facilities of which railroad otherwise uses; except that the provisions of this appendix shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier; provided that said carriers shall establish one convenient central location for each terminal or other enterprises for receipt of one such application which will be effective as to all said carriers and railroad shall notify such employees of this requirement and of the location for receipt of the application. Such employees shall not be entitled to any of the benefits of this appendix in the case of failure, without good cause, to accept



## INTERSTATE COMMERCE COMMISSION REPORTS

comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this appendix, with any carrier for which application for employment has been made in accordance with this section.

### ARTICLE IV

Employees of the railroad who are not represented by a labor organization shall be afforded substantially the same levels of protection as are afforded to members of labor organizations under these terms and conditions.

In the event any dispute or controversy arises between the railroad and an employee not represented by a labor organization with respect to the interpretation, application or enforcement of any provision hereof which cannot be settled by the parties within 30 days after the dispute arises, either party may refer the dispute to arbitration.

### ARTICLE V

1. It is the intent of this appendix to provide employee protections which are not less than the benefits established under 49 U.S.C. 11347 before February 5, 1976, and under section 565 of title 45. In so doing, changes in wording and organization from arrangements earlier developed under those sections have been necessary to make such benefits applicable to transactions as defined in article I of this appendix. In making such changes, it is not the intent of this appendix to diminish such benefits. Thus, the terms of this appendix are to be resolved in favor of this intent to provide employee protections and benefits no less than those established under 49 U.S.C. 11347 before February 5, 1976 and under section 565 of title 45.

2. In the event any provision of this appendix is held to be invalid or otherwise unenforceable under applicable law, the remaining provisions of this appendix shall not be affected.

Caution....

Held for Release

11:00 A.M. Wednesday,  
February 28, 1962

# Report of the Presidential Railroad Commission

Washington D.C.

February 1962

UTU  
Appendix  
EX. 15

## Chapter 12

## COMBINATION OF ROAD AND YARD SERVICE

The Proposals

The Carriers propose the elimination of prohibitions or restrictions on the following activities:

- (1) Use of passenger crews to perform switching or station work in connection with the cars of their own trains or to handle "light" engines of their own trains.
- (2) Use of road crews in other than passenger service to perform any and all switching and station work and to handle light engines of their own trains.
- (3) Use of yard crews to perform road work, or to perform work outside of switching limits.
- (4) Right of management to designate or change switching limits or to establish or abolish yard or hostling service assignments.

The proposal contemplates the elimination of arbitraries, special or constructive allowances or penalty payments to any employee, or class or grade of employees, when road or yard crews perform any of the above described work.

The Carriers' proposal would establish a rule to provide that:

- (1) Passenger crews would be required to perform any and all switching and station work in connection with cars of their own trains that might be required of them at their initial and final terminals and at all intermediate points.



- (2) Road crews in other-than-passenger service would perform any and all switching and station work as might be required of them at their initial and final terminals and at all intermediate points, including the handling of "light" engines of their own trains, whether or not such switching and station work was in connection with cars of their own trains.
- (3) When switching or station work is performed by road crews as provided in (1) and (2) above, such work would be paid for as part of the road day or trip and additional compensation for such work would not be paid under road, yard or hostling rules and regulations. These provisions would apply whether or not yard crews, yard men, or hostlers are on duty when and where the work is performed.
- (4) Yard crews would be required to perform both road and yard service and would also be required to perform service outside of established switching limits. Where such service is performed by a yard crew the work would be paid for as part of the yard day or tour of duty and additional compensation would not be paid for such work under either road or yard rules and regulations. These provisions would apply whether or not road crews are available when and where the work is performed.

- (5) Yard crews, yard men or hostlers would not be entitled to any penalty pay when road crews perform switching or station work or handle the light engines of their own trains; nor would road crews be entitled to any penalty pay when yard crews perform road work or perform service beyond switching limits as provided in (4) above.
- (6) Management would have the exclusive right to designate and change switching limits, and to establish or abolish yard and hostling service and yard and hostling service assignments.

The Organizations propose that further combination of road and yard service be prohibited.

#### Discussion

##### A. Nature of the Issue

In our discussion of the basis of pay proposals we indicated that there are entirely separate and distinct methods of compensating employees engaged in road service and of compensating employees engaged in yard service. In addition to the distinction in method of compensation, distinction has evolved with respect to the type of work which may properly be performed by employees in the one class of service as opposed to employees engaged in the other. At the present time, mainly as a result of rulings by the Director General of Railroads, arbitration awards and interpretations of collective bargaining agreements by various railway labor tribunals, many work

functions are held to be exclusively within the "jurisdiction" of the road service employees and others within the "jurisdiction" of the yard service employees. Thus, a line of demarcation has arisen between the two services which may not be crossed by the carriers in making daily work assignments without incurring liability for penalty payments. It is this line of demarcation which the carriers seek to erase.

Generally speaking, road service involves the movement of trains between two points or terminals. Yard service involves the movement or shunting about of cars to put a train together and make it ready for the road. The latter is commonly referred to as switching service.

Although yards vary greatly in size, purpose and amount of activity, the general concept of a yard is an area consisting of a system of tracks within defined limits for the making up of trains, storage of cars or other purposes. The term "switching limits" is generally used when referring to the boundaries within which yard crews may perform work. It is not to be confused with the term "yard limits". The two terms are not synonymous. Switching limits, having once been established by the carriers and the organizations, cannot be changed except by agreement. Yard limits, on the other hand, are designated by the carrier for operational purposes and generally they can be changed by unilateral action by the carrier.



The typical yard service employee, as we have pointed out earlier, reports for duty at a given point at a stated time and is released at the same point after the completion of his normal eight hour tour of duty.

### 8. The Historical Background

In the very early days of railroading there was little separation of the two classes of service. In this respect the following remarks appearing in a study appended to the 1917 report of the Eight-Hour Commission are quite pertinent:

"In earlier days before separation and division of labor were so fully recognized in railway practice as at present, a single crew made up the train at initial terminal, took it over the road and put it away at its destination. This practice still pertains to some extent in passenger service."

In the agreements negotiated by the Organizations and the carriers in the late 1890's and the early 1900's, some contained provisions affecting road crews working in yards and yard crews working on a line of road. Where those agreements contained clauses with respect to a combination of road and yard service in one assignment, they generally were addressed only to the amount of compensation which the road crew would receive. In rare instances provision was made for yard crews performing work beyond switching limits. An interesting example of this is to be found in a 1910 Mediation Agreement between certain Southeastern carriers and the Brotherhood of Railroad Trainmen which provided that yardmen required to perform service outside of switching limits would be paid miles or hours whichever produced the

greater compensation for the class of service performed with a minimum of one hour; this compensation was to be paid in addition to the regular yard pay without deduction for the time consumed in such service.

In a 1913 arbitration award disposing of a controversy between the Burlington Railroad and both the Conductors and Trainmen, the arbitrators refused to grant a request of the employees for a rule providing that road crews be given all work outside yard limits and that yard crews not be run outside yard limits except in cases where the main line was blocked and there were no trainmen available. That award did, however, grant a rule providing:

"At points where yardmen are employed and are at the time in actual service, trainmen will not be required to handle trains or engines to or from yards and depots, nor to pick up or set out cars, nor to couple or uncouple air, signal or steam hose, nor to couple or uncouple safety chains, nor to do other work usually performed by car men where car inspectors or car repairers are employed."

During the period of government control of the railroads in World War I the Director General issued Supplement No. 25 to General Order No. 27 under date of December 15, 1919 which provided as follows:

"ARTICLE X. - ARBITRARIES AND SPECIAL ALLOWANCES.

(a) Excepting payments under rules applying to work performed at initial and final terminals, and to final terminal delays, all arbitraries and special allowances applying to road service other than passenger, under rules, regulations, or practices, which conflict with the payment of single time, in miles or hours, from the time required to report for duty until released from duty at the end of the trip shall be eliminated.



"On roads where no rules are in effect covering work performed at terminals, the practices in regard to the character of work permissible or duties required at terminals are not to be extended.

"(b) Where the special payments under the rules, regulations, or practices which are retained under section (a) have been allowed independently or separately from the trip, they will continue to be so allowed, but at the former rates.

"ARTICLE XX. - ARBITRARIES AND SPECIAL ALLOWANCES.

(a) Where it has been the practice or rule to pay a yard crew, or any member thereof, arbitraries or special allowances, or to allow another minimum day for extra or additional service performed during the course of or continuous after end of the regularly assigned hours, such practice or rule is hereby eliminated, except where such allowances are for individual service not properly within the scope of yard service, or as provided in section (b).

"(b) Where regularly assigned to perform service within switching limits, yardmen shall not be used in road service when road crews are available, except in case of emergency. When yard crews are used in road service under conditions just referred to, they shall be paid miles or hours, whichever is the greater, with a minimum of one hour, for the class of service performed, in addition to the regular yard pay and without any deduction therefrom for the time consumed in said service."

This directive although captioned "Arbitraries and Special Allowances" clearly affected the combination of road and yard service. It appears to be the first national rule on the matter. Despite carriers' assertion that the pronouncements of the Director General give no credence to a real separation between the two services, it is explicit in the language of this General Order that the Director had recognized some separation.

From 1918 to date, the road-yard issue has been dealt with on a number of occasions by various tribunals concerned with the interpretation of railroad collective bargaining agreements. Reference to a few of their awards will suffice to indicate how the current concepts with respect to the separation between the two services developed.

Railway Adjustment Board No. 1 in a 1918 award held that yard limit boards could not be moved by management if a question of compensation was involved. In another award that Board said that it did not countenance the extension of the practice of using road crews to do yard work or using crews to perform other service after the completion of their day's work, or the practice of requiring road crews to do excessive switching at terminals. In still another case the Board sustained a claim for a minimum day's pay in road service in addition to the day's pay for yard service when a yard crew was assigned to a road trip during the course of its tour of duty.

The Railroad Labor Board (1920-1926) decided a case in which it held that a road brakeman was entitled to an additional day at yard rates when he performed some switching work upon arrival at his terminal. In another case it held that a yard crew was entitled to be paid a minimum day because a road crew made up its own train on a holiday when the yard crew assignment was annulled.



In 1938 the First Division of the National Railroad Adjustment Board issued an award which has been often cited in subsequent decisions of that Board. In its findings the Board set forth its view with respect to payments due when a road crew was required to perform yard service or a yard crew was required to perform road service. The following language of this Board appearing in its findings in that case quite accurately reflects the current thinking of the Board:

"As stated in Award No. 3110 this Division has held scores of times, in substance, that, in the absence of schedule or special agreement, road and yard work may not be combined in one assignment without incurring liability:

"(a) to the men performing the work, for a minimum day in each capacity; and

"(b) to men available but not used, entitled by seniority to the work and denied the right to perform it, the attendant pay of the work.

