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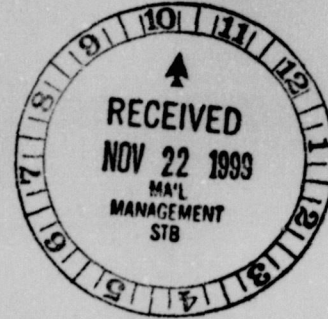
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November 20, 1999

VIA FED EX

Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

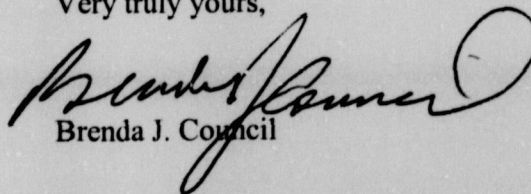
Re: Finance Docket No. 32760, Sub. No. 36
In the Matter of: Transportation•Communications International Union and
Southern Pacific Railway Lines (SSW), Union Pacific Railroad Company.

Dear Mr. Williams:

Enclosed please find the original and ten (10) copies of Union Pacific Railroad Company's Reply in Opposition to the TCU's Petition for Enforcement of an Article I, Section 11, Arbitration Award, along with the original and ten (10) copies of the Declaration of Dean Matter in support of the Reply for filing in the above-referenced matter.

If you should have any questions or require further documentation, please do not hesitate to call me.

Very truly yours,


Brenda J. Council

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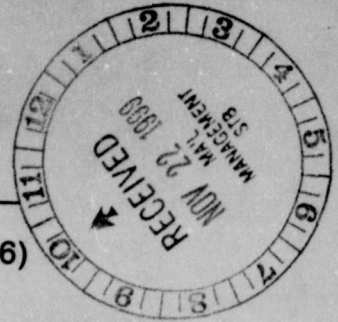
cc: Mitchell M. Kratts
General Counsel

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13602

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760 (Sub-No. 36)



UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY
-CONTROL AND MERGER-
SOUTHERN PACIFIC RAIL CORPORATION,
SOUTHERN PACIFIC TRANSPORTATION COMPANY, ST. LOUIS
SOUTHWESTERN RAILWAY COMPANY, SPCSL CORP. AND THE
DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

(Petition for Enforcement)

REPLY OF UNION PACIFIC RAILROAD COMPANY

Brenda J. Council
Kutak Rock
The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102
(402) 346-6000

Attorney for Union Pacific
Railroad Company

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REPLY OF UNION PACIFIC RAILROAD COMPANY

The Transportation Communications International Union ("TCU") has filed a petition seeking the enforcement of the New York Dock Article I, Section 11 arbitration award issued by Robert M. O'Brien on October 22, 1999 ("O'Brien Award"), and an order directing Union Pacific to cease and desist from implementing a new notice in contradiction of the O'Brien Award. Union Pacific Railroad Company ("Union Pacific" or "UP") hereby submits its reply and the Declaration of Dean Matter ("Matter Decl.") in opposition to the TCU's petition. The TCU's petition is wholly lacking in merit, and, therefore, should be summarily dismissed.

I.

INTRODUCTION

This matter involves the implementation of the coordination of operations and workforces of Union Pacific and its affiliates, and Southern Pacific Transportation Company ("Southern Pacific" or "SP") and its affiliates at the Kansas City Hub in connection with the merger of those two railroads, which was approved by the Surface Transportation Board ("STB" or "Board"). Union Pacific Corp-Control and Merger - Southern Pacific Transportation Co., STB Finance Docket No. 32760 No. 44 (served August 12, 1996). The Board approved Union Pacific's merger with the Southern Pacific subject to the New York Dock¹ employee protective conditions.

Pursuant to the requirements of Article I, Section 4, of the New York Dock conditions, Union Pacific served notice to the TCU by letter dated September 16, 1996, of its intent to consolidate clerical forces throughout the merged Union Pacific -

¹New York Doc. Ry. - Control - Brooklyn Eastern Dist., 360 I.C.C. 60, 84-90 (1979) (New York Dock), aff'd sub nom., New York Dock Ry. v. United States, 609 F.2d 83 (2d Cir. 1979).

Southern Pacific system. (Matter Decl. ¶ 2). Negotiations commenced immediately, and Union Pacific and the TCU executed a master New York Dock implementing agreement on December 18, 1996 – Implementing Agreement No. 217 (“NYD-217”) – that established the procedures to “cover the general rearrangement and selection of [clerical] forces in connection with the consolidation of functions throughout the UP and the SP.” (Matter Decl. ¶¶ 2 and 3, Ex. A, p.1). The rearrangement was expected “to be implemented in several stages.” (Matter Decl., Ex. A, p.1). Thus, Article II, Transactions, of NYD-217, requires Union Pacific to give notice to the TCU of the plans to consolidate and rearrange clerical work and positions at various locations throughout UP and SP. (Matter Decl., Ex. A, p.3). Since December 31, 1996, Union Pacific has served over 130 notices pursuant to Article II of NYD-217, which have resulted in the consolidation of SP clerical work throughout the merged system with similar work being performed by UP clerical employees. (TCU Ex.1, p.4).

On June 11, 1998, as it had done so many times over the previous one and one-half years in order to realize the operational economies and efficiencies contemplated in the STB's August 6, 1996, order approving the UP-SP merger, Union Pacific served a notice to the TCU under NYD-217, Article II, to consolidate all clerical work associated with the Southern Pacific facility at Kansas City, Kansas (“Armourdale Yard”), with that of the Union Pacific facility in Kansas City, Missouri (“Neff Yard”), under the Union Pacific collective bargaining agreement. By letter dated June 24, 1998, Union Pacific amended the notice of June 11, 1998, (collectively “June Notice”). (Matter Decl. ¶ 5, Ex. B). Union Pacific served the June Notice in light of the fact that it had entered into New York Dock implementing agreements with the labor organizations representing its non-

operating crafts and had commenced negotiations with the labor organizations representing its operating crafts to consolidate forces in order to create a "hub" operation at Kansas City ("Kansas City Hub."). (Matter Decl. ¶¶ 4 and 8). Specifically, Union Pacific negotiated implementing agreements with the United Transportation Union ("UTU") and the Brotherhood of Locomotive Engineers ("BLE") for the Kansas City Hub, which provided for the placement of train and engine crews under a single Union Pacific collective bargaining agreement, respectively. (Matter Decl. ¶ 8). Prior to the STB's approval of the UP-SP merger, Union Pacific train and engine crews operated out of the Neff Yard and Southern Pacific crews operated out of the Armourdale Yard. (Matter Decl. ¶ 4). Under the BLE and UTU Kansas City Hub implementing agreements, Union Pacific was able to change reporting points so that UP and SP train and engine crews could go on duty at any location and receive/leave their trains at any location within the Kansas City Hub. As a result, bulletins were issued changing the reporting points for former SP crews from the Armourdale Yard to the Neff Yard. (Matter Decl. ¶ 8).

After Union Pacific served the June Notice, a dispute arose as to its appropriateness and whether it was in accord with the spirit and intent of NYD-217. By letter dated September 11, 1998, Union Pacific advised the TCU of its disagreement with their characterization of the June Notice, yet it was willing to submit the issue to arbitration. (Matter Decl. ¶ 6, Ex. C; TCU Ex. 4). An arbitration committee was established, pursuant to Article I, Section 11, of the New York Dock conditions, to resolve the dispute regarding the June Notice. The parties selected Robert M. O'Brien

to serve as chairman and neutral member of the arbitration committee. (Matter Decl. ¶ 7).

The parties submitted extensive evidence and arguments in support of their respective positions in pre-hearing submissions. The arbitration hearing was held on January 6, 1999, in Boston, Massachusetts. (TCU Ex. 1, p. 7).

The June Notice covered all clerical employees at Union Pacific and Southern Pacific facilities in the Kansas City Hub and, as with all of the previous notices issued under Article II of NYD-217, provided for Union Pacific's selection of the applicable collective bargaining argument to cover the consolidated clerical forces – which in this case was the Union Pacific collective bargaining agreement. (Matter Decl. ¶ 5, Ex. B). The TCU, contended that the June Notice was deficient as to the covered clerical functions, with the exception of crew hauling work. The TCU further asserted that Union Pacific did not have the right under NYD-217 to select the collective bargaining agreement and, in the absence of such right, certain provisions of the Southern Pacific collective bargaining agreement should be preserved, i.e., rates of pay, subcontracting provisions, and guaranteed extra board rules. Union Pacific maintained that the June Notice was validly issued and it had the right under NYD-217 to select the collective bargaining argument. (Matter Decl. ¶ 9).

On March 25, 1999, Arbitrator O'Brien issued his proposed decision ("Proposed O'Brien Award"). (TCU Ex. 5). Arbitrator O'Brien found that the June Notice lacked the specificity mandated by Article II of NYD-217 but, nevertheless, found that the June Notice did involve a transaction with respect to crew hauling work (Matter Decl. ¶ 10; TCU Ex. 5, p.11). Rejecting Union Pacific's contention that NYD-217 gave it the

unrestricted right to place the affected clerical employees under the UP collective bargaining agreement, Arbitrator O'Brien crafted an agreement to apply to the clerical forces performing crew hauling work at Kansas City. He directed that the UP collective bargaining agreement be modified to include the rates of pay, prohibition against subcontracting and guaranteed extra board rules from the SP collective bargaining agreement. (Matter Decl.¶ 10; TCU Ex. 5, p.21).

