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FD-32760 (SUB25)

4-15-98

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Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

FILE IN DOCKET

38-32760
(Sub-25)

April 15, 1998

Mr. James W. Morris
B.M.W.E. Lodge #1333
208 N. Main
Hoisington, KS 67544

Dear Mr. Morris:

Thank you for your letter regarding the implementation of the merger of the Union Pacific (UP) and Southern Pacific (SP) railroad systems. You express concern over the adverse impact that the merger has had on employees represented by the Brotherhood of Maintenance of Way Employees (BMWE) in your seniority district running between Pueblo, Colorado, and Herington, Kansas. In particular, you inquire about the labor protection imposed by the Surface Transportation Board (Board) in approving the merger.

As you know, the Board issued its decision on August 12, 1996, approving the UP/SP merger application. The Board, however, imposed a number of conditions to address harm, including harm to employees, that might otherwise result from the merger. Specifically, with regard to employees, the Board imposed the standard New York Dock conditions to protect employees affected by the merger, the line sales, and the terminal control transactions that were approved as part of the merger transaction.

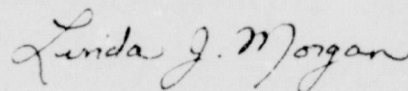
With regard to the abandonments and discontinuances authorized as part of the transaction, the Board imposed the Oregon Short Line conditions, which are similar to the New York Dock conditions. The Board noted that it imposed those conditions as a matter of consistency for those types of transactions but that all affected employees would also be covered by the New York Dock conditions imposed on the merger. While not relevant to your concerns, the Board also imposed the Norfolk and Western conditions to protect employees affected by the trackage rights authorized by its decision. Thus, the group of employees to which you refer would be protected by the New York Dock conditions if those employees have been, or subsequently are, adversely affected by the merger.

Currently pending before the Board is an appeal by BMWE of an arbitration award by Peter R. Meyers issued on October 15, 1997, pursuant to the New York Dock conditions imposed in the UP/SP merger decision. The dispute addressed in the arbitration award arose when BMWE and UP were unable to reach an implementing agreement on changes involving the selection and assignment of forces to implement the consolidation of certain maintenance-of-way

functions in the western territory of the merged system, which appears to include your geographic area. The appeal before the Board is docketed as STB Finance Docket No. 32760 (Sub-No. 25); however, the procedural schedule for handling the matter is being held up at the parties' request to allow them to pursue settlement negotiations. Because this continues to be a pending matter before the Board, it would be inappropriate for me to comment further on the case at this time.

I appreciate your concerns, and assure you that the Board remains committed to ensuring the effectiveness of the conditions imposed in approving the UP/SP merger. I am having your letter and my response made a part of the public docket for the arbitration proceeding. If you need further information, please do not hesitate to contact the Board.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

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B.M.W.F. LODGE #1333

208 N. MAIN
HOISINGTON KANSAS 67544

Home Phone: 316-653-4821

FILE IN DOCKET

Januarv 30, 1998

CHAIRPERSON LINDA MORGAN
SURFACE TRANSPORTATION BOARD
WASHINGTON DC 20423-0001

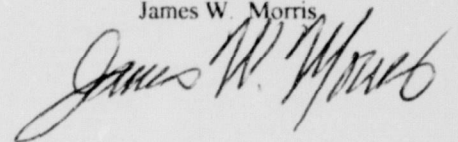
Dear CHAIRPERSON MORGAN,

I am writing this letter to you with two purposes in mind. One, to inform you and your Board of the situation that we have been placed in with regards to the approval of the UNION PACIFIC RR. and the SOUTHERN PACIFIC RR. As the local chairman for Lodge 1333 of the B.M.W.E. I represent about fifty (50) members who have been affected by this transaction. Our seniority district runs from Pueblo CO. to Herington KS. due to an implementing agreement signed into effect on 07-01-95 between the UPRR and DRGW / SPRR as the DRGW had trackage rights across this line from the 1982 UPRR and MOPACRR merger. This line was valueable to the DRGW as a central corridor connection to the Eastern markets. With the new merger UPRR does not need this central corridor line so they asked for abandonments and trackage rights discontinuations of which your Board approved. They, the UPRR, have divided this line into three parts, abandonments on both ends, and a short line RR in the middle. Did your Board grant NEW YORK DOCK protections to ALL affected employees? We have been stripped of our seniority and forced to work at jobs in other seniority districts as new employees at the bottom of these seniority rosters.

Two, to ask you what your Board can do to help us to get the fairest treatment possible as your Board is responsible for approving the merger and the direct effect the actions taken by the new RR. We feel as if our little part of the RR has dropped thru the crack. No one from either side is making much of an effort to inform us of what is taking place in the large arena that you take care of. All we ever asked for was that we could take our seniority with us and dovetail into these new seniority districts.

It would please me to hear from you in regards to what your Board is doing to oversee that the UPRR is handling these employee situations as diligently as they are handling their safety situations with the FRA.

James W. Morris



CHAIRMAN
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SURFACE TRANSPORTATION BOARD