"The matter is one of much gravity because a failure to recognize or observe the principles involved may and has resulted in requiring payment of two extra days pay for a few minutes work, i.e., to the man who performs it, one day for his regular work and an extra minimum day for the additional work and a minimum day to the man denied the work.

"The reasons are simple; as to the first man (the one who performed the work) the schedules contain separate articles governing road and yard work and as to each a basic day is provided of eight hours or less, 100 miles or less, etc. Consequently if either a road or yard man does fifteen minutes yard work and that is all there is of it for him to do, he is entitled to a minimum day for it although

before or after doing it he may earn a day or more at road work. It is not correct to refer to it as a penalty; it is simply literal compliance with the express terms of the contract. As to the second man, i.e., the one denied the work, it is universally recognized that, if by virtue of his seniority rights - and they too are in part of the contract - he is entitled to perform certain work and that privilege is denied him and the work turned over to another, he should be compensated for his availability the same as though he had performed the work; and that likewise is not a penalty but merely the carrying out of the contract. Some schedules contain specific provision as to what the compensation shall be, less than a full day, as for example run-around rules allowing fifty miles (half a day) and the right to stand first out, but, when the schedule is silent as to what the compensation shall be, the only basis available is the minimum day rule. This Division has so decided in many cases."

Although there is a degree of consistency in connection with payments required when there is a crossing of the line of demarcation between road and yard work the awards of the First Division of the National Railroad Adjustment Board, as well as those of earlier tribunals, are not uniform with respect to where that line should be drawn. This has prompted some carriers to seek what have been characterized as "escape" agreements in an attempt to clarify the situation on their properties and to avoid potential liability for multiple payments for the performance of a given task. A typical agreement of this nature provides for the maintenance of a given number of yard assignments, describes conditions under which road crews may perform certain switching in yards with no additional compensation other than that required under terminal delay rules and



provides (in addition to the road pay) for payments ranging from actual time spent in switching in the yard with a minimum of one hour to a minimum day (regardless of the amount of time spent in switching in the yard).

#### C. The Problem Areas

The problem areas in connection with the line of demarcation between road and yard service fall into three main categories:

- (1) Restrictions upon the work which road crews may perform in yards.
- (2) Discontinuance of assignments of yard crews where the amount of yard work has decreased to a minimal amount.
- (3) Extending and contracting switching limits.

1. Restrictions on Road Crews Performing Work in Yards. The Carriers conducted a survey by questionnaire of 26 Class I Line-Haul carriers to determine current practices with respect to restrictions upon road crews performing work within switching limits. There were thirteen different categories of work functions covered in the survey and the participating carriers were asked to signify whether there were any absolute or qualified restrictions upon road crews performing such tasks at initial terminals, intermediate points and final terminals and to show whether the restrictions varied if (a) yard crews were employed and on duty, (b) yard crews were employed but not on duty, and (c) yard crews were not employed.



The thirteen items of work involved were as follows:

Road crews accompanying or handling engine of own train in freight service.

Road crews accompanying or handling engine of own train in passenger service.

Road crews handling caboose of own train in freight service.

Road crews picking up and/or setting out cars of own train from or to more than one track in freight service.

Road crews picking up and/or setting out cars of own train from or to more than one track in passenger service.

Road crews picking up cars from and/or setting out cars to more than one yard of a terminal in freight service.

Road crews picking up cars from and/or setting out cars to more than one point in passenger service.

Road crews picking up cars from and/or setting off to other than main, running, departure or receiving tracks in freight service.

Road crews picking up cars from and/or setting off to other than main or station tracks in passenger service.

Road crews cutting out bad order cars, no-bill cars, etc. in freight service.

Road crews cutting out bad order cars in passenger service.

Road crews performing switching not in connection with cars of own train in freight service.

Road crews performing switching not in connection with cars of own train in passenger service.

It is clear from the survey that there is no uniformity among the various railroads in the extent to which road crews may be required to perform the various tasks set forth without penalty. Generally speaking, more restrictive conditions were found to affect work at terminals than at intermediate points. Further, conditions

were most restrictive when yard crews were on duty, less restrictive where yard crews were employed but not on duty, and least restrictive where yard crews were not employed.

The effect of these restrictions upon the Carriers' operations can readily be seen by citing a few examples. On many railroads, in yards where yard crews are employed, when a road train has been made up and it becomes necessary to switch out a defective car or a car without proper billing, the yard crew must be used to switch out such cars despite the fact that the road crew is on duty on the train and its engine coupled to it. This entails getting a yard engine and crew up to the train and setting aside the road engine while the yard crew does the work involved. In some instances the yard engine couples on to the road engine and remains coupled while it goes about its work. On some properties, when a road train arrives at a terminal and it becomes necessary to change cabooses, the road crew may stand by while the yard crew performs the service. In other situations, the road crew is restricted to picking up only at one yard in a terminal consisting of two or more yards; it is, therefore, necessary for yard crews to bring "cuts" of cars to the departure yard from distant yards before departure of the road train even though the road train may pass the same yards on its way out of the terminal and by a simple switching move could pick up the cars. A similar situation exists in connection with the movement of an inbound freight train. If the road crew is restricted from setting off in more than one yard on its inbound trip it may pass yard tracks to which cars in its train are



destined. It must move those cars to the terminal yard in which it is to dispose of its train and a yard crew is then required to handle such cars back to the point of destination.

2. Discontinuance of Yard Assignments. Because of restrictions upon road crews performing switching, many carriers, to avoid penalty payments, have retained yard crews where there is only a minimal amount of switching. The Carriers have cited a number of examples of yard crews paid for at least eight hours on duty and performing from 2 hours to 4½ hours of work per day. In the preponderance of the examples cited in the Carrier study about three hours work per day was performed. In the Carriers' exhibit on this phase of the road-yard question, one of many similar examples given is as follows: at Jonesboro, Arkansas, the St. Louis and San Francisco Railroad Company maintains a yard engine which performs about 2 hours work per day and handles on the average about 20 cars per day. These generally are loaded cars which the yard crew delivers to consignees. The crew also relocates cars from the industry sites to the yard area. On the day of the Carrier's survey the crew went on duty at 8:30 a.m. and completed all its work by 10:30 a.m.

A joint agreement dated December 12, 1947 between the Carriers and the Conductors together with the Trainmen contained the following clause with respect to abolishment of yard service assignments:

"Remanded to individual Managements and General Committees for negotiations whereby the last remaining yard assignment in a particular yard may be abolished where yard service requirements have decreased to a point that abolishment is justified."

The other three operating Organizations did not reach accord with the Carriers in the general movement which resulted in the agreement cited. That dispute was then referred to Emergency Board Number 57 which filed a report, dated May 27, 1948, in which the Board stated:

"The problem involved in this proposal affects all crafts engaged in yard work and can best be solved through the application of the processes of collective bargaining. Because of the absence of some of the parties concerned we are constrained to remand the matter, without more comment, to subsequent negotiations, first, on an industry-wide basis, and failing settlement there, to local negotiation."

According to Carrier testimony, the attempts of individual Carriers to negotiate rules which effectively permit the abolishment of yard service have met with little success in the majority of instances.

3. Switching Limits. As appears from our discussion of the historical development of distinctions between road and yard service, there were also restrictions on yard crews performing work on the road. Early in 1950 the Carriers took steps to secure relief from these restrictions.

The Switchmen's Union of North America and the Western Carrier Conference Committee entered into an agreement, dated September 15, 1950, which in effect afforded the Carriers involved the right to expand and contract switching limits to conform to the needs of the service. This agreement has been extended to cover all carriers on which the Switchmen's Union represents the yardmen.

The Carriers represented by the Eastern, Western and South-eastern Carriers Conference Committees entered into a national agreement dated May 25, 1951 with the Brotherhood of Railroad Trainmen. Under the agreement the Carriers were afforded the right to use yard crews to serve new industries provided the switch governing movement from the main track to the track serving the industry was located at a point no more than four miles from the existing switching limits. The agreement also provided for negotiation, mediation and final and binding arbitration with respect to proposed changes in switching limits. Agreements of the same nature were consummated with the other three organizations representing operating employees under date of May 23, 1952.



#### D. Analysis

The proposal as made by the Carriers involves broad and sweeping changes in the traditional concepts of the separability of road and yard service. The record does not support the need for such changes although there is ground for relief in some of the areas we have heretofore discussed.

Extension of Switching Limits. There is little need to discuss at length the question of extending switching limits. The agreements with the five Organizations representing the operating employees in most respects appear to be working satisfactorily. The Carriers have attained a degree of flexibility in the use of yard crews to service new industries and in most instances road service employees affected are protected by provision for "equalization of time" spent by yard crews working beyond the switching limits. The machinery provided for the extension of switching limits has been working well; so well, as a matter of fact, that in the majority of instances in which the carriers have proposed switching limit extensions, agreements have been reached without resort to arbitration. Accordingly, there is no need to disturb the existing situation in this area.

Road Crews Performing Work in Yards. It is clear that the line of demarcation which has been drawn between road and yard work has given rise to a number of inefficient and wasteful practices, particularly with respect to road crews performing

work in yards. There are a number of tasks or work functions which are common to the normal duties of employees whether engaged in road or in yard service. As a matter of fact, at points where yard service has never been maintained the work which a road crew may be required to perform without any payment (other than the wages for a normal road day) is generally indistinguishable from that which yard crews at other points perform as part of their regular assignments. Further, there are tasks which yard crews under the present rules perform at points beyond pre-existing geographical switching limits which are also identical to those which the road crews perform. Employees in both services work with the same equipment and use essentially the same skills in the performance of their work assignments.

In the light of the foregoing, it can hardly be said there are true craft lines between road and yard service although the jurisdictional lines which have been drawn are in many respects similar to those which are drawn between the work of true crafts as that term is commonly used in industrial relations parlance. The joint seniority system, under which an employee may hold rights to work in either road or yard service (but not both during the same tour of duty), is in effect on a number of railroads. Many thousands of operating employees hold these rights. This, too, is not a common characteristic of a craft-oriented labor force.

The Carriers' proposal for all practical purposes would completely obliterate the distinction between road and yard service. They propose a merging of all road and yard seniority lists to lessen the impact upon the employees who would be affected. This ignores other factors involved. For instance, indiscriminate combination of the two services in one tour of duty would lead to confusion in the application of bidding, assignment and pay rules.