Upon receipt and review of the Proposed O'Brien Award, Union Pacific requested an executive session. (Matter Decl.¶ 11) The executive session was scheduled to be held on June 2, 1999. Meanwhile, Union Pacific determined that it would not be practical to proceed with the coordination of only part of the clerical functions covered by the June Notice. Therefore, by letter dated May 18, 1999, Union Pacific notified the TCU and Arbitrator O'Brien of its election to exercise its right under the terms of the September 11, 1998, letter to cancel the June Notice. (Matter Decl.¶ 11, Ex. D). Union Pacific took the position that with the cancellation of the June Notice, the questions at issue before the arbitrator were mooted, and that it was neither necessary nor appropriate to issue a final award. (Matter Decl.¶ 11).

The TCU took exception to Union Pacific's position that cancellation of the June Notice rendered moot the dispute giving rise to the Proposed O'Brien Award and requested an opportunity to be heard on the issue. The parties agreed to proceed with the executive session scheduled for June 2, 1999, for the sole purpose of discussing the mootness question. (Matter Decl.¶ 12). After considering the parties' arguments during the executive session and the parties' post-session written submissions, Arbitrator O'Brien advised by letter dated August 25, 1999, that while Union Pacific

indisputably had reserved the right to cancel the June Notice, it was his opinion that Union Pacific's exercise of that right did not render the matter moot. He forwarded a signed copy of the Proposed O'Brien Award, but expressly left open the opportunity for another executive session. (Matter Decl.¶ 13, Ex. E).

After failing to reach Arbitrator O'Brien by telephone, Union Pacific sent a letter dated September 3, 1999, requesting an executive session to discuss the terms of the Proposed O'Brien Award. (Matter Decl.¶ 15). Concurrent with its effort to request an executive session, Union Pacific served notices to the TCU dated August 30, 1999, of the intent to abolish twelve clerical positions at the Armourdale Yard and absorb the remaining work with the remaining clerical forces at Armourdale ("August Notice"). (Matter Decl.¶ 14, Ex. F; TCU Ex.8).

On the same day Union Pacific served the August Notice, the TCU voiced its objection on the ground that the August Notice lacked the specificity required by Article II of NYD-217. (TCU Ex.9). By letter dated September 3, 1999, the TCU registered another objection to the August Notice and demanded compliance with the finding in the Proposed O'Brien Award that the application of the UP collective bargaining agreement, as modified by the three SP agreement rules, apply to the work covered by the August Notice. (Matter Decl.¶ 15; TCU Ex. 10). Union Pacific responded on September 8, 1999, by reminding the TCU that the Proposed O'Brien Award was not in effect because Arbitrator O'Brien had invited requests for an executive session and, in fact, Union Pacific had requested such an executive session. Union Pacific also noted its disagreement with the TCU's interpretation of the Proposed O'Brien Award relative to the August Notice. Finally, Union Pacific directed TCU's attention to the fact that the

August Notice would not take effect for sixty (60) days. (Matter Decl.¶ 16, Ex.G; TCU Ex.11).

In response to Union Pacific's request, an executive session was held with Arbitrator O'Brien on October 15, 1999, in Boston, Massachusetts. Union Pacific urged Arbitrator O'Brien to reconsider his finding that the June Notice was deficient as to some, but not all, of the clerical positions set forth therein. Union Pacific also urged Arbitrator O'Brien to select either the Union Pacific or Southern Pacific collective bargaining agreement to govern the work found to be consolidated rather than engage in "cherry picking." (Matter Decl.¶ 17).

The O'Brien Award was issued on October 22, 1999. (Matter Decl.¶ 18; TCU Ex.1). Arbitrator O'Brien did not alter his proposed finding relative to the June Notice contemplating a transaction with respect only to crew hauling work. However, he did modify his finding relative to the collective bargaining agreement to cover the crew hauling work. The O'Brien Award provides that the SP collective bargaining agreement, in its entirety, will apply to the clerical employees involved in crew hauling work in the Kansas City Hub. (Matter Decl.¶ 18;TCU Ex.1, p.22).

Union Pacific received the O'Brien Award via express mail on Saturday, October 23, 1999. (Matter Decl. ¶ 9). It was delivered to Union Pacific's Labor Relations Department on Monday, October 25, 1999. Upon receipt of the O'Brien Award, Dean Matter forwarded it to various officials of Union Pacific with a memorandum advising that the award required that crew hauling work at Kansas City be placed under the Southern Pacific collective bargaining agreement. (Matter Decl. ¶ 9, Ex.H).

Before Union Pacific could take any further action with respect to the O'Brien Award, it received a copy of the TCU's Petition for Enforcement filed with the STB on October 26, 1999. By letter dated October 27, 1999, Union Pacific advised the STB and the TCU of the postponement of the effective date of the August Notice for a period of thirty (30) days.

II.

ARGUMENT

A. The TCU's Petition for Enforcement is Based on Speculation

The TCU asserts that it is seeking the enforcement of an "arbitration award recently issued under Article I, Section 11, of the New York Dock conditions." (Emphasis added) (TCU Pet., p.1) However, a more accurate description of the timing of the TCU's petition and the issuance of the O'Brien Award is "contemporaneous." The O'Brien Award had barely crossed Union Pacific's palm when it received the TCU's petition for enforcement.

More significant is the fact that the application of the O'Brien Award is prospective in nature. The O'Brien Award addresses a dispute regarding the June Notice. Union Pacific notified the TCU and Arbitrator O'Brien of the cancellation of the June Notice on May 18, 1999. (Matter Decl. ¶ 11, Ex. D). Despite his acknowledgement of the fact that Union Pacific had the unfettered right to cancel the June Notice at any time, Arbitrator O'Brien rejected Union Pacific's argument that the matter was moot and decided to issue an award. (Matter Decl. ¶ 13, Ex. E; TCU Ex. 7). In reaching this conclusion, Arbitrator O'Brien reasoned that his award "may offer some guidance to help resolve" many of the issues addressed in the award "[I]f the Carrier exercises this

prerogative" to issue a new notice to consolidate clerical forces and work in the Kansas City Hub. (Emphasis added) (Matter Dec.,D;TCU Ex. 7). Thus, the question of Union Pacific's compliance with the O'Brien Award can only be answered in the context of a challenge to a notice served under NYD-217 after October 22, 1999. Union Pacific has not served a notice to consolidate or rearrange any clerical forces or work in the Kansas City Hub since the issuance of the O'Brien Award. Thus, the TCU's petition to enforce the O'Brien Award is premature and must be dismissed.

B. Union Pacific Did Not Violate the O'Brien Award by Issuing the August Notice.

Union Pacific flatly denies the allegation that the August Notice violates the O'Brien Award. The TCU does not dispute that the August Notice was issued prior to the issuance of the O'Brien Award, in accordance with the right Union Pacific reserved in the letter of September 11, 1998, to cancel the June Notice and issue new notices in the event of changed circumstances. It is well settled that an arbitration award is of no force or effect until issued. The O'Brien Award most certainly was of no effect prior to October 22, 1999, particularly since the provisions relative to the applicable collective bargaining agreement are materially different from those in the Proposed O'Brien Award. For that reason, Union Pacific was under no obligation to comply with the provisions of the O'Brien Award with respect to the August Notice.

1. The August Notice is Consistent with the O'Brien Award.

Even if the O'Brien Award was deemed to have retroactive application, which it can not, the August Notice does not contravene that award. Arbitrator O'Brien found that Article II of NYD-217 requires "a detailed plan by location of the transactions to take place and distribution of the remaining work." (TCU Ex. 1, p.10). The types of

transactions contemplated by Article II of NYD-217 are those involving "the transfer of work or the abolishment of jobs." (Emphasis added) (Matter Decl., Ex. A, p.3). The transaction described in the June Notice involved the elimination of twenty-one (21) clerical positions at the Armourdale Yard and the transfer of all of the work to positions to be established under the UP collective bargaining agreement. (Matter Decl., Ex. B). In contrast, the transaction described in the August Notice involved the abolishment of twelve (12) clerical positions in the Armourdale Yard: there were no jobs being created or transferred. Accordingly, Article II of NYD-217 and, for that matter, the O'Brien Award required only that Union Pacific provide the TCU a list of the jobs to be abolished, the incumbents, and the disposition of the remaining work, as required by NYD-217, Article II. (Matter Decl., Ex. A, p. 3; TCU Ex. 1, p. 10). The August Notice clearly satisfies that requirement. (Matter Decl., Ex. H).

Moreover, the August Notice, unlike the June Notice, does not provide for the application of the UP collective bargaining agreement to the clerical forces remaining at the Armourdale Yard. Instead, the August Notice merely states that "the remaining duties and responsibilities of these positions will be absorbed by remaining clerical forces at Armourdale Yard." (Matter Decl., Ex.H). The clerical forces at Armourdale Yard are subject to the SP collective bargaining agreement. Since the August Notice, by its terms, does not involve a transfer of work or the application of the UP collective bargaining agreement to clerical employees involved in crew hauling work at the Armourdale Yard, it does not violate the O'Brien Award.