The Organizations resist the Carriers' proposal on the ground that the entire field should be left to local collective bargaining. There are, however, a number of factors which inhibit local collective bargaining on this subject. One of the paramount difficulties is the pattern of representation of train and engine service employees. Frequently, four or five organizations represent the operating employees. It is most unusual to find only one or two organizations representing them. It has already been seen that there has been little progress with respect to this problem on the national level when less than all of the organizations affected are involved in the same movement. Similar difficulties are encountered on the local level. As a practical matter, of course, it avails little to reach agreement with one group of operating employees in this area when the other groups are unwilling to enter into similar agreements. Another factor which inhibits local collective bargaining in this area is the adoption of national



or constitutional policies regarding the separation of road and yard service by some of the Organizations.

We are convinced that a national rule governing the work which road crews may perform in yards is necessary. A rule should be established which affords the Carriers a more uniform and flexible operation consistent with the recognition that there are either separate seniority rights to road work and yard work or other rights dependent upon some sort of separation between the two services. For all practical purposes, this also requires a recognition of the principle that the work functions of the two services cannot be so completely compartmentalized under all circumstances as to prohibit employees in one of the services from performing the same kind of work which employees in the other perform. In other words, it should be accepted that there are gray areas in the work required in yards where, under certain circumstances, either road crews or yard crews may be used to perform the same type of work without penalty.

The statement of the principle is somewhat easier than its implementation. The provisions of the rule should be based upon a rule of reason. It should be recognized that the prime function of the road crew is to get the train over the road and that of the yard crew is to classify and put the train together. Recognition should, however, be given to the fact that there is switching work which reason and necessity dictate

should be performed by road crews as an incidental part of their day's work. Naturally, the amount and extent of such work should vary in accordance with whether or not yard crews are employed at given locations. Greater freedom should be afforded the Carriers to use road crews in switching where yard crews are employed but not on duty than where yard crews are on duty. There should be little or no restriction on the work which road crews may perform in yards where there are no yard crews employed.

Discontinuance of Yard Engine Assignments. Experience under the present national rule which expresses general principles and refers specific cases to local bargaining for resolution indicates the need for a new national rule prescribing conditions under which the carriers may discontinue the last remaining yard engine at a given location or on a given shift. We do not wish to imply that local collective bargaining on this subject has been totally ineffective. A number of local agreements on this subject have been negotiated. On these properties both parties commendably realized that where switching requirements are substantially reduced the carrier should have the freedom to abolish yard assignments and permit road crews to perform switching without additional payment either to the road crew performing the work or to any yard crew. In these agreements varying standards have been used to determine the extent to which the yard service requirements must diminish

before the carrier may abolish the yard assignments - a preponderance use a standard of four hours averaged over a specified number of days. This appeals to us as a reasonable standard which should be applied in two ways: first, in determining when the carriers should have the right to discontinue yard engine service and in determining when the carrier should reestablish such service; second, the standard should be applied not only to the discontinuance of last yard engine assignments at a given yard but to the discontinuance of such assignments on any shift in yards where two or more shifts of yard engines are assigned.

#### Recommendations

In the light of the foregoing, it is recommended that the parties negotiate a national rule which will incorporate the following:

1. Provision should be made that, regardless of whether yard crews or hostlers are employed or are on duty, road crews may be required (a) to accompany or handle engines of their own trains from engine facilities or ready tracks to departure tracks or from arrival tracks to engine



facilities or ready tracks, (b) to switch out defective or "no bill" cars from their own trains, (c) to handle cabooses of their own trains and to exchange cabooses from one train to another, provided the road crew handles either train into or out of the terminal, (d) to pick up or set out cars of their own trains as required from or to the minimum number of designated tracks which could hold the same, and (e) to pick up or set off cars which are part of the road train consist in more than one yard in consolidated terminals subject to reasonable restrictions concerning the maximum number of such yards.

Such provision should further make it clear that where yard crews are not on duty road crews may be required to perform all of the work enumerated in a, b, c, d, and e above and in addition may be required to handle all switching in connection with their own trains. It should further be made clear that road crews operating in other than through freight or passenger service where yard crews are not on duty may be required to perform any switching or station work.

Provision should further be made that carriers will not arbitrarily transfer switching work to road crews which normally would be performed by yard crews, e.g., trains should not

be made up so that switching normally performed at points where yard crews are on duty is required on line of road.

Provision should further be made that road crews are not entitled to any additional compensation other than that contemplated by the basic day, initial and final terminal delay and conversion rules for the performance of the above services and that no yard crew or hostlers shall have any claim by reason of the road crew engaging in such work.

2. Provision that, where more than one shift of yard assignments is worked and yard service requirements during the period of assignment of a given shift diminish to the extent that less than an average of 4 hours' yard work is required on that shift over a period of ten consecutive working days, the last remaining assignment on such shift may be abolished. Conversely, when yard service requirements increase to the extent that over a period of ten consecutive working days an average of more than 4 hours of yard work must be performed within a period of time constituting a normal work shift, the yard assignment shall be reestablished.

Where only one yard assignment remains in a given yard and yard service diminishes to the extent that less than an average of 4 hours' yard work remains to be performed on that assignment over a period of ten consecutive working days that assignment may be abolished. Conversely, when yard service requirements increase to the extent that an average of 4 hours' yard work is required over a period of ten consecutive working days within an eight hour period, the assignment shall be reestablished.

Time spent by road crews in performing the services enumerated in the first paragraph of 1, above, shall not be counted in computing the 4-hour average. Provision should also be made that when yard service assignments are abolished under these conditions yard crews should be considered as "not on duty."



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**PART VI**  
**CONCLUDING OBSERVATIONS**

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INTENTIONALLY



## Chapter 13.

THE ORGANIZATION OF LABOR RELATIONS AND  
THE HANDLING OF DISPUTESThe Need for Change

Many of the recommendations made in this report will require, if put into effect, far-reaching and fundamental changes in the operating sector of the railroad industry. The magnitude of the problems and the long-delayed adjustments to a rapidly changing technology and market position have made the necessary changes more drastic. Despite that, the recommendations would precipitate change and provide for gradual and orderly adjustments.

It needs to be emphasized, moreover, that the prospects for orderly change in the railroad industry rest very much more on the quality of management organizations and the character of the labor organizations, and the leadership and vision of both, as upon the details of specific programs and recommendations suggested from outside the industry. The industry has a great tradition; it pioneered in modern business organization and collective bargaining in their earliest days. Its work force is comprised of thousands of highly skilled, dedicated and responsible men who have made railroading their way of life; its managerial and supervisory ranks have been drawn very substantially from men who have come up through the

industry and who have the respect of the operating crews.

The Carriers and the labor Organizations should use this occasion for a review of their respective internal organizations and policies; adaptations here may be more significant for the future than any recommendations of this Commission. No one has instructed the Commission to make comments in this area and there are no such issues directly before it, but no one could have spent more than a year in close contact with the organizations on both sides in this industry without responding to the inescapable imperatives of the situation. It is hoped that the parties will not resent these brief observations which are made out of respect for the history of this great industry and the future need of the American community for a revitalized and vigorous rail transport system.

On the side of management, there is need for considerably greater attention to management development and training. Most railroads have lagged far behind the practices of other large-scale American industry in this respect. In a private enterprise economy, the American community places the major responsibilities appropriately on management to divine the future, to develop and adopt new technology, to search vigorously for new markets and to improve the



quality of service to the passenger and the shipper. It is far easier to administer by rule a fixed and unchanging organization than to stimulate and guide an organization to pioneer new developments in a changing world. Despite the considerable progress that has been made by some carriers - and we have come to know that there is more vigor in management organization than we suspected at the outset - we are strongly of the view that a major task needs to be done in the industry in organizational building or rebuilding and management training and development.

There is one other feature of management organization that is of central concern - the way in which the labor relations function is organized within the management of the separate carriers. Far too few first line supervisors, and even those further up the line, exercise authority to settle grievances and disputes. The process takes far too long. The standard procedure on too many properties seems often to be to play it safe and let the claim process itself to Chicago and the First Division of the National Railroad Adjustment Board. While this is a problem for both sides, railroad managements could draw more fruitfully on the diversified experience in American industry generally on ways in which the labor relations function is organized and upon the status and responsibilities of labor relations personnel within the management



organization.

On the side of labor, there is equal need for review and reorganization. The existence of five separate operating labor organizations has been a source of a number of serious problems. It has complicated negotiations materially; it has delayed the systematic review of wage differentials and relationships and it has diluted responsibilities and made more difficult the adoption of forward looking policies. The time has come to create by merger one engine service labor organization and one train service organization. In the transition period which the Commission envisages in the years immediately ahead, a major contribution can be made to the operating employees, to the industry and to the community by the establishment of a single merged engine service and a single merged train service labor organization.

These ideas are not novel or the dreams of outsiders; they articulate what labor leaders among operating employees know to be a necessity. They make explicit what the Engineers and Firemen have talked about for many years, what is the logical conclusion of the Chicago Joint Working Agreement of 1913 and the Cleveland Joint Working Agreement of 1918 and more recent no-raiding agreements, and what committees of these two organizations agreed to do on one occasion

within the past 15 years. This view also accords with the current substantial progress made by the Conductors and the Trainmen toward merger. These mergers, resulting in a single engine service organization and a single train service organization, cannot be further postponed. They must be achieved if industrial relations in the industry are to be improved in the best interests of the employees and the community and if the major transformations recommended herein in rules, compensation, and the procedures for settling disputes are to be achieved in the course of the transition period which lies ahead.

But it is not alone management and labor in this industry that need to reexamine their organizations and internal policies. The government machinery touching on the labor relations of operating employees needs no less careful review. The present reference is not to the central need for a coordinated national transportation policy, in the absence of which labor-management relations in this industry can only deteriorate. Rather, it is the concern with the operation of the procedures for administering rules by reference to the First Division of the National Railroad Adjustment Board. While we intend no criticism of any individuals, the present state of affairs can only be described as one of serious disarray. The



inordinate time required to handle claims - measured in many years on the average - frustrates any genuine possibility of settling disputes or grievances. The procedures now stimulate claims. The processes of administering rules have become a legalistic game instead of vital industrial relations. The game is expensive to the Carriers, to the labor Organizations and to the public. There is no reason for the public to continue to support from public funds neutrals used in deciding cases involving operating employees under the First Division of the National Railroad Adjustment Board. The parties should here bear the same responsibilities they do in industry generally. Yet it is imperative that there be procedures for settling disputes over the application and administration of collective agreements. The parties together with responsible government agencies and officials need to review systematically this area.

It is in the spirit of the above remarks that, in our recommendations and suggestions in earlier chapters of this report, we have outlined some specific and initial steps toward better labor-management relations. We have suggested that the parties establish continuing joint machinery to ensure that the transition to a new state of affairs in the industry proceeds smoothly and expeditiously. We have



recommended the creation of a special tribunal for the handling of disputes arising under the recommended rules, to be financed and administered by the parties themselves. These are but steps towards the kind of meaningful administration of labor relations which only the parties themselves can take. There are many further steps which should be taken, and we have tried to outline some of them in this concluding chapter of our report. These are tasks for the future; but it must be a near and not a distant future.

HINCKLEY  
GENERAL DIRECTOR-  
LABOR RELATIONS-OPERATING-SOUTH

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179  
(402) 271-3689



November 1, 1994

File: 6940036

AIRBORNE EXPRESS

MR M B FUTHEY JR  
GENERAL CHAIRMAN UTU (CTY&E)  
5050 POPLAR AVE  
SUITE 1510  
MEMPHIS TN 38157

Dear Sir:

This is to advise you that Union Pacific Railroad Company including the former Missouri Pacific properties has joined with other railroads in authorizing the National Carriers' Conference Committee (NCCC) to represent them with respect to the 1995 wages, rules and benefits round of collective bargaining on a concerted national basis with respect to their employees represented by your organization.

In that connection, enclosed is a copy of a letter from Mr. R. F. Allen, Chairman of the NCCC, to Mr. G. T. DuBose, President, United Transportation Union, serving a Section 6 notice (also enclosed) on behalf of the carriers represented by the NCCC and notifying him of the intention to handle that notice nationally, concurrently with any Section 6 proposals that may be served by your organization. Please consider this as service of the Carrier's Section 6 notice.

Very truly yours,

*W. S. Hinckley*  
W. S. HINCKLEY

Enc.

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UTU  
Approved  
EX 16

# NATIONAL RAILWAY LABOR CONFERENCE

1801 L STREET, N.W., WASHINGTON, D.C. 20036/AREA CODE: 202-862-7200 FAX 202-862-7230

**ROBERT F. ALLEN**

**Chairman**

**D.P. LEE**  
Vice Chairman and  
General Counsel

**A.K. GRADIA**  
Director of Labor Relations

**VIA FEDERAL EXPRESS**

**November 1, 1994**

**Mr. G. Thomas DuBose**  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107

**Dear Mr. DuBose:**

The rail freight carriers represented by the National Carriers' Conference Committee (NCCC) for the 1995 wages, rules and benefits round of collective bargaining intend to bargain on a concerted national basis with respect to their employees represented by your organization, as has been the case generally in all past bargaining rounds since the 1930's. Those carriers have authorized NCCC representation by duly executed powers of attorney and are listed in Attachment A hereto. That list will be supplemented from time to time as additional carriers authorize representation by the NCCC in national handling with respect to your organization.

Attachment B comprises a notice served nationally on your organization on behalf of these carriers pursuant to Section 6 of the Railway Labor Act. It is served upon you as the national representative of your organization and the carriers propose it be handled nationally and concurrently with any Section 6 proposals that may be served by your organization.



We believe that national handling represents the best opportunity for your organization and the freight railroads to manage our way to and through the next round of collective bargaining in a manner that serves the mutual interests of our respective constituents and their separate interests as well.

However, we realize that our view may not be shared by your organization. If that is the case, we are prepared to enter into discussions with your organization for the purpose of seeking harmonious ways of proceeding. Our desire is to make an agreement, sooner rather than later, and one that promotes equity for all.

Our industry and our employees have the opportunity to build on the industry's improved competitive position and regain an edge in tomorrow's transportation marketplace. If we can constructively address our labor differences, we will have gone a long way to ensure that success. Neither labor nor management can afford to let this chance pass without making the effort.

For convenience and expedition, we propose that initial conferences be waived. We have set aside the weeks of November 7 and November 14 for meetings. I will be contacting you shortly and hope that we can schedule a meeting date during that period.

Yours very truly,



R.F. Allen

Attachments

cc: All NCCC-represented carriers

**ATTACHMENT "B"**  
**Carrier UTU Section 6 Proposals**  
**November 1, 1994**

Based on competitive realities in the transportation and financial marketplaces, the carriers propose that the parties agree to make all necessary changes in contracts, rules and practices to improve efficiency and productivity to the maximum degree possible, facilitate discontinuance of redundant positions and personnel, eliminate waste, reduce time paid for but not worked, contain and curtail the costs of wages and benefits, and prevent primary or secondary strikes, boycotts or other job actions; and at the same time give due consideration to the interests and concerns of employees so that a result is achieved that promotes the competitive and financial needs of the industry as well as the mutual interest of employees and employers in responsible rules, rates of pay and working conditions.

More specific and detailed itemizations of the changes requested are below, and the carriers reserve the right to make additional proposals.

- - - - -

**I. Compensation Elements**

**A. Wages**

Revise existing pay rules and adjust pay levels in relation to competitive labor market data to correspond to pay of comparable positions in other industries and to offset impediments to productivity under existing rules and practices insofar as there is no agreement to eliminate such impediments to productivity.

**B. Basic Day**

Amend any existing rules specifying the minimum number of miles encompassed in the basic day to specify 160 miles, with an appropriate adjustment in the overtime divisor.



### **C. Mileage Regulating Factors**

Amend any existing rules in regard to monthly mileage limitations to provide that a carrier in its discretion may adjust such limitations as it deems appropriate.

### **D. Manning**

1. By mutual consent, revise rules to provide that the size and complement of all crews shall be at the carrier's discretion.

2. Absent the mutual consent described in Paragraph 1 to eliminate such impediments to productivity, make appropriate reductions in the rates of pay of all ground service employees (which shall remain frozen at those levels), make appropriate deductions from the pay of all ground service employees to cover a portion of the monthly costs of the Health and Welfare, Dental, and Early Retiree Major Medical Plans, and make appropriate reductions in the cost of time paid for but not worked.

## **II. Rules**

A. Eliminate any existing restrictions upon the use by a carrier of road and/or yard crews, including any limitations on the use of road and/or yard crews to make pickups and/or setoffs on their own property and/or on properties of foreign carriers; and provide that the carrier may in its discretion use road and/or yard crews in the manner it deems appropriate.

B. Eliminate any existing rules restricting the establishment by a carrier of starting times of yard employees; and provide that the carrier may in its discretion establish such starting times as it deems appropriate.

C. Eliminate any existing rules restricting a carrier's right to annul any assignment at any time.

D. Eliminate any existing rules or practices permitting extra employees to be available only during calling cycles.

E. Eliminate any existing rules, procedures or conditions applicable to existing or future interdivisional service (as defined in existing agreements); provide that a carrier may in its discretion institute or change such service upon such terms as it deems appropriate; and



provide that if such service is discontinued application of associated protective conditions will be discontinued at the same time.

F. Eliminate any existing requirements restricting a carrier's right to create, combine, separate, or change extra boards at common terminals in any manner it deems appropriate and to provide that employees on such board(s) will protect service on any seniority district as specified by the carrier.

G. Eliminate any existing requirements that provide for the adjustment (paying the difference) between actual earnings and guarantees on extra boards on other than a payroll period basis, and provide that such adjustment may be made in any manner determined by the carrier.

H. Eliminate any existing restrictions or requirements applicable to the coupling and uncoupling of appurtenances such as air hoses, signal hoses and control cables, replacement of batteries, and the placement, removal, inspection or other handling of end-of-train devices, radios, computers, fax machines, and/or any other equipment used in train operation as designated by a carrier; and provide that the carrier in its discretion may require the handling of such appurtenances and/or equipment by such employees and in the manner it deems appropriate.

I. Eliminate any existing rules or practices requiring payment for runarounds within terminals and/or enroute.

J. Eliminate any existing provisions which require a carrier to pay an employee who cannot accept a call because of the Hours of Service Law.

K. Utilization of employees

1. Amend any existing rules or practices restricting a carrier's ability to transfer surplus employees to provide that the carrier may in its discretion transfer surplus employees to any locations on any part of its system without regard to seniority district or collective bargaining agreement boundaries, including the ability to assign such employees on a temporary basis.

2. Eliminate any existing restrictions on the use of employees, whether or not represented by the Organization, to perform any work as and where needed; and provide that a carrier in its discretion may require any employees represented by the Organization to perform any work as and where needed that the carrier deems appropriate.

L. Eliminate any existing requirements providing for automatic release of employees upon arrival at terminals.

M. In order to better serve customer needs and enhance the carriers' ability to compete:

1. Expand existing expedited procedures to provide carriers with additional flexibility to respond to customer needs and new business opportunities.
2. Eliminate any existing seniority district restrictions which impede expedited customer service; and provide that a carrier in its discretion may use employees outside of their seniority district when deemed appropriate by the carrier to expedite customer service.
3. Amend any existing rules to provide that a carrier may use any road crew to pick up a train stopped short of a terminal because of the Hours of Service Law, and proceed through the terminal on its trip.
4. Amend any existing rules to provide that crews in road and yard work train service may handle revenue cars.
5. Eliminate any existing rules regarding meal periods, and related allowances and/or penalties, in road service.

N. Where restricted, provide that a carrier in its discretion may substitute road switcher crews and/or mine switcher crews for any yard crews when deemed by the carrier to be appropriate. In utilizing this discretion, any restrictions related to the elimination of the last yard engine on a shift or in a yard are eliminated. Also, a carrier, in its discretion, may require road switcher and mine switcher crews to make up and dispose of their own trains without restrictions when deemed by the carrier to be appropriate.

O. Eliminate any existing requirements for the use by a carrier of a switchtender, car retarder operator, hump motor car operator, pilot, herder, conductor/pilot, flagman, or any other independent assignment.

P. Where restricted, provide that a carrier in its discretion may establish engineer-only crews in helper and light engine road movements when deemed by the carrier to be appropriate.

Q. Where restricted, provide that a carrier in its discretion may determine which employees, if any, shall be used on, or in connection with, self-propelled equipment.

R. Where restricted, provide that a carrier in its discretion may call and use extra road switcher assignments.

S. Eliminate any existing rules or practices which prohibit the holding on to cars when making pickups and setouts and any other moves in road and yard territory.



- T. Eliminate any existing rules or practices which prohibit road crews from classifying their trains in any manner, or which require that trains be made up in station order.
- U. Amend existing rules or practices with regard to short turnaround freight service to permit the distance from the terminal to be run to be up to 25% of the miles encompassed in the basic day.
- V. Provide that a carrier in its discretion may extend or contract switching limits, including the right to consolidate yards located within 30 miles of each other.
- W. Eliminate any existing rules or practices which require that a crew work as a unit.
- X. Provide that the carrier may establish standardized calling procedures in lieu of existing rules and practices.