Thus, there is absolutely no merit to the TCU's contention that Union Pacific violated the O'Brien Award by issuing the August Notice.

2. The August Notice is of No Force or Effect.

The August Notice was issued as a result of the dramatic changes in the operations in the Kansas City Hub associated with the implementation of the agreements with the UTU and the BLE. When Union Pacific issued a bulletin in July 1999, changing the on and off duty point to the Neff Yard for train and engine crews working in and out of Kansas City from Herington, Kansas, the clerical work in the Armourdale Yard virtually disappeared. (Matter Decl.¶ 24). Since there had not been a consolidation or rearrangement of clerical forces in accordance with NYD-217 that would have permitted Union Pacific to assign Armourdale Yard clerical employees to perform duties in Neff Yard, Union Pacific simply began paying certain Armourdale Yard clerical employees their regular wages under the SP collective bargaining agreement, but did not require them to report to work. (Matter Decl.¶ 24). Rather than continue this practice, Union Pacific served the August Notice. The twelve (12) clerical employees affected by the August Notice are entitled to receive the New York Dock labor protective benefits as well as any other protective benefits provided under NY-217.

The August Notice was to take effect on October 29, 1999. Upon receipt of the TCU's petition herein, Union Pacific notified the TCU and the STB of the postponement of the effective date of the August Notice for a period of thirty (30) days. As clearly demonstrated above, the August Notice does not violate the O'Brien Award. In fact, the August Notice is not inconsistent with the O'Brien Award's requirement that the SP collective bargaining agreement apply to the ultimate consolidation and rearrangement of the clerical forces performing crew hauling work in the Kansas City Hub. Nevertheless, to remove any doubt that the eventual consolidation and rearrangement

of the clerical forces performing crew hauling work in the Kansas City Hub will be accomplished in accordance with the O'Brien Award, Union Pacific served notice of cancellation of the August Notice on November 13, 1999. (Matter Decl., Ex. I).

Consequently, there is no reason for the Board to grant the TCU's request to issue any order with respect to the August Notice.

C. Union Pacific Has Not Consolidated Crew Hauling Work in the Kansas City Hub.

Union Pacific has not consolidated crew hauling work in the Kansas City Hub under the UP collective bargaining agreement, as alleged by the TCU. Quite to the contrary, Union Pacific has maintained the status quo with respect to clerical employees involved in crew hauling work in the Kansas City Hub. Union Pacific has neither transferred nor commingled clerical forces who perform crew hauling work at Neff Yard and Armourdale Yard. (Matter Decl.¶ 22). Clerical employees assigned to the Armourdale Yard remain subject to the SP collective bargaining agreement while clerical employees assigned to the Neff Yard remain subject to the UP collective bargaining agreement. As a result, the rates of pay and subcontracting provisions of the UP collective bargaining agreement apply to clerical employees performing crew hauling work in Neff Yard and the rates of pay and subcontracting restrictions of the SP collective bargaining agreement apply to employees performing crew hauling work in the Armourdale Yard. (Matter Decl.¶ 22).

It was no secret that Union Pacific had entered into agreements with the UTU and the BLE, pursuant to Article I, Section 4 of the New York Dock conditions, which provided for the placement of all train and engine crews under a UP collective bargaining agreement and permitted Union Pacific to change the reporting points for

train and engine crews from the Armourdale Yard to the Neff Yard commencing January 1, 1999. (Matter Decl. ¶ 8:TCU Pet., p.6). (See, also, Carrier's Submission in the arbitration, pp. 7-9). In the absence of a consolidation or rearrangement of clerical forces performing crew hauling work pursuant to NYD-217, the question of whether or which clerical employees have the right to transport train and engine crews to and from their new reporting points under the duly negotiated New York Dock implementing agreements with the UTU and the BLE is a matter for resolution under the contractual grievance procedures and the mandatory arbitration procedures set forth in Section 3 of the Railway Labor Act, which the TCU has actively pursued. (Matter Decl. ¶ 3). To argue that Union Pacific could not proceed to implement the Kansas City Hub with respect to the consolidation of train and crews is to suggest that New York Dock arbitration with one craft serves as a bar to the implementation of duly negotiated New York Dock agreements with other crafts. There is absolutely no authority for this proposition.

Inasmuch as there has not been a consolidation of crew hauling work in the Kansas City Hub, and there is no notice outstanding to which the O'Brien Award would have any application, there is no basis for the Board to issue an order directing Union Pacific to cease and desist from honoring the wage and subcontracting provisions of a valid collective bargaining agreement.

D. There is No Basis to Entertain the TCU's Request to Consider the Reasoning in the O'Brien Award or to Issue a Cease and Desist Order.

There absolutely is no basis under the Board's Lace Curtain standards to review the merits of O'Brien Award. First, the TCU has not properly invoked the Board's jurisdiction to review the O'Brien Award. The TCU has filed a petition for enforcement

of the O'Brien Award as opposed to an appeal. Inherent in the TCU's request for enforcement is its acceptance of the arbitrator's decision. By petitioning for enforcement of the O'Brien Award, the TCU has waived any right to the Board's review.

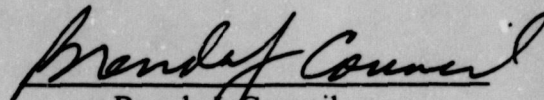
Second, Union Pacific has not petitioned to review the O'Brien Award. Rather, Union Pacific has cancelled the August Notice and advised that any future notice served to consolidate or rearrange clerical forces performing crew hauling work in the Kansas City Hub will comply with the O'Brien Award. (Matter Decl. ¶¶ 25,26). As the TCU so aptly notes in its petition, arbitration awards that are not effectively appealed "shall become the action of the Board." 49 C.F.R. § 1115.2. Accordingly, the Board should deny the TCU's request to issue any order with respect to the merits of the O'Brien Award.

Finally, the TCU has failed to show any necessity for the Board to issue an order to preserve its jurisdiction and authority to interpret and enforce the New York Dock conditions with respect to any notices issued under NYD-217 to consolidate clerical forces at Kansas City. (TCU Pet., p. 13). Both the June and August Notices have been cancelled. The TCU assented to Union Pacific's reservation of the right to issue new notices to consolidate clerical functions in the Kansas City Hub. In the event Union Pacific exercises that right, it agreed that any such consolidation or rearrangement, "if necessary, would not be implemented until after a decision rendered by the arbitrator." (Matter Decl., Ex. C). Thus, the Board's authority will not be harmed by refusing to issue the order requested by the TCU.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Reply of Union Pacific in Opposition to Petitioners' Petition for Enforcement was served this 20th day of November, 1999, by overnight express mail, postage prepaid, upon the following:

Mitchell M. Krause
General Counsel
Transportation Communications
International Union
3 Research Place
Rockville, Maryland 20850


Brenda J. Council

III.

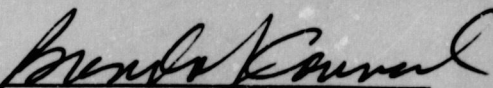
CONCLUSION

Union Pacific has not violated the O'Brien Award. Moreover, Union Pacific categorically denies that it has engaged in any conduct to circumvent Arbitrator O'Brien's authority. The evidence undeniably establishes that Union Pacific has done nothing more than exercise its rights under duly negotiated New York Dock agreements and the letter of September 11, 1998

In view of the fact that Union Pacific has not violated the O'Brien Award and has taken the necessary steps to hereafter comply with the award, including the cancellation of the August Notice, the TCU's petition should be summarily dismissed.

Dated: November 20, 1999

Respectfully submitted,

By 

Brenda J. Council
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The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102
(402) 346-6000

ATTORNEY FOR UNION
PACIFIC RAILROAD COMPANY

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 32760 (Sub-No. 36)

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY
-CONTROL AND MERGER-
SOUTHERN PACIFIC RAIL CORPORATION,
SOUTHERN PACIFIC TRANSPORTATION COMPANY, ST. LOUIS
SOUTHWESTERN RAILWAY COMPANY, SPCSL CORP. AND THE
DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

(Petition for Enforcement)

DECLARATION OF DEAN MATTER

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1650 Farnam Street
Omaha, Nebraska 68102
(402) 346-6000

Attorney for Union Pacific
Railroad Company

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DECLARATION OF DEAN MATTER

I, Dean Matter, pursuant to 28 U.S.C. Section 1746, declare the facts stated herein are known to me to be true, based on my personal knowledge or on information received in the ordinary course of the discharge of my employment responsibilities.

1. My name is Dean Matter. I am currently employed by Union Pacific Railroad Company ("Union Pacific") in its Labor Relations Department as General Director Labor Relations TCU. I have held this position since January of 1991. My service in the railroad industry began in May of 1967 with Union Pacific as a Switchman/Brakeman. I held various positions in the Operating Department of Union Pacific from that time until 1974 when I became employed in the Labor Relations/Personnel Department, including: Manager, Labor Relations TCU; Assistant Director TCU; and Director TCU. In my position as General Director Labor Relations TCU, I am responsible for the negotiation and implementation of agreements with the Transportation Communications Union ("TCU") for the entire Union Pacific system.