### **III. General**

- A. If and where any restrictions exist, there will be no restrictions on the use of new technology by employees in any craft, and such use shall not create an exclusive right thereto.
- B. Except in circumstances where already provided, provide for the establishment of special boards of adjustment to arbitrate disputes growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions with the parties sharing equally the fees and costs of the arbitrators.
- C. Eliminate any existing provisions for personal leave days and annual leave.
- D. Compensated Absences
  - 1. Amend any existing rules or agreements to provide that in order to qualify for a vacation or personal leave an employee must be credited with compensation for at least 200 days for work in the preceding year and have satisfactory attendance.
  - 2. Amend existing rules and practices to provide that employees will be automatically marked up after completion of vacation periods.
- E. Holidays

Amend any existing rules and practices in regard to paid holidays to provide that an employee who is unavailable during the 15 days preceding the holiday, the holiday, and the 15 days following the holiday will be disqualified for such pay.



## **F. Health and Welfare**

### **1. With respect to The Railroad Employees National Health and Welfare, Early Major Medical Benefit and Dental Plans:**

Expand cost-sharing by employees and more effectively contain costs incurred by the Plans. Matters to consider include, among other things, benefit design changes; modifying deductibles, annual out-of-pocket and lifetime maximums, copayments and coinsurance; expanding exclusions; and limiting eligibility and the duration of extended or continued coverage.

Improve Plan administration. Matters to consider, include, among other things, experience rating by railroad; mandatory managed care where available; universal non-duplicative COB; stand-alone deductibles; and governance of all Plans by the NCCC.

2. In the event of enactment of federal or state health care legislation, the carriers may propose appropriate, responsive measures with respect to the above described plans. The carriers and the organization (in concert with other affected organizations) will meet to consider such measures, with the assistance of a neutral (if necessary) empowered to render binding decisions. Such neutral shall be jointly selected by the parties, or absent agreement, appointed by the National Mediation Board.

## **G. Americans with Disabilities Act**

Provide that the parties shall cooperate to facilitate any actions needed to make reasonable accommodations without undue hardships to qualified individuals with disabilities.

## **H. Employee Involvement**

Where a carrier establishes voluntary employee involvement programs involving customer service, safety, etc., provide that the organization shall not discourage employee involvement in such programs.

## **I. Improved Injury Compensation System**

By mutual consent, develop joint legislative proposal governing employee compensation for on-the-job injuries in lieu of existing system that reflects current trends and is more equitable to injured employees, provides benefits in a more efficient and less adversarial manner, is structured with incentives to reduce the

number of injuries and the cost of any injuries that may occur, and promotes a more constructive approach to safety.

#### **J. Service Disruptions**

1. In addition to prohibitions imposed by existing requirements, provide that, except for lawful primary strikes and picketing of the carrier or carriers involved in a major dispute with the Organization, engaging in or respecting strikes or picketing of any carrier or of anyone else including shippers, secondary boycotts, slowdowns and any other concerted self-help activities, are prohibited. Appropriate penalties will be applied for an employee and/or Organization which violates this provision.

2. Provide that: During any work stoppage or disruption of operations due to other forms of concerted self-help by employees in any part of the railroad industry, a carrier shall have the unilateral right to suspend all bulletin, assignment, displacement, mileage or earnings rules or regulations; any pay and protective provisions of any applicable agreements; any other applicable agreements or rules relating to the use or compensation of employees; any agreements which provide for union or agency shop, deduction for union dues, union fee checkoff or political contributions. Such agreements and rules may be suspended by the carrier for the duration of such work stoppage or disruption and employees will be assigned any compensation on a basis to be determined by the carrier in its discretion. This provision is not intended to and will not modify or suspend protection provided in agreements adopted pursuant to the Interstate Commerce Act, or pursuant to some other statutory provision, if any, requiring employee protection.

#### **IV. Miscellaneous**

##### **A. Subsequent Legislative or Regulatory Events**

If a legislative or regulatory requirement is imposed during the term of the parties' national agreement that materially affects the application of any provision contained in such agreement or materially increases the carrier's labor costs, provide that the carrier may propose appropriate, responsive measures. The parties shall meet promptly to consider such carrier proposals, with the assistance of a neutral (if necessary) empowered to render binding decisions. Such neutral shall be jointly selected by the parties or, absent agreement, appointed by the National Mediation Board, with the parties sharing equally the neutral's fees and costs.

**B. Contract duration to be through year 1999.**

**C. Adopt moratorium similar to that contained in the last national settlement.**



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179  
(402) 271-3888



November 1, 1994

File: 6940036

AIRBORNE EXPRESS

MR M B FUTHEY JR  
GENERAL CHAIRMAN UTU(CTY&E)  
5050 POPLAR AVE  
SUITE 1510  
MEMPHIS TN 38157

Dear Sir:

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Very truly yours,

*W. S. Hinckley*  
W. S. HINCKLEY

Enc.

employees who have been given advance approval to drive their vehicle will be treated, for purposes of board markup and rest, the same as if they had utilized Company provided transportation.

3 Order of call

Hub/System Board employees will only be assigned to protect service from one source of supply during a work segment. Hub/System Board employees utilized as extra trainmen will be marked to the bottom of the brakemen's extra board at a source of supply and will be used, in turn, with extra brakemen already on that extra board. Hub/System Board employees used in the capacity of extra switchmen will be marked to a "secondary" switchmen's extra board at a yard. Hub/System Board employees on such "secondary" switchmen's extra board will be used in turn, first in-first out to fill vacancies on yard assignments when no extra board switchmen are available with eight hours to work.

4 Marking Rest

Hub/System Board employees may mark rest of 12 hours at the completion of any tour of duty without deduction from guarantee..

G Transportation and Lodging

Hub/System Board employees will be entitled to transportation to and from their work segment, lodging, transportation between lodging and work assignments, and a daily meal allowance. If transportation to and from work segment is anticipated to exceed six hours, air transportation will be used where available.

1 Use of Private vehicle

Although under no obligation to do so, Hub/System Board employees may use their vehicle for transportation in lieu of Company-provided transportation upon advance approval from the Company. Hub/System Board employees who utilize their vehicle will be compensated for mileage (one round trip) from the employee's residence to and from the source of supply where used, and for work-related use while at that source of supply, in accordance with the Company's current mileage rate.

2 Per Diem

Hub/System Board employees will be compensated a day's meal



allowance (\$32.00) for any day on which they are away from their home location. For travel days, the meal allowance will be paid for any day the employee leaves his/her home location prior to 5:00 PM or arrives back at his/her home location after 11:00 AM.

3 In lieu of lodging

For each work segment, a Hub/System Board employee may elect a daily lodging allowance of \$20.00 in lieu of Company-provided lodging.

H Compensation

1 During Work Segment

Pay for a Hub/System Board employee will be based on actual earnings made during a work segment, but not less than \$4,900.00, subject to wage and/or cost-of-living increases, per work segment, plus penalties, when applicable. Payment for the first half of a month shall be \$2,450 (one half of work segment minimum) regardless of the amount actually earned. If total earnings for the work segment exceed \$4,900.00, for the second half the Hub/System Board employee will be paid actual earnings for the work segment plus penalties, less the \$2,450 paid for the first half. If total earnings for the work segment are less than \$4,900.00, for the second half the Hub/System Board employee will be paid \$4,900.00 plus penalties, less the \$2,450 paid for the first half.

2 Penalty for not protecting during work segment

Hub/System Board employees who make themselves unavailable for work for any portion of a work segment will have their work segment minimum (\$4,900.00) reduced by \$245.00 for each 24 hour period, or portion thereof, they are not available. Marking rest in accordance with agreement provisions will not be considered as making oneself unavailable. Guarantee (\$4,900.00 or \$2,450) will not be reduced for absences such as bereavement leave, jury duty, Company business (including physical and rules examinations), employee involvement programs, etc.

Trainman examples of items included in guarantee

Straight Time

Overtime

Initial Terminal Delay



UTU to UP 1/23/97

Final Terminal Delay  
Initial Terminal Switching  
Final Terminal Switching  
Air Test  
All other duplicate pay arbitrary and allowance payments  
Deadhead

Conductor-only Allowance

Trainman examples of items not included in guarantee

Road/Yard violations  
Runarounds (depart and call in turn)  
Service outside assignment  
Penalty for work outside scope of UTU(T) agreement  
Claims prior to employee placing on R/S Board  
Crew Consist Special Allowance

Switchmen examples of items included in guarantee

Straight Time  
Overtime

Cannonball  
Service outside yard limits permitted by agreement  
Any duplicate payment  
Deadheads permitted by agreement  
Hours-of-service relief  
Footboard yardmaster  
Use of foreman for flagging or for self-propelled equipment

Switchman examples of items not included in guarantee

Runarounds  
Interchange violations  
Service outside of assignment  
Call and Release  
Performing work of other yard crew  
Road/Yard violations  
Penalty for work outside scope of UTU(S) agreement  
Claims prior to employee placing on R/S Board  
Meal penalty  
Others performing switchman duties  
Penalties arising from improper use of foreman or helper  
Crew Consist Special Allowance

3

Compensation for working on rest segment

Although under no obligation to do so, Hub/System Board employees who accept an offer to extend their work segment, or perform service during their rest segment, will be paid for such service at the applicable road or yard rate, but not less than \$245 per day (24 hours), in addition to their work segment earnings/guarantee. Hub/System Board employees on a secondary switchmen's extra board who accept an offer to extend their work segment, or perform service during their rest segment, will only be used when no regular or extra board switchman is available with eight hours to work.

4

Hub/System Board employees occupying inactive positions shall be compensated \$3,800.00, adjusted for future wage and/or cost of living increases, per monthly inactive cycle. Although under no obligation to do so, an inactive cycle employee who marks up to perform service at the request of the Company shall be compensated for all earnings in addition to the inactive cycle pay.

5

Vacation Credits

Hub/System Board employees will accrue vacation credits based on one vacation credit for each \$100.00 in earnings, including guarantee

I

In Lieu Time

In lieu of vacation and holidays/personal leave days, Hub/System Board employees will be allowed paid time off as follows:

All employees with 20 years or more of service will be allowed the equivalent of three split cycles.

All employees with less than 20 years service will be allowed the equivalent of two split cycles.

The work segment(s) allowed as "in lieu time" will be scheduled as closely as possible to the employee's scheduled vacation.

In the event an employee is on the Hub/System Board for only a portion of a calendar year, vacation days and holiday/personal leave days due or already taken during periods not on the Hub/System Board will be taken into account. An employee on the Hub/System Board for a portion of a calendar year, and who leaves the Hub/System Board during the year, will be entitled to vacation and



holiday/personal leave days pursuant to the applicable agreement, less in lieu time taken while on the Hub/System Board. The total number of remaining days of entitlement will be divided by seven to determine the week(s) of vacation; all remaining days will be considered as personal leave days/holidays.

An employee who places to the Hub/System Board during a calendar year will have his/her in lieu time reduced by the number of vacation and holidays/personal leave days taken prior to his/her placing on the Hub/System Board. If the remainder of the vacation and/or holidays/personal leave days is not equal to a complete work segment, the remaining vacation and/or personal leave days will be taken at the beginning or end of a day work segment.

Examples of in lieu time for an employee on the Hub/System Board for only a portion of a calendar year:

Example One: Sixteen-year road employee entitled to 21 days' vacation and eight personal leave days (total of 29) uses two weeks of vacation (14 days) and three personal leave days in a calendar year prior to placing on the Hub/System Board. While on the Hub/System Board, this employee is entitled to two split cycles or one cycle as in lieu time, less the 17 days taken previously in the calendar year. If this Hub/System Board employee were to take in lieu time during September (30-day month), he/she would report 13 days late for the work segment or be released 13 days early from the work segment. Those 13 days combined with the 17 days taken previously would deplete this employee's in lieu time for the calendar year.

Example Two: Twenty-three year road employee entitled to 28 days' vacation and 11 personal leave days (total of 39) is on the Hub/System Board from the beginning of a calendar year through September. While on the Hub/System Board, this employee is entitled to three split cycles or one cycle and one split cycle as in lieu time. While on the Hub/System Board, the employee takes July (a 31-day month) as in lieu days. After coming off the Hub/System Board at the end of September, this employee has eight days remaining, of which seven are considered vacation and one personal leave day.

Example Three: Fifteen-year yard employee entitled to 21 days' vacation and 11 holidays (total of 32) is on Hub/System Board from beginning of calendar year through end of June, at which time he/she comes off Hub/System Board and bids in a regular position as a switchman. During the period of time on the Hub/System Board the employee did not use any in lieu time. For the remainder of the calendar year (July 1 - December 31), the employee would be entitled to three weeks of vacation and seven holidays. The reason only seven holidays remain is that the other four were observed while the employee was on the Hub/System Board.



UTU to UP 1/23/97

Example Four: Twenty-six year yard employee entitled to 35 days' vacation and 11 personal leave days for a total of 46 is on the Hub/System Board for the entire calendar year. The employee takes April (a 30-day month) and the first half of August (15 days) as in lieu time. This depletes the employee's in lieu entitlement for the calendar year.

UTU to UP 1/23/97  
ATTACHMENT "B" - Agreement

1. The Collective Bargaining Agreement for the Salt Lake Hub is:

Road: UP - Eastern District Road Schedule,

Yard: UP - UTU Yardmen Schedule for the territory Granger-Huntington-Salt Lake City-Butte, exclusive of crew consist agreements

Crew Consist: UP - Eastern District system crew consist condition for all crafts.

2. The existing Tier I, Tier II and Ready Reserve Boards as established in 1992 crew consist conductor only agreement on the UP Eastern District shall be maintained and established for the Salt Lake Hub. Employees who are considered protected employees in the Hub will also be considered as eligible to hold the aforementioned reserve boards in the Salt Lake City Hub.

3. It is understood and agreed by the parties that this consolidated agreement is a good faith effort to provide the carrier a single working agreement in the territory described in the Carrier's September 18, 1996 notice, while respecting the employees' entitlement to work under conditions no less desirable than before the merger. It is further understood that if it is found that an inadvertent omission of an agreement provision has occurred, the Carrier will immediately meet with the involved General Chairpersons and the General Chairperson will advise which of the previously effective rules and/or agreements will control in the factual situation.

It is further understood and agreed that this agreement is entered into with the clear understanding that it will not be characterized in any venue as evidence of a waiver of any moratorium(s) by these signatory Committees or others not signatory, unless specifically set forth in this agreement.

It is further understood and agreed that if particularized service exists in the territory addressed in this agreement that has not been specifically addressed, referenced or changed by the terms and conditions of this agreement, said particularized service will be maintained and operated under the terms and conditions as existed prior to the consummation of this agreement.

4. All UTU General Committees having jurisdiction in the Salt Lake Hub shall be considered as having a third party interest in any arbitration concerning the common Salt Lake Hub Agreement. Awards and/or interpretations concerning that agreement shall be applicable only in the Salt Lake Hub and shall not be referred to by any party outside the Salt Lake Hub.

5. All pool freight runs in the Salt Lake Hub shall be operated in accordance with the Interdivisional Pool Freight Rules contained in the 1972 National Agreement. Article XIII protection contained in that agreement is applicable.

UTU to UP 1/23/97

6. At the time of implementation of the Salt Lake Hub, it is not anticipated that there will be an adverse affect to employees holding seniority as firemen and hostlers in the Salt Lake Hub. However, it is recognized that all seniority rights and agreements pertaining to firemen and hostlers are preserved, with the exception that the training agreement from SP Western Lines shall be the common training agreement for the Salt Lake Hub.

The parties agree to meet in a timely manner as necessary in order to address equity concerns and the application of UTU-E agreements in the Salt Lake Hub.

7. It is recognized that with the source of supply to another craft of service being provided through UTU-represented crafts (such as but not limited to Fireman, Trainmen, etc.), the Union Pacific will not enter into any agreement with any other organization that would alter or affect the ebb and flow between the respective crafts.

8. Standard union shop provisions will apply in the Salt Lake Hub.



NEW YORK DOCK Q & A'S - UP/SP MERGER

- Q1. Must a "Displaced Employee" exercise his seniority to an equal or higher paying job to which he would be entitled in order to qualify for displacement allowance?
- A. Not necessarily. However, a "Displaced Employee" failing to do so will be treated for purposes of the guarantee as occupying an available higher paying position, subject to the one-for-one principle as set forth in Question and Answer 5.
- Q2. If an employee cannot hold a position which does not require a change of residence, will he be required to change his residence to ensure receiving his displacement or dismissal allowance if that change will trigger a claim for guarantee payment to junior employees?
- A. No. A change of residence will not be required if it causes guarantee payment to flow to other employees.
- Q3. A job is available to more than one protected employee with higher posted earnings than any of their guarantees. Will the earnings of the higher, posted assignment be charged against the guarantees of all such employees?
- A. No more than one protected employee will be treated at any one time as occupying a higher rated position held by a junior employee. That is to say, the senior employee guarantee will be treated as occupying the position producing the highest earnings, the second such senior employee will be treated as occupying the position producing the second highest earnings, and so forth.
- Q4. An employee performs service as Extra Yardmaster, both prior to and subsequent to the effective date of the coordination. How will such service be computed?
- A. (1) Such service and time prior to the coordination shall be included in the test period computations.
- (2) Compensation for such service and time paid for subsequent to the coordination, and/or such service as could have been rendered, shall be applied against the test period guarantee.
- Q5. An employee with a guarantee of \$1,900 per month fails to exercise seniority to obtain a position with posted earnings of \$1,900-\$1,950. In a particular month, he earns \$1,850. What payment, if any, would be due?
- A. None, subject to the one-for-one principle. See Question and Answer 5.

Q6. May an employee called and used as an emergency conductor or engineer, as the case may be, be charged with a loss of earnings on his regular assignment or with higher posted earnings on other assignments account of being so used?

A. No, as he is protecting his seniority as conductor or engineer in accordance with the requirements of the applicable Agreement.

Q7. How is vacation pay treated in computing guarantees under this Agreement?

A. If a vacation falls entirely within one month, the compensation shall be treated as all other compensation creditable to that month. However, when a vacation commences in one month and ends in another, the vacation compensation will be proportioned between the months in accordance with the number of vacation days falling in each month.

Q8. If an employee elects to accept the protective conditions of this Agreement while otherwise eligible for protection under a former protective arrangement or agreement, will such employee resume protection under the former agreement at the expiration of the protective period under this Agreement?

A. Yes, provided protection under the former agreement has not been exhausted or expired.

Q9. What is the meaning of "change in residence"?

A. A "change in residence" as referred to in Section 5(b) and 6(d) of New York Dock shall only be considered "required" if the reporting point of the employee would be more than thirty (30) normal highway miles, via the most direct route, from the employee's point of employment at the time affected.

Q10. Are relocations that occur subsequent to the initial implementation of the merger subject to the relocation benefits contained in the merger implementing document?

A. It is understood, subsequent transactions can occur which prompt additional relocation allowances as contained in the merger implementing document.

Example: A train is removed from the Salt Lake City to Grand Junction pool six months after initial implementation and rerouted Ogden to Green River causing two employees, one from the pool and one from the extra board to relocate Salt Lake City to Ogden. Those employees would be qualified for relocation allowance.

Q11. What events must occur prior to the carrier having the right to off set an employee's TPA for failure to hold a position with higher potential earnings:



UTU to UP 1/23/97

A. It is understood, the carrier must post the positions in order, highest rated position first then second highest etc.... The employee must then have an opportunity to hold the higher rated position through the normal exercise of seniority. The aforementioned must not require a change of residence, and a higher rated position that does require a change of residence can not be used against the employee.

Q12. If a lower rated position, as posted by the carrier, makes more money than the position held by the claiming employee, can the carrier off set protection income through the income of the lower rated position?

A. No. The lower rated position can not be used against the earnings of a protected employee.

Q13. How will the TPA be calculated for elected agents or representatives of employees?

A. For each displaced or dismissed employee, who served as an elected agent or representative of employees on a full or part-time basis during the test period, the employee's test period average (TPA) shall be equivalent to the average TPA, after discounting for extraordinary absence, of the three next senior active and three next junior active employees in the same service on that district, or the employee's own TPA, whichever is greater. When determining such employee's own TPA, compensation from both the UTU and the Carrier, as reported on the W-2 forms, shall be included in the calculation.



UTU to UP 1/27/97

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 1997

For the UTU:

\_\_\_\_\_  
A. M. Lankford

\_\_\_\_\_  
D. E. Johnson

\_\_\_\_\_  
P. C. Thompson

\_\_\_\_\_  
J. P. Kurtz

\_\_\_\_\_  
M. B. Futhey, Jr.

\_\_\_\_\_  
N. J. Lucas

\_\_\_\_\_  
R. E. Carter

\_\_\_\_\_  
G. A. Eickmann

For the Union Pacific:

\_\_\_\_\_  
J. G. Pollard

\_\_\_\_\_  
Scott Hinkley

\_\_\_\_\_  
J. K. Spear

\_\_\_\_\_  
J. Previsich

UTU supplemental merger negotiation

The UTU will adopt in the Salt Lake Hub the Crew Consist Agreement (Conductor/Foreman only operation) as contained in the Memorandum of Agreement between the Union Pacific Railroad Company and the United Transportation Union for the former Texas & Pacific and Gulf Coast Lines with the following additions:

- Full district miles will be paid on terminal to terminal deadheads for all employees.
- UP - Central District Road Switcher Agreement provisions will apply to all road switcher operations in the Salt Lake Hub.
- Trainmen will relinquish their right to eat on all pool freight assignments for one hour's pay in lieu thereof.
- Retention of existing SP Western Lines entry rates structure pursuant to Side Letter #10 of Award of Arbitration #510, which will be applicable to the entire Salt Lake Hub.
- 401-k matching fund.
- Work/Rest cycles in pool freight service.
- Pool guarantees.
- Continuation of 1996 levels of SP Western Lines trainmen disability insurance coverage to all employees in the Salt Lake Hub. Equally advantageous to carrier as it lessens potential for FELA actions, relieves carrier of "wage continuation" advance payments for injuries on duty.
- Monthly guarantee for combined Conductor/brakeman road extra board to be calculated using SP Western Lines Conductor Extra Board guarantee agreement, with a minimum of 22 basic days per semi-monthly pay period at Conductor's Local Freight rate of pay with a car count of 1 - 80.
- Extra yardmen will be guaranteed one day at foreman yard rate of pay for each day available payable each semi-monthly pay period.