2. Pursuant to the requirements of Article I, Section 4, of the New York Dock conditions, Union Pacific served notice to the TCU of its intent to consolidate clerical forces throughout the merged Union Pacific-Southern Pacific system. Negotiations commenced immediately; and Union Pacific and the TCU executed a master New York Dock implementing agreement on December 18, 1996 – Implementing Agreement No. 217 ("NYD-217"). A true and correct copy of NYD-217 is attached hereto as Exhibit A.

3. NYD-217 was "made to cover the general rearrangement and selection of [clerical] forces in connection with the consolidation and rearrangement of functions throughout the UP and the SP." The rearrangement was expected "to be implemented in several stages." The procedure for implementing rearrangements under NYD-217 is set forth in Article II – Transactions.

4. One such stage of the merger of Union Pacific and Southern Pacific was the consolidation of operations in Kansas City. Prior to the STB's approval of the merger, Union Pacific train crews operated out of the Neff Yard in Kansas City, Missouri, and Southern Pacific train crews operated out of the Armourdale Yard in Kansas City, Kansas. The merger operating plan approved by the STB provided for the creation of a "hub" operation at Kansas City ("Kansas City Hub"). The "hub" arrangement required that all employees within the "hub," as well as all road operations into and out of the "hub," be subject to one collective bargaining agreement.

5. In connection with the creation of the Kansas City Hub, Union Pacific served notice to the TCU dated June 11, 1998, pursuant to Article II of NYD-217, not Article I, Section 4, of the New York Dock conditions, to consolidate all clerical work associated with the Southern Pacific facility at Kansas City, Kansas ("Armourdale Yard"), with that of the Union Pacific facility in Kansas City, Missouri ("Neff Yard"). By letter dated June 24, 1998, Union Pacific amended the notice of June 11, 1998 (collectively "June Notice"). A true and correct copy of the June Notice is attached hereto as Exhibit B.

6. By letter dated July 30, 1998, the TCU advised of its objection to the June Notice, demanded that the matter be arbitrated, and requested that the June

Notice not be effectuated until a decision was rendered in arbitration. In a letter dated September 11, 1998, I advised the TCU that Union Pacific did not agree with its position on the Notice, but I was willing to submit the issue to arbitration. A true and correct copy of the September 11, 1998, letter is attached hereto as Exhibit C. I expressly conditioned my agreement to delay implementation upon the reservation of Union Pacific's right, in the event of changed circumstances, to cancel the June Notice at any time prior to or after the issuance of an arbitration award and to issue a new notice, which, if necessary, would not be implemented until after a decision rendered by the arbitrator.

7. An arbitration committee was established, pursuant to Article I, Section 11, of the New York Dock conditions, to resolve the dispute regarding the June Notice. Robert M. O'Brien was selected by the parties as the chairman and neutral member of the arbitration committee, and a hearing was scheduled on January 6, 1999, in Boston, Massachusetts.

8. In the meantime, Union Pacific negotiated agreements with the United Transportation Union ("UTU") and the Brotherhood of Locomotive Engineers ("BLE"), pursuant to Article I, Section 4 of the New York Dock conditions, for the implementation of the Kansas City Hub. Union Pacific had previously negotiated and/or arbitrated agreements with the labor organizations representing its non-operating craft employees for the implementation of the Kansas City Hub, effective January 1, 1998. The implementing agreements with the BLE and the UTU were effective January 16, 1999. These implementing agreements provide for the placement of all train and engine crews under a Union Pacific collective bargaining agreement, respectively. The

BLE and the UTU implementing agreements also permit Union Pacific to change reporting points for train and engine crews within the Kansas City Hub. Accordingly, Union Pacific began issuing bulletins changing the reporting points for former Southern Pacific train crews from the Armourdale Yard to the Neff Yard prior to the issuance of any arbitration decision on the June Notice.

9. In its pre-hearing submissions and during the arbitration hearing on January 6, 1999, the TCU, contended that the June Notice was deficient as to the covered clerical functions, with the exception of crew hauling. The TCU also asserted that Union Pacific did not have the right under NYD-217 to select the collective bargaining agreement and, in the absence of such right, certain provisions of the SP collective bargaining agreement, i.e., rates of pay, subcontracting provisions, and guaranteed extra board rules, should be preserved. I argued that the June Notice was validly issued, and that Union Pacific had the right under NYD-217 to select the collective bargaining agreement, as I had done on more than 130 previous occasions.

10. On March 25, 1999, Arbitrator O'Brien issued his proposed decision ("Proposed O'Brien Award"). Arbitrator O'Brien found that the June Notice lacked the specificity mandated by Article II of NYD-217. Nevertheless, he found that the June Notice did involve a transaction with respect to crew hauling work. Arbitrator O'Brien rejected my contention that NYD-217 gave Union Pacific the unrestricted right to place the affected clerical employees under the UP collective bargaining agreement. He then proceeded to craft an agreement to apply to the clerical forces performing crew hauling work at the Kansas City Hub by modifying the UP collective bargaining agreement to

incorporate the rates of pay, prohibition against subcontracting and guaranteed extra board rules from the SP collective bargaining agreement.

11. Upon receipt and review of the Proposed O'Brien Award, I requested an executive session. Due to conflicts in schedules, the executive session was scheduled to be held on June 2, 1999. Subsequent to my request for an executive session, Union Pacific determined that it would not be practical to proceed with the coordination of only part of the clerical functions covered by the June Notice. Therefore, by letter dated May 18, 1999, I notified the TCU and Arbitrator O'Brien of Union Pacific's election to exercise the right it reserved in my letter of September 11, 1998, to cancel the June Notice. I further advised that with the cancellation of the June Notice, the issue before Arbitrator was moot and, therefore, it was neither necessary nor appropriate to issue the Proposed O'Brien Award as a final award. A true and correct copy of the letter dated May 18, 1999, is attached hereto as Exhibit D.

12. The TCU took exception to our position that cancellation of the June Notice rendered moot the dispute giving rise to the Proposed O'Brien Award and requested an opportunity to be heard on the issue. It was agreed that the parties would proceed with the executive session scheduled for June 2, 1999, for the sole purpose of discussing the mootness question.

13. After considering the parties' arguments during the executive session and the parties' post-session written submissions, Arbitrator O'Brien advised by letter dated August 25, 1999, that Union Pacific indeed had reserved the right to cancel the June Notice. However, it was his opinion that our exercise of that right did not render the issue regarding the June Notice moot. Therefore, he forwarded a signed

copy of the Proposed O'Brien Award, but left open the opportunity for another executive session. A true and correct copy of the August 25, 1999, letter (without the attachment) is attached hereto as Exhibit E.

14. I attempted to reach Arbitrator O'Brien by telephone on August 30, 1999, the day I received his letter of August 25, 1999. Also, on August 30, 1999, I served notices to the TCU of the intent to abolish twelve (12) clerical positions at Armourdale Yard and absorb the remaining work with the remaining clerical forces at Armourdale ("August Notice"). A true and correct copy of the August Notice is attached hereto as Exhibit F. The TCU voiced its objection to the August Notice by letter of the same date. The TCU claimed that the August Notice did not contain the specificity required by NYD-217.

15. After several unsuccessful attempts to reach Arbitrator O'Brien by telephone, I sent a letter dated September 3, 1999, requesting an executive session to discuss the terms of the Proposed O'Brien Award. On that same date, the TCU registered another objection to the August Notice; demanding compliance with the finding in the Proposed O'Brien Award that the UP collective bargaining agreement, as modified by the three SP agreement rules, apply to the work covered by the August Notice.

16. I responded to the letter of September 3, 1999, by reminding the TCU that the Proposed O'Brien Award was not in effect because Arbitrator O'Brien had invited requests for an executive session and I had, in fact, requested such an executive session. I also noted my disagreement with the TCU's interpretation of the Proposed O'Brien Award relative to the August Notice. Finally, I directed TCU's attention to the

fact that the August Notice would not take effect for sixty (60) days. A true and correct copy of my response dated September 8, 1999, is attached hereto as Exhibit G.

17. In response to my request, an executive session was held with Arbitrator O'Brien on October 15, 1999, in Boston, Massachusetts. Counsel for Union Pacific urged Arbitrator O'Brien to reconsider his finding that the June Notice was deficient as to some, but not all, of the clerical positions set forth therein. She also urged Arbitrator O'Brien to select either the UP or SP collective bargaining agreement to govern the clerical work found to be consolidated rather than engage in "cherry picking."

18. Arbitrator O'Brien issued his final decision on this matter on October 22, 1999 ("O'Brien Award"). Arbitrator O'Brien did not alter his proposed finding relative to the June Notice contemplating a transaction with respect only to crew hauling work. However, he did modify his finding relative to the collective bargaining agreement to cover the crew hauling work. The O'Brien Award provides that the SP collective bargaining agreement will apply to clerical employees involved in crew hauling work in the Kansas City Hub.