STB FD 32760 (SUB 22) 5-5-97 A 179587 10/10



**united transportation union**

January 22, 1997

*delivered  
to WSH night of  
1-22-97*

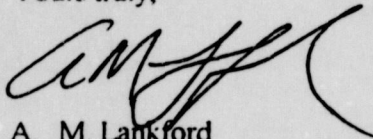
Mr. W. S. Hinkley  
General Director, Labor Relations  
Union Pacific Railroad  
1416 Dodge Street  
Omaha, Nebraska 68179

Dear Sir,

The Organization hereby submits the attached Merger Implementing Agreement proposal for consideration by the Carrier. The Organization submits that the referred-to proposal contains benefits for the Carrier not anticipated by Surface Transportation Board or New York Dock conditions. However, the Organization submits this proposal in an effort to reach a satisfactory, voluntary conclusion to the implementing negotiations.

It is not intended by the Organization that the contents be used as a basis for any consideration outside the forum intended.

Yours truly,



A. M. Lankford  
Vice President, UTU

**MERGER IMPLEMENTING AGREEMENT  
(Salt Lake Hub)**

**between the**

**UNION PACIFIC RAILROAD COMPANY  
SOUTHERN PACIFIC RAILROAD COMPANY**

**and the**

**UNITED TRANSPORTATION UNION**

In Finance Docket No. 32760, the Surface Transportation Board approved the merger of Union Pacific Railroad Company/Missouri Pacific Railroad Company (Union Pacific or UP) with the Southern Pacific Transportation Company, the SPCSL Corp., the SSW Railway and the Denver and Rio Grande Western Railroad Company (SP). In order to achieve the benefits of operational changes made possible by the transaction, to coordinate the seniority of all employees working in the territory covered by this Agreement into one common seniority district and to provide agreement modifications necessary to effect the benefits of the merger,

**IT IS AGREED:**

**I. SALT LAKE HUB**

A new seniority territory named Salt Lake Hub shall be created that is within the following area: DRGW mile post 450 at Grand Junction on the Southeast, UP mile post 164.4 at Yermo on the Southwest, UP mile post 670 and SP mile post 559.5 at Elko on the West, UP milepost 110 at McCammon on the North and UP mile post 847 at Granger on the East and all stations, branch lines, industrial leads and main line between the points identified.

In addition to the seniority rights of existing employees, the Salt Lake Hub shall have a common Seniority Roster for each craft (Brakemen, Conductors and Switchmen) created for all employees working in the Salt Lake Hub on \_\_\_\_\_, and a single common roster for all employees hired thereafter.

Employees working in the Salt Lake Hub shall remain under the jurisdiction of their prior General Committee, and will perform service in accordance with the agreement attached hereto as Attachment "B".

The parties recognize that the common agreement attached hereto incorporates for former Southern Pacific employees the work rule and basic day mileage modifications contained in the 1991 and 1996 National Agreements. Accordingly, such employees who were otherwise eligible



UTU to UP 1/23/97

to receive the lump sum payments contained in the 1991 and/or 1996 National Agreements shall receive those payments not later than 30 days following implementation of the common agreement.

#### A. ZONES

The new UP/UTU Salt Lake Hub common seniority district will be divided into five (5) zones. Zones shall include extra board(s) as set forth in this agreement. An extra board shall be regulated at not less than 50% of the number of positions that it protects. If an extra board has no employees rested and available, employees on another extra board in the terminal may be called, however, an extra board employee is not required to accept a call off zone. Extra Boards will be guaranteed the following:

Road Extra Board - 1925 miles per semi-monthly period at Conductors local freight rate of pay.

Yard Extra Board - 11 days per semi monthly pay period at yard helper rate of pay.

Combination Road/Yard - 1925 miles per semi-monthly period at Conductors local freight rate of pay.

The purpose of creating zones is twofold: First, it is to allocate work in an area recognizing the entitlements of existing employees to that work; Second, to provide a defined area over which a trainman/switchman can become familiar with trackage and train operations so as not to be daily covering a multitude of different sections of track.

Employees will not be required to lose time or "ride the road" on their own time in order to qualify for the new operations. Employees will be provided with a sufficient number of familiarization trips, not less than 10 trips, unless mutually agreed to, in order to become familiar with the new territory. Employees on familiarization trips shall be compensated in accordance with the controlling agreement the same as if working the assignment on which becoming familiar. Issues concerning individual qualifications shall be handled with local operating officers.

Zones are defined as and will be governed by the following:



1. Zone 1 will include Salt Lake City and Ogden West to Elko via either route but will not include the terminals of Elko, Salt Lake City and Ogden. (current WP and SP pool and local operations)

Pool assignments and extra board positions in Zone 1 will be allocated 60%\* to the former WP and 40%\* to the former SP. Local Freight, Road Switcher, work trains, helper service and pilot conductor service will be allocated to the former seniority district over which it operates. Assignments which operate over both former Seniority Districts shall, at the direction of the Organization, be assigned to the appropriate prior rights district in order to equalize the mileage equities between the districts.

Assignments allocated to the former WP will be available for the exercise of prior rights seniority by former WP employees in accordance with their prior rights to the work in, or moved to, the Zone. Assignments allocated to the former SP will be available for the exercise of prior rights seniority by former SP employees in accordance with their prior rights to the work in, or moved to, the Zone.

Employees from the Salt Lake Hub common roster may exercise seniority to assignments in Zone 1 in accordance with their standing on the common roster and behind those who have prior rights to the assignment.

a. Pool operations

1. Salt Lake City - Elko and Ogden - Elko.

This operation shall be run as one interdivisional pool with a home terminal at Ogden. Crews brought on duty in Ogden may be transported to Salt Lake City for departure. The Carrier may operate the crews at the far terminal of Elko back to Salt Lake City or Ogden, with the crews operating to Salt Lake City being transported by the carrier back to Ogden at the end of their service trip. Employees transported between Salt Lake City and Ogden shall be compensated established highway mileage (39) between those two points at the rate of and in addition to the service trip.

b. Terminal consolidations

The operation of the Salt Lake City to Elko pool operation will be relocated to Ogden

Note 1: Elko - Carlin. All UP and SP operations within the greater Elko and Carlin area shall be further handled when merger coordinations are handled for the Elko West area.

Note 2: While the Sparks-Carlin and Wendel-Carlin pools and yard and local assignments are not covered in this notice it is understood that they will operate Sparks -Elko and Wendel-

UTU to UP 1/23/97

Elko and will be paid actual miles when operating trains between these two points and will be further handled when merger coordinations are handled for the area west of Elko.

Note 3: The Portola-Elko pool shall continue to operate as it currently does and will be further handled when merger coordinations are handled for the Elko west area.

c. Extra Boards

The following extra board(s) will be established to protect all road assignments in Zone 1:

1. Road extra board at Ogden, which protects all Zone 1 road service assignments out of Ogden.

\* 60/40 allocation may be subject to change when additional data is examined. The present allocation is based on UP provided data which includes 36 crews in WP pool and 24 crews in SP pool



2. Zone 2 will include Salt Lake City North to McCammon and Ogden east to Granger and all road operations in the Ogden and Salt Lake City terminals. Green River locals or road switchers are not included in this zone.

Assignments in the Salt Lake City - Pocatello pool will be allocated \_\_\_\_\_% to the former \_\_\_\_\_ and \_\_\_\_\_% to the former \_\_\_\_\_.

Assignments in the Salt Lake City - Green River pool will be allocated \_\_\_\_\_% to the former \_\_\_\_\_ and \_\_\_\_\_% to the former \_\_\_\_\_.

Assignments in the Ogden - Green River pool will be allocated \_\_\_\_\_% to the former \_\_\_\_\_ and \_\_\_\_\_% to the former \_\_\_\_\_.

Local Freight, Road Switcher, work trains, helper service and pilot conductor service will be allocated to the former seniority district over which it operates. Assignments which operate over more than one former Seniority District shall, at the direction of the Organization, be assigned to the appropriate prior rights district in order to equalize the equities between the districts.

Zone 2 Road Extra Board at Ogden will be allocated \_\_\_\_\_% to the former \_\_\_\_\_ and \_\_\_\_\_% to the former \_\_\_\_\_.

Zone 2 Road Extra Board at Salt Lake City will be allocated \_\_\_\_\_% to the former \_\_\_\_\_ and \_\_\_\_\_% to the former \_\_\_\_\_.

Assignments allocated to the former UP - Eastern District will be available for the exercise of prior rights seniority by former UP - Eastern District employees in accordance with their prior rights to the work in, or moved to, the Zone. Assignments allocated to the former UP - Idaho will be available for the exercise of prior rights seniority by former UP - Idaho employees in accordance with their prior rights to the work in, or moved to, the Zone. Assignments allocated to the former D&RGW will be available for the exercise of prior rights seniority by former DRGW employees in accordance with their prior rights to the work in, or moved to, the Zone.

Employees from the Salt Lake Hub common roster may exercise seniority to assignments in Zone 2 in accordance with their standing on the common roster and behind those who have prior rights to the assignment.

a. Pool operations:

Salt Lake City to Green River  
Salt Lake City to Pocatello  
Ogden to Green River



UTU to UP 1/23/97

b. Extra Boards

The following extra boards will be established to protect assignments in Zone 2

Road extra board at Ogden, which protects Zone 2 road assignments out of Ogden and Local and Road Switcher assignments at \_\_\_\_\_

Road extra board at Salt Lake City, which protects Zone 2 road assignments out of Salt Lake City.

3. Zone 3 will include Salt Lake City East to and including Grand Junction Road assignment, and South to Caliente via either route.

Assignments in the Salt Lake City - Milford pool will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Assignments in the Salt Lake City - Grand Junction pool will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Assignments in the Milford - Helper pool will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Local Freight, Road Switcher, work trains, helper service and pilot conductor service will be allocated to the former seniority district over which it operates. Assignments which operate over both former Seniority Districts shall, at the direction of the Organization, be assigned to the appropriate prior rights district in order to equalize the equities between the districts.

Zone 3 Road Extra Board at Salt Lake City will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Zone 3 Road Extra Board at Milford will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Zone 3 Combination Extra Board at Grand Junction will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Zone 3 Combination Extra Board at Provo will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Zone 3 Road Extra Board at Helper will be allocated \_\_\_\_% to the former \_\_\_\_ and \_\_\_\_% to the former \_\_\_\_.

Assignments allocated to the former UP - South Central will be available for the exercise of prior rights seniority by former UP - South Central employees in accordance with their prior rights to the work in, or moved to, the Zone. Assignments allocated to the former DRGW will be available for the exercise of prior rights seniority by former DRGW employees in accordance with their prior rights to the work in, or moved to, the Zone.

Employees from the Salt Lake Hub common roster may exercise seniority to assignments in Zone 3 in accordance with their standing on the common roster and behind those who have prior rights to the assignment.

UTU to UP 1/23/97

a. Pool operations:

Salt Lake City - Milford  
Salt Lake City - Grand Junction  
Milford - Helper  
Milford - Las Vegas

b. Extra Boards

The following extra boards will be established to protect all road assignments in Zone 3

1. Road extra board at Salt Lake City, which protects Zone 3 road service out of Salt Lake City.
2. Road extra board at Milford, which protects Zone 3 road service out of Milford
3. Combination extra board at Grand Junction, which protects Zone 3 yard and road service out of Grand Junction
4. Combination extra board at Provo, which protects Zone 3 yard and road service out of Provo.
5. A road extra board will be established at Helper which will protect Conductor's and Brakemen's extra work and vacancies at Helper.



UTU to UP 1/23/97

4. Zone 4 will include Caliente to Yermo, California.

Assignments (including extra board positions) in Zone 4 will be allocated 100% to the former UP - South Central.

Local Freight, Road Switcher, work trains, helper service and pilot conductor service will be allocated to the former seniority district over which it operates. Assignments which operate over both former Seniority Districts shall, at the direction of the Organization, be assigned to the appropriate prior rights district in order to equalize the equities between the districts.

Assignments allocated to the former UP - South Central will be available for the exercise of prior rights seniority by former UP - South Central employees in accordance with their prior rights to the work in, or moved to, the Zone.

Employees from the Salt Lake Hub common roster may exercise seniority to assignments in Zone 4 in accordance with their standing on the common roster and behind those who have prior rights to the assignment.

2. Pool operations:

Las Vegas to Yermo  
Las Vegas to Milford

- b. Extra Boards

The following extra boards will be established to protect assignments in Zone 4:

A road extra board will be established at Las Vegas which will protect all Conductor's vacancies other than road switchers.

A combination extra board will be established at Las Vegas which will protect all Conductor and Brakeman vacancies on the Las Vegas road switchers.

UTU to UP 1/23/97

5. Zone 5 will include yard operations at Salt Lake City, Ogden, Roper, Grand Junction and Provo.

A Working Roster shall be established for Zone 5. Positions on the Working Roster will be allocated 62%\*\* to the former UP - Idaho and 38%\*\* to the former DRGW.

Positions on the Working Roster allocated to the former UP - Idaho will be available for the exercise of prior rights seniority by former UP - Idaho employees in accordance with their prior rights to the work in, or moved to, the Zone. Positions on the Working Roster allocated to the former DRGW will be available for the exercise of prior rights seniority by former DRGW employees in accordance with their prior rights to the work in, or moved to, the Zone. Employees shall rank in seniority order on the working roster in accordance with their relative standing on the Salt Lake Hub Common Roster.

Employees from the Salt Lake Hub common roster may exercise seniority to a position on the Working Roster in accordance with their standing on the common roster and behind those who have prior rights to that position.

Assignments in Zone 5 shall be available for the exercise of seniority by employees from the Zone 5 Working Roster.

a. Terminal consolidations

Separate yard operations shall include Ogden, Grand Junction and Provo. Salt Lake City Yard and Roper Yard shall be combined into a single terminal.

b. Extra Boards

The following extra boards will be established to protect assignments in Zone 5:

Yard extra boards shall be established at Salt Lake City/Roper and Ogden. Yard Vacancies and extra work in Grand Junction and Provo will be filled from the Zone 3 extra boards at those terminals.

\*\* - Subject to change when additional data is examined.



## II. SENIORITY

To achieve the work efficiencies and allocation of forces that are necessary to make the Salt Lake Hub operate efficiently as a unified system, the following will apply:

A. Existing rights of employees to exercise seniority in the Salt Lake Hub shall be preserved. Assignments in each Zone shall be allocated as set forth in the Zone provisions of Article I.A of this agreement. An allocated assignment shall be subject to seniority choice, as follows:

First: existing employees who have prior rights to the allocated work.

Second: employees from a Salt Lake Hub Common Roster.

Employees will be treated for vacation, entry rates and payment of arbitraries as though all their time in operating service on their original railroad had been performed on the merged railroad. A protected employee on any seniority roster will be considered a protected employee on all seniority rosters. Each zone shall assign vacations to employees by craft in seniority order of the craft.

B. In addition to the seniority rights of existing employees, the Salt Lake Hub shall have a Seniority Roster for each craft (Brakemen, Conductors and Switchmen) created for all employees working in the Salt Lake Hub on \_\_\_\_\_. The new Salt Lake Hub rosters will be created as follows:

1. Existing employees placed on the new craft common rosters will be dovetailed based upon the employee's earliest retained seniority date in the craft. If any employees have identical seniority dates in the craft, seniority will be determined by the earliest employee's retained seniority in a UTU represented craft. If the earliest retained seniority date is identical, seniority will be determined by birth date.
2. Employees hired subsequent to the effective date of this agreement shall be placed on a single common road/yard Salt Lake Hub roster which will rank below each of the craft rosters set forth above. Such employees shall, when qualified, rank as Conductor/Foreman in accordance with their relative standing on the common roster.

When a class of students completes their preparatory training and examinations, their order of standing for seniority will be determined as follows:

- a. FIRST GROUP - Employees from the carrier's other crafts will be ranked highest in potential seniority in the class of trainees based on the employee's number of years of continuous service with the carrier. In the event that two employees have the same date of hire, they shall be ranked



UTU to UP 1/23/97

according to their date of birth with the senior employee ranking ahead of junior employees.

- b. SECOND GROUP - New employees will be ranked amongst themselves by their date of birth and placed behind Group 1 in seniority.

Thereafter, the first service performed by a member of said class as either a trainman or switchman will establish the common seniority date for all members of the class in the order determined by the above groups. If more than one class is prepared to mark up for service in the same Hub on the same date, all groups will be ranked in accordance with a and b above, as if they were all in the same class of students.

When a single new employee is marked up for initial service as either brakeman or switchman, he/she will establish a seniority date as of the date such initial service is performed.

NOTE: A seniority "picture" of all affected locations on the merged railroad(s) will be taken as of \_\_\_\_\_ so that all employees are identified with a Hub roster.

### III. HUB/SYSTEM BOARD

The Salt Lake Hub will be divided into Demand Number Areas (DNA). A Hub/System Board will be established for the Hub. (see attachment)

For each DNA in a hub, a number of positions on the Hub/System Board equal to the number by which the supply of active employees exceeds the demand number shall be made available for seniority choice of Hub common roster employees at that DNA. If the Company's need for employees at a DNA exceeds the demand number, the Company may bulletin fewer Hub/System Board positions and allow employees in excess of the demand number to continue working at that DNA.

The Salt Lake Hub/System Board employees may be used anywhere on the Union Pacific Lines, including within the Salt Lake Hub.

### IV. PROTECTION

A. The parties agree that all employees listed on the Salt Lake Hub common roster and all other employees working in the Salt Lake Hub and Elko at the time of implementation of this agreement will be automatically certified for wage protection which will be calculated pursuant to New York Dock provisions, with the exception that Test Period Averages shall be determined using the highest 12 individual months between and including January 1996 and the month prior to the month in which the protective period begins. Employees who earned their TPA while working under an agreement not subject to the percentage increases contained in the 1991 and/or 1996 National Agreements shall have their TPA's increased equivalent to the percentage

UTU to UP 1/23/97

increases not previously received. (Q's and A's relating to New York Dock are attached hereto)

B. Employees who are automatically certified as a result of this implementing agreement and who are not listed on the Salt Lake Hub Common Roster shall commence a new Protective Period pursuant to the implementing agreement for the Hub with which they are identified.

Employees remaining at Elko after the relocation of the Zone 1 ID pool freight assignments to Ogden, will have their TPA's calculated and such employees shall be paid the difference in earnings without filing a claim. At the time the parties meet to negotiate the merger conditions for Elko-West, the parties agree that those employees remaining at Elko who are subsequently relocated as a result of an implemented or arbitrated Elko West merger agreement, will have their protection period restarted, in line with that of other employees in the Elko West area that are certified as a result of the merger negotiations.

C. Employees who become eligible to receive compensation for moving expenses pursuant to the relocation provisions of New York Dock as modified by Article XII and XIII of the 1972 UTU National Agreement shall have the option of accepting the allowances set forth in New York Dock or a lump sum payment of \$30,000 for homeowners and \$10,000 for renters in lieu thereof. The foregoing shall also apply to employees who are automatically certified as a result of this agreement and who voluntarily follow their work to a new location. Employees who voluntarily follow their work and receive a moving allowance must not exercise seniority from the location to which moved for a period of five years from the markup date at the new location unless that employee is unable to hold a regular or extra position at that location.

D. Employees shall receive a separate Test Period Average (TPA) for their respective participation in their prior productivity fund. For any year following implementation of this agreement, including the year in which implemented, in which the employee receives less productivity fund compensation than his/her pro-fund TPA, the employee shall be compensated the difference. This entitlement shall continue subject to the moratoriums contained in the employee's prior productivity fund and may thereafter only be modified by negotiation with the General Committee having jurisdiction over that prior productivity fund. Elected full or part time union officers shall receive a pro-fund TPA equal to the average pro-fund TPA for the craft in which they hold seniority and in which they worked for the preponderance of the test period or such employee's own pro-fund TPA, whichever is greater.

E. If any other organization involved in this merger receives more generous protective conditions than those set forth herein, the more generous provisions will be offered to the UTU.

## V. IMPLEMENTATION

The Carrier shall give 30 days written notice for implementation of this agreement and the number of initial positions that will be changed in the Hub.



UTU to UP 1/23/97

**VI. SAVINGS CLAUSE**

**Health and Weifare**

**Disability insurance**

**Protective agreements**

**Siskiyou**

**Peninsula Commute**

**Coast Line**