19. Union Pacific received the O'Brien Award via express mail on Saturday, October 23, 1999. The O'Brien Award was delivered to my office on Monday, October 25, 1999. Upon receipt of the O'Brien Award, I forwarded copies to certain Union Pacific officials with a memorandum dated October 26, 1999, advising that the award required that the crew hauling work in the Kansas City Hub be placed under the SP collective bargaining agreement. A true and correct copy of my memorandum dated October 26, 1999, is attached hereto as Exhibit H.

20. On the afternoon of October 26, 1999, Union Pacific's legal counsel provided me with a copy of the TCU's petition to the STB for enforcement of the O'Brien Award, which she had received from the TCU's legal counsel via facsimile transmission. In response to the TCU's petition, Union Pacific advised the Surface Transportation Board ("STB"), by letter dated October 27, 1999, with copy to the TCU, of the postponement of the effective date of the August Notice for a period of thirty days.

21. Union Pacific categorically denies that it has violated the O'Brien Award. The only action Union Pacific took between the time it received the O'Brien Award and the TCU's filing of its petition with the STB was to advise its officials of the requirements for compliance with the award. Union Pacific had no opportunity to either implement or violate the O'Brien Award.

22. Union Pacific did not consolidate crew hauling work at the Kansas City Hub prior to the issuance of the O'Brien Award. Quite to the contrary, Union Pacific maintained the status quo. Union Pacific did not transfer any clerical forces between the Neff Yard and the Armourdale Yard. The crew hauling function at the Neff Yard remained subject to the UP collective bargaining agreement, while the crew hauling function at Armourdale remained subject to the SP collective bargaining agreement. Accordingly, clerical employees assigned to the Neff Yard received the rate of pay specified in the UP collective bargaining agreement and clerical employees assigned to the Armourdale Yard received the rate of pay specified in the SP collective bargaining agreement.

23. Under the foregoing circumstances, any dispute as to whether or which clerical employees had the right to transport train crews to or from the

Armourdale Yard after the implementation of the duly negotiated New York Dock agreements with the UTU and the BLE involved the interpretation and application of the scope provisions of the respective TCU collective bargaining agreements. Such disputes are required to be handled under the contractual grievance procedures and the mandatory arbitration procedures set forth in Section 3 of the Railway Labor Act. In fact, the TCU has handled the claims and grievances that have been filed by clerical employees in the Kansas City Hub over the alleged violations of the scope rules since the change in reporting points for the train and engine crews. Thus, there is absolutely no merit to the TCU's allegation that Union Pacific implemented the consolidation of crew hauling work under the UP collective bargaining agreement prior to the issuance of the O'Brien Award.

24. The August Notice did not violate the O'Brien Award. Both the TCU and Arbitrator O'Brien acknowledge that Union Pacific had expressly reserved the right to cancel the Notice and issue new notices under NYD-217 with respect to the consolidation of clerical forces in the Kansas City Hub. Unquestionably, the operations in the Kansas City Hub changed dramatically between the June Notice and the August Notice. Most of the consolidated train and engine crews were now reporting for duty in the Neff Yard as opposed to the Armourdale Yard. When Union Pacific issued a bulletin in July 1999, changing the on and off duty point to the Neff Yard for train and engine crews working in and out of Kansas City from Herington, Kansas, the clerical work in the Armourdale Yard virtually disappeared. In fact, Union Pacific began paying the clerks assigned to the Armourdale Yard their regular wages under the SP collective bargaining agreement, but not requiring them to report to work. Finally, the decision was made to

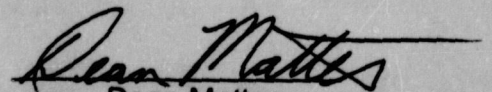
serve the August 30 Notice to abolish the surplus clerical positions at the Armourdale Yard.

25. The August Notice conforms to the requirements of Article II of NYD-217 as well as the O'Brien Award. The August Notice lists the jobs to be abolished, the incumbents and the disposition of the remaining work. Unlike the June Notice, the August Notice does not provide for the placement of any employees affected by that transaction under the UP collective bargaining agreement. Rather, the remaining work is to be absorbed by the remaining clerical forces at the Armourdale Yard, who are subject to the SP collective bargaining agreement.

26. Union Pacific will comply with the O'Brien Award. In order to remove any doubt as to whether the August Notice complies with the O'Brien Award, I issued a notice to the TCU of the cancellation of the August Notice. A true and correct copy of my letter to the TCU dated November 13, 1999, canceling the August Notice dated August 30, 1999, is attached hereto as Exhibit I. Any notice Union Pacific may hereafter serve to consolidate or rearrange clerical forces performing crew hauling work in the Kansas City Hub will provide for the application of the SP collective bargaining agreement in accordance with the O'Brien Award.

27. Since Union Pacific has not violated the O'Brien Award, and has given assurances that it will comply with the O'Brien Award, the TCU's petition should be summarily dismissed.

Dated this 18th day of November, 1999.


Dean Matter

**“EXHIBITS
TO
DECLARATION
OF
DEAN MATTER”**

A

IMPLEMENTING AGREEMENT NO. NYD-217

BETWEEN

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

AND

**ALLIED SERVICES DIVISION/TCU
TRANSPORTATION COMMUNICATIONS UNION**

WHEREAS, Union Pacific Railroad Company (UP) petitioned the Interstate Commerce Commission (now the Surface Transportation Board [STB]) to merge with Southern Pacific Transportation Company (SP) and consolidate operations, and

WHEREAS, the STB granted merger of the UP and SP pursuant to decision rendered under Finance Docket No. 32760, and

WHEREAS, the STB imposed the New York Dock Ry. - Control - Brooklyn Eastern District Terminal, 360 ICC 60 (1979) employee labor protective conditions (hereinafter referred to as "New York Dock Conditions"); and

WHEREAS, pursuant to Article I, Section 4 of the New York Dock Conditions, the following Agreement is made to cover the general rearrangement and selection of forces in connection with the consolidation and rearrangement of functions throughout the UP and the SP, and this rearrangement is made to effect the merger of the UP and SP properties. It is expected that the completion of this rearrangement will involve all areas of the merged railroad's organizational structure.

UP and SP expect that the rearrangement will be implemented in several stages. The Company anticipates that at least 1,800 clerical employees will be affected. These employees are now positioned at various locations across the UP and SP.

The rearrangement of employees and/ or work will commence after the effective date of this Agreement.

IT IS AGREED:

ARTICLE I - ELECTION OF BENEFITS

The labor Protective Conditions as set forth in the New York Dock Conditions which, by reference hereto, are incorporated herein and made a part of this Agreement shall be applicable to this transaction.

Employees affected as a result of the transaction pursuant to this Agreement will be provided an election of available employee protective benefits as set forth in Article I, Section 2 of New York Dock Conditions.

There shall be no duplication of benefits receivable by an employee under this Agreement and any other agreement or protective arrangement. In the event an employee is eligible for protection under the New York Dock Conditions and other agreements or protective arrangements, such employee shall be furnished their New York Dock Conditions test period earnings and shall within thirty (30) days thereafter with copy to the General Chairman, make an election in writing as to whether they desire to retain the protective benefits available under any other agreements or protective arrangements or receive the protective benefits provided under the provisions of this Agreement. In the event the employee fails to make such election within the said thirty (30) day period, the employee shall be deemed to have elected the protection benefits provided under this Agreement to the exclusion of protective benefits under any other agreement or arrangement.

Employees affected as a result of the transaction covered by this Agreement and who elect to accept work at another location, will be provided with protective benefits as set forth in Article I, Sections 2, 9 and 12 of New York Dock Conditions, or the moving benefits outlined in Attachment "B".

An affected employee's test period average (TPA) shall be determined pursuant to Article I, Section 5 of the New York Dock Conditions. (See Side Letter No. 14)

Employees referred to in this Article who elect the New York Dock Conditions protection and benefits prescribed under this Agreement shall, at the expiration of their New York Dock Conditions protective period, be entitled to such protective benefits under applicable protective agreements provided they thereafter continue to maintain their responsibilities and obligations under applicable protective agreements and arrangements.

ARTICLE II - TRANSACTIONS

After the effective date of this Agreement, the Company will commence rearrangement and consolidation of work and positions from locations throughout SP and UP.

The Company will provide the Organization with a detailed plan by location of transactions to take place and distribution of remaining work. The plan will include a listing of the jobs to be abolished and the incumbents; the jobs to be created; the approximate date(s) of transfer; a description of the work to be transferred and the disposition of work to remain, if any. If the transfer of employees or the abolishment of jobs is involved, the plan for each location may be implemented sixty (60) days or later after issuance. It is understood that the sixty (60) days contemplates five (5) days or more notice to the Organization, twenty (20) days for employees to make election, five (5) days for the Carrier to award employee options, and thirty (30) days to prepare for and complete the move. If the plan involves only the transfer of work, such transfer may occur thirty (30) days or later after issuance.

After notifying the Organization of the plan to transfer work and/ or employees, the General Chairman may request a meeting to discuss the Carrier's plan. A request for a meeting from the involved General Chairman must be made within five (5) days after the Carrier's plan notice is received by the Union, and said meeting must be held within ten (10) days after the Union's request is received by the Carrier.

ARTICLE III - SELECTION OF FORCES AND ALLOCATION OF SENIORITY

Section 1. Employees transferring under this Agreement will relinquish seniority on their former seniority district(s) or zone(s) on the effective date their assignment is relocated and will have their earliest clerical seniority date dovetailed into the seniority district or zone (including Master Roster 250) to which transferred. If a transferring employee has the same date as an employee on the seniority district or zone (including Master Roster 250) to which transferring, his/ her ranking on that district or zone will be determined by date of birth, the oldest being ranked first, and, if this fails, by alphabetical order of last names.

Section 2. Employees transferring under this Agreement shall retain a protected status under this Agreement for a period of six (6) years or length of service, whichever is less, and be credited with prior service for vacation, personal leave, sick leave, entry rates,

and all of the benefits which are granted on the basis of qualifying years of service in the same manner as though all such time spent had been in the service of the railroad to which transferred.

Section 3. The Carrier will determine the number of positions to be relocated or abolished at a given location as the result of the implementation of a transaction. Advertised positions to be established at the new location will be awarded in accordance with Letter of Understanding No. 5.

Employees on the affected roster/ zone will be given the simultaneous options of:

- A. Receiving severance under the separation program (Attachment "A").
- B. Exercising seniority.
- C. Relocating to accept a clerical position at a new location.
- D. Entering voluntary furlough status (benefits suspended).

Employees will be asked to rank each option in order of preference. The option of each employee will be honored in seniority order until all the relocated positions have been filled or there are no surplus employees on the roster/ zone available to fill the relocated positions. Employees receiving options must select said options within twenty (20) days from the date notice of the transaction is posted. Failure to make an election will be considered as electing to exercise seniority or in the event an employee cannot hold a position in the exercise of seniority, failure to make an election shall be considered as electing voluntary furlough status (benefits suspended). Election or assignment of benefits shall be irrevocable.

Section 4. Assignments will be made thirty (30) days prior to the effective date of the transaction. After assignment is made, the employee will not be subject to displacement from the new position. Said protection from displacement extends only from date assigned until position is occupied, after which time normal seniority rules shall prevail.

On the effective date of the assignment, employees will forfeit all seniority on their current district(s) or zone and establish a dovetailed date on the new district or zone. Accordingly, employees assigned positions on said bulletin will have no seniority right to continue to hold positions on the old district or zone after the effective date of the new assignment.

Employees occupying positions scheduled to be affected by a transaction as defined in Article II of this Agreement as of the date of the notice, shall be considered the incumbents of the affected positions for purposes of receiving the benefits of this Agreement.

Employees are required to report to the new location on the effective date unless other arrangements are made in writing with the new supervisor. If granted, subject to the requirements of service, the employee may use any vacation due or time off without pay prior to reporting for duty.

In connection with the transfer of work and employees, the Carrier will, to the best of its ability, preserve vacation schedules for employees who relocate.

Section 5. An employee required to change place of residence as a result of election to follow a position will be entitled to the moving benefits set forth in Attachment "B".

A "change in residence" as used in this Agreement shall only be considered "required" if the reporting point of the affected employee would be more than thirty (30) normal route miles from the employee point of employment at the time affected.

If an employee receives a monetary relocation allowance and does not report to his/her newly assigned work point on the assigned date, he/she shall forfeit his/her accumulated seniority and be treated as though he/she had submitted a voluntary resignation, except in case of illness or other physical disability or unless prior arrangements have been made in writing with the new supervisor.

ARTICLE IV - FILING CLAIMS FOR PROTECTIVE BENEFITS, DISPUTES
RESOLUTION AND ARBITRATION

Clerical employees electing benefits under this Agreement as a result of this transaction, may file a claim therefore at any time, however, no monetary claim shall be allowed unless the claim is filed in writing within sixty (60) days following the end of the month for which a claim is based. All claims for monthly displacement or dismissal allowance, relocation allowance, or severance shall be submitted to:

Mr. B. S. Feld
Senior Manager-Labor Relations
Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

The Carrier shall, within sixty (60) days from the date such claim is submitted, so notify the individual submitting the claim whether the claim is allowed or denied, giving a statement of reason therefor. If a decision is not made within the time period, the claim will be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar cases.

The parties will meet on a regular basis to review the implementation of this Agreement. In the event there is a dispute pursuant to the Agreement, facts will be reviewed with the intent of reaching a resolution or submission to an Arbitrator appointed by the parties to preside over a standing Board. The parties will meet within thirty (30) days from the date the Agreement is signed to select an Arbitrator.

In order to facilitate quick resolution to disputes, the dispute may be presented to the Arbitrator within ninety (90) days from the date of the occurrence on which the dispute is based. The Arbitrator has the authority and is encouraged by the parties to render "bench" decisions at the Hearing; however, the Arbitrator must render a decision within thirty (30) days from the date of Hearing.

The salary and expenses of the Arbitrator shall be borne equally by the parties. The Arbitrator shall have the right to receive detailed descriptions of the dispute and make on-site inspections, if he deems necessary.

ARTICLE V - GENERAL

Section 1. If the employee is not permitted to relocate on the appointed date, the Company will provide suitable lodging and reasonable expenses for individual employees and their dependents who have vacated their home or commenced moving. Expenses shall continue on a day-to-day basis until the employee is released to proceed to the new location.

It is understood that the transfer date may be subject to change or may be different for each individual and may be extended without penalty, provided the employee has not formalized arrangements to vacate his/ her home or commenced moving.

Section 2. In order to receive a full displacement allowance, an employee must exercise seniority rights to secure an available position to which entitled under the working

Agreement and which carries a rate of pay and compensation equal to or exceeding the employee's protected rate, or shall thereafter be treated for the purposes of this Section as occupying the position elected to decline until a position of equal or higher rate is acquired.

Section 3. If an employee is absent from service on the effective date of this Agreement, such employee will be entitled to the benefits as provided in Article I when available for service, if eligible.

Section 4. If an employee who has been notified that his/her position will be affected desires to accept severance and resigns or relocates prior to the expiration of the 30-day notice, he/she may do so dependent upon the requirements of the service and without penalty to the employee or the Carrier.

Section 5. In connection with the application of this Agreement, the parties have agreed without prejudice to either party's position in any other case that positions established will not be counted as TOPS overbase credits, nor will positions abolished or individuals accepting separation allowances as a result of this transaction be counted as TOPS attrition credits.

Where there is sufficient work in a department to require supplementing the assigned work force on a regular basis, a position will be properly bulletined and established.

Section 6. In order for employees who transfer under the terms of this Agreement to acquire training and gain necessary experience, the Carrier agrees to provide paid job-related training for up to eight (8) weeks. The training will begin upon an employee's assignment and may include on-the-job training, classroom instruction, and testing. Typing courses as well as other job-related fundamentals, may be offered in order to develop necessary skill levels. The length of the training period may vary based upon the previous experience, training, skills of each employee as well as the prerequisites of the job and department. An employee afforded training as provided herein will be given full cooperation during the training period. Failure to make satisfactory progress in training will be sufficient grounds for disqualification. Any employee so disqualified will be required to exercise his seniority rights at the location to which transferred in accordance with the applicable rule(s) of the Agreement.

The training period will not exceed eight (8) hours per day, forty (40) hours per work week (Monday through Sunday). However, if training is required in excess of the hours specified, such training will be compensated at the overtime rate.

ARTICLE VI - EFFECTIVE DATE

This Agreement shall become effective on the date signed, and constitutes an Implementing Agreement fulfilling the requirements of Article I, Section 4, stipulated in the New York Dock Conditions imposed by the STB in FD 32760.

Signed this 18th day of December, 1996.

FOR THE ORGANIZATION:

R. F. Davis
R. F. Davis
President, ASD/TCU

J. L. Quilty
J. L. Quilty
General Chairman, TCU

M. L. Scroggins
M. L. Scroggins
General Chairman, TCU

FOR THE COMPANY:

D. D. Matter
D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
R. L. Camp
Manager Labor Relations

APPROVED:

J. P. Condo
J. P. Condo
International Vice President, TCU

J. L. Gobel
J. L. Gobel
International Vice President, TCU

SEPARATION/DISMISSAL PAY

In recognition of the anticipated number of changes associated with the merger of the railroads and in an effort to provide alternatives to the clerical employees represented by the Allied Services Division/TCU and the Transportation Communications Union, the Carrier agrees to offer the following options to Southern Pacific Lines and Union Pacific Railroad employees.

Section 1.

Upon the effective date of the Implementing Agreement, the Carriers will be permitted to post a twenty (20) day advance notice at specific locations offering the following separation amounts on a seniority basis:

| YEARS OF SERVICE | AMOUNT |
|------------------|----------|
| 30 and Over | \$95,000 |
| 25, Less than 30 | \$85,000 |
| 20, Less than 25 | \$75,000 |
| 15, Less than 20 | \$65,000 |
| 6, Less than 15 | \$60,000 |
| Less than 6 | \$25,000 |

In calculating an employee's seniority, the earliest continuous seniority date shall apply. The employee's years of service shall be calculated as of the date the notice of separation is posted.

Section 2.

(a) In lieu of the lump sum payments indicated above, employees may elect to accept a dismissal allowance payable in equal monthly installments. Employees electing this option will be entitled to the amount indicated, given their number of years seniority less \$500 for every month which the payments are extended for continuation of health and welfare benefits. Payments may be extended for a period not to exceed three (3) years (36 months from date monthly dismissal payments are initiated).

(b) Employees electing Option contained in Section 2(a) above shall be relieved from duty, but considered in active service until the expiration of the last monthly installment at which time their service and seniority shall be terminated. Compensation paid in these monthly installments will be considered the same as regular compensation insofar as taxation and hospital dues deductions are concerned. However, this compensation will not be considered as qualifying payments for the purpose of applying the National Vacation Agreement nor will this extended time allow such employees any other compensation benefits under the Basic or National Agreement. It is understood that all health and welfare benefits as well as all contributions toward Railroad Retirement Tax shall be continued during the period that the monthly installments are in effect.

Section 3.

(a) In lieu of the lump sum payments indicated above, employees may elect to accept a dismissal allowance payable in equal monthly installments. Employees electing this option will be entitled to the amount indicated, given their number of years seniority. Payment may be extended for a period not to exceed three (3) years (36 months from date monthly separation payments are initiated).

(b) Employees electing Option contained in Section 3(a) above shall be relieved from duty, but considered in active service until the expiration of the last monthly installment at which time their service and seniority shall be terminated. Compensation paid in these monthly installments will be considered the same as regular compensation insofar as taxation is concerned. However, this compensation will not be considered as qualifying payments for the purpose of applying the National Vacation Agreement nor will this extended time allow such employees any other compensation benefits under the Basic or National Agreement. Additionally, employees will not be eligible for any health and welfare benefits. It is understood that all contributions toward Railroad Retirement Tax shall be continued during the period that the monthly installments are in effect.

Section 4.

(a) Except as otherwise provided, employees submitting requests for the options contained herein must, on the date notice is posted, be actively employed and/or receiving compensation from the Carrier either on a regular assigned clerical position, extra board or as a furloughed protected employee.

(b) A clerical employee who is on a leave of absence at the time the notice is posted at a location will be considered an eligible employee upon returning to active service at such location if such employee returns within six (6) months of the date of the notice.

(c) Employees entitled to the lump sum separation will be paid within one week of the last day worked. Employees entitled to the dismissal allowance will be paid monthly beginning within thirty (30) days of the last day worked.

(d) Deductions for income tax, railroad retirement tax, and union dues and assessments will be made.

(e) The Company reserves the right, dependent upon the needs of the service, to limit the number of clerical employees receiving separation or dismissal allowances. Furthermore, employees electing these options need not be immediately released and the separation or dismissal options elected may be deferred up to three (3) months from date the employee is notified of acceptance. Any deferment beyond three (3) months must be by mutual agreement between the parties.

(f) Only the prescribed Request Form may be used. Any other methods of requesting options received from employees other than this prescribed form will not be considered as a valid request. In addition to forwarding the Request Form to the designated Carrier official, interested applicants must also submit completed copies to the individuals listed on the form. In the case of a dispute as to whether the form was submitted on time, etc., the deciding factor will be receipt of the Request Forms to all concerned and absent such receipt may result in having the Request Form considered as invalid.

(g) Each applicant applying for options provided in this Agreement will be notified in writing of their acceptance or rejection no later than thirty-five (35) days after the posting of the notice. A copy of the results will be forwarded to the General Chairman. It is understood the release date of an employee awarded a separation or dismissal allowance pursuant to this Attachment "A" shall be determined by the Company. However, no employee will have their election option deferred beyond three (3) months from the date notified of acceptance.

(h) The applicable union dues and assessment deduction will be at the prevailing rate in effect at the time election of such option is made. This deduction will be made on the following basis:

| Eligible Amount | Deduction |
|-----------------|-----------|
| \$95,000.00 | 46 months |
| \$85,000.00 | 41 months |
| \$75,000.00 | 36 months |
| \$65,000.00 | 31 months |
| \$60,000.00 | 28 months |
| \$25,000.00 | 0 |

Furthermore, this one-time deduction as set forth in the extended payments will be applied on the initial payment or installment.

(i) It is understood that an employee who accepts the separation/ dismissal amounts set forth herein will also be compensated at the time of separation/ dismissal (lump sum or first monthly installment), any other compensation that may also be applicable to an eligible employee under the National Vacation or the Sick Leave Allowance of the Basic Agreement.

(j) Employees awarded lump sum separations set forth herein will be considered to have resigned from service, terminating all seniority rights with the Southern Pacific/ Union Pacific Railroad Company except where the separation date is extended due to operation requirements.

MOVING EXPENSES AND RELATED BENEFITSSection 1.

(a) An employee who is required to change place of residence, as defined below, in the exercise of seniority as a result of a transaction under this Agreement who, on the date notice of transaction is issued, owns their home or is under a contract to purchase a home, shall be afforded one of the following options which must be exercised within fifteen (15) days from the date affected or assigned to a position at the new work location:

- Option 1: Accept the moving expense and protection from loss in sale of home benefits provided by the terms of the New York Dock Conditions and Section 2 or, in lieu thereof, any property protection agreement or arrangement.
- Option 2: Accept a lump sum transfer allowance of \$20,000.00 in lieu of any and all other moving expense benefits and allowances provided under terms of the New York Dock Conditions and this Attachment "B".

NOTE: A "change in residence" as used in this Agreement shall only be considered "required" if the reporting point of the affected employee would be more than thirty (30) normal route miles from the employee point of employment at the time affected.

(b) An employee referred to above who does not own a home or is not obligated under contract to purchase a home shall be afforded one of the following options which must be exercised within fifteen (15) days from date affected or assigned to a position at the new work location:

- Option 1: Accept the moving expense benefits provided by the terms of the New York Dock Conditions and Section 2 or, in lieu thereof, any property protection agreement or arrangement.
- Option 2: Accept a lump sum transfer allowance of \$10,000.00 in lieu of any and all other moving expense benefits and allowances provided under terms of the New York Dock Conditions and this Attachment "B".

(c) If an employee holds an unexpired lease of a dwelling occupied as his/her home, the Carrier shall protect such employee for all loss and cost of securing the cancellation of said lease as provided in Sections 10 and 11 of Washington Job Protection Agreement in addition to the benefits provided under this Section.

Section 2.

An employee electing the moving expense benefits under the New York Dock Conditions shall receive a transfer allowance of Two Thousand Five Hundred Dollars (\$2,500.00). In addition, the provisions of Section 9, Moving Expenses, of the New York Dock Conditions which provides "not to exceed 3 working days" will be increased to "not to exceed 5 working days."

Section 3.

An employee who voluntarily transfers under terms of this Agreement, and who is required to change place of residence and elects the lump sum transfer allowance in lieu of any and all other moving expense benefits and allowances, shall be accorded on assignment a special transfer allowance of \$5,000.00 in consideration of travel and temporary living expenses while undergoing the relocation. However, such employee will not be permitted to voluntarily exercise seniority on a position which again will require a change of residence outside the new point of employment for a period of twelve (12) months from date of assignment, except in cases of documented hardship and then only by written agreement between Labor Relations and the respective General Chairman/President.

LETTER OF UNDERSTANDING NO. 1

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Dear Sir:

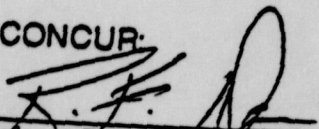
This will confirm our discussion in conference relating to the merger of the UP and SP railroads.

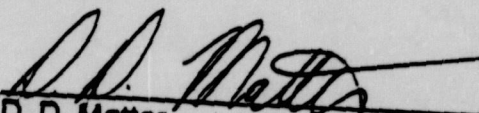
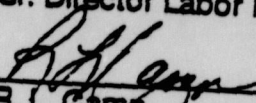
Because of the extensive changes planned by the Carrier in the San Francisco General Offices Seniority District, it was agreed that the "surplus" arrangement, provided for in the Agreement of August 11, 1961, and all subsequent Agreements, Understandings and Interpretations covering the use and placement of "surplus" employees, would only serve to restrict an employee's seniority. For this reason, it was agreed that the Surplus Agreement and all subsequent Interpretations and Understandings of that Agreement would be suspended effective on the date Implementing Agreement No. NYD-217 becomes effective.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided.

Yours truly,

I CONCUR:


Robert F. Davis, President/ ASD


D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

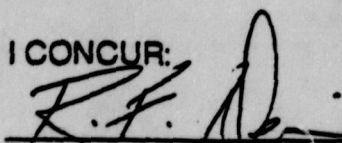
This will confirm our discussion in conference relating to the merger of UP and SP railroads regarding health and welfare coverage under GA-46000, hospital associations, retiree life insurance and supplemental health and welfare insurance for those who elect a separation allowance payable in equal monthly installments.

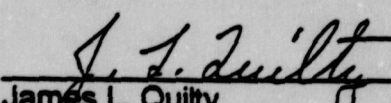
It is agreed and understood that an employee who elects a separation allowance payable in equal monthly installments will be entitled to health and welfare coverage under GA-46000 or hospital association the same as though the employee resigned from active service and retired, provided such employee meets the eligibility requirements for entitlement under GA-46000 or hospital association at the time payment of the benefits under the program elected terminate.

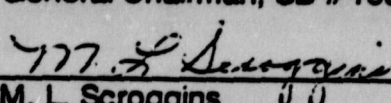
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

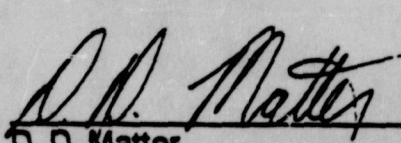
Yours truly,

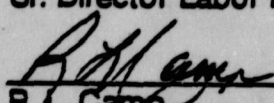
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 3

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948


Gentlemen:

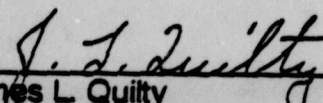
This will confirm our discussion in conference relating to the merger of UP and SP railroads.

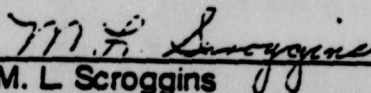
An employee not covered by any protective agreement or arrangement on his/ her respective property, may be offered employment anywhere on the combined (railroads) system and must accept such transfer or resign from service. Such employee will receive a thirty (30) calendar day notice and will advise the Carrier within twenty (20) days from the date of the notice of decision to accept or reject said offer. If an employee transfers, he/ she will receive the moving and real estate benefits of Attachment "B" of this Agreement and his/ her seniority will be dovetailed. If an employee elects to resign from service, the employee will receive a \$25,000 separation allowance.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

I CONCUR:

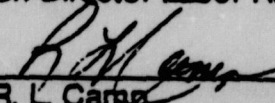

Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 4

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of the UP and SP railroads.


In regards to District/ Local Chairmen who are affected as a result of this Agreement and who represent employees covered thereby,

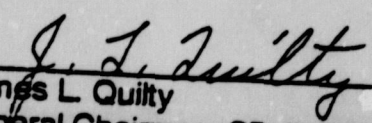
It is agreed that each employee who served as an agent or representative of the employees in the twelve (12) months immediately preceding the representative being affected, and who lost time from the Carrier, such representative and/ or employee's monthly dismissal/ displacement allowance shall include the total hours the employee was absent while serving as agent or representative of the employees and the total straight time wages lost while serving in that capacity during the test period.

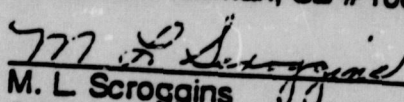
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

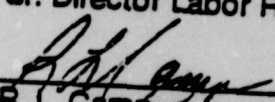
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 5

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:


The positions established as a result of the transfer of work contemplated in the Implementing Agreement will be bulletined for twenty (20) days concurrently on all districts or zones on the proper (UP or SP) form from which the work is being transferred. Such bulletins will be closed thirty (30) days in advance of the date the positions are to be established and will be assigned in the following preferential order:

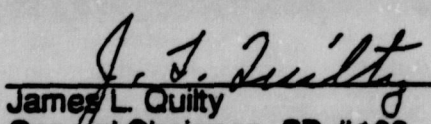
1. To the incumbents on the affected positions.
2. To other employees within the same seniority district as the affected Department, or, in the case of the UP, to other employees at the affected location (30 mile radius).
- 2(a). In the case of the UP, to other employees on the zone from which the work is being transferred.
3. To other employees on the property (UP or SP) from which the work is being transferred.

Any positions that remain unfilled will be bulletined in accordance with the working Agreement on the property (UP or SP) to which the work is being transferred.

The incumbents on the positions to be abolished will have preferential rights to follow their positions to the location where the positions are transferred, if they so desire.

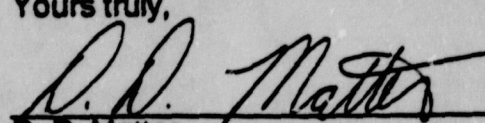
I CONCUR:

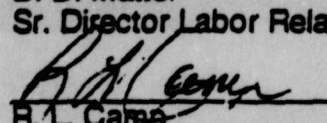

Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 6

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948


Gentlemen:

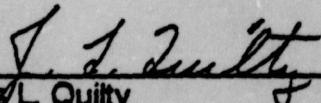
In recognition of the anticipated changes wherein the Company will be rearranging, eliminating and/ or transferring clerical work throughout its lines, the parties have committed to minimizing the disputes arising therefrom.

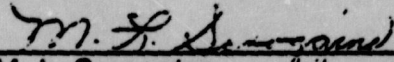
Since the Agreement is based upon cooperation of the parties with most problems resolved at the local level, it is agreed that with the concurrence of management, the Local/ District Chairmen may be absent from work with pay for up to thirty (32) hours per month for the purpose of administering this Agreement. During this paid absence, the decision to fill the position will rest with the Carrier.

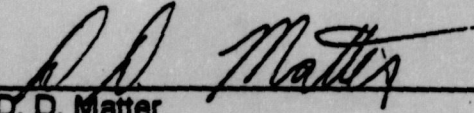
Yours truly,

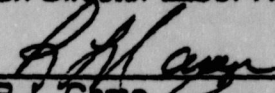
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

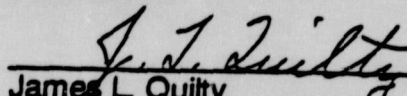
Dear Sir:

This will have reference to Article III of Implementing Agreement No. NYD-217. In the event the Carrier is unable to fill a position as a result of work transferred from the SP to the UP after exhausting the provisions of Article III and Side Letter No. 5, the position shall be advertised and filled by UP employees as follows:

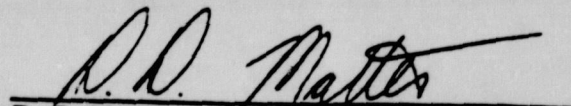
1. At locations where a five (5) day bulletining process is in place, the position(s) will be bulletined under the five (5) day bulletining procedures in effect at the location to which the position(s) has been transferred.
2. At locations where a five (5) day bulletining process is not in effect, or if a vacancy still exists after completing Step 1 above, the positions shall be bulletined in accordance with Rule 11 of the TCU Agreement to all employees on Master Seniority Roster No. 250.
3. Concurrent with bulletining the positions under the provisions of Rule 11, the bulletins will be sent to all furloughed protected employees offering the opportunity to bid on such positions.
4. At the close of the bulletining period, the position(s) will be awarded to applicants in order of their seniority date on Master Seniority Roster No. 250.
5. Furloughed protected employees and employees transferring from locations where qualified furloughed protected employees are available to fill the transferring employee's vacancy or any vacancy resulting from the transfer, will be allowed the moving expenses and related benefits of Attachment "B" of Implementing Agreement No. NYD-217, including the special transfer allowance and incentive allowance.
6. Any vacancies that exist after following the procedures outlined above will be immediately filled by hiring a new employee.

This Understanding on filling vacancies is designed solely in connection with Implementing Agreement No. NYD-217 and will not apply to any other condition.

I CONCUR:


James L. Quilty
General Chairman, SB #106

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops

LETTER OF UNDERSTANDING NO. 8

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:


This will confirm our discussion in conference relating to the merger of UP and SP railroads.

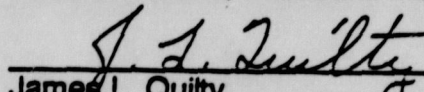
It is agreed and understood that wherever the terms Southern Pacific Transportation Company, Southern Pacific Lines or SP are used in the Merger Agreement and/ or any attachments or side letters they include:

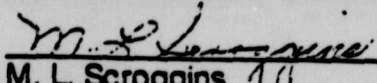
Southern Pacific Transportation Company (Western Lines)
Southern Pacific Transportation Company (Eastern Lines)
St. Louis Southwestern Railroad Company
Denver And Rio Grande Western Railroad Company
Southern Pacific Chicago St. Louis Corporation

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

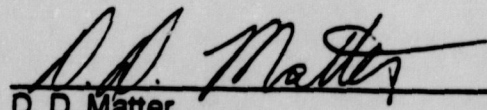
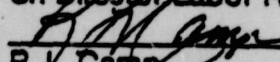
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 9

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

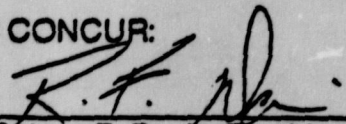
Gentlemen:

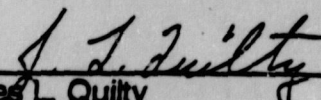
This will confirm our discussion in conference relating to the merger of UP and SP railroads.


It is agreed service performed as a full-time "duly authorized representative" while on leave of absence shall be computed for continuous service purposes under the National Vacation Agreement in the same manner as if the employee had been working on a job covered by the TCU Agreement. Moreover, should such representative return to active service with the Carrier, within six years from the effective date of Implementing Agreement NYD-217, the number of days spent performing service as a full-time duly authorized representative will be counted as qualifying days for purposes of vacation entitlement in the year following such individuals' return to service.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

I CONCUR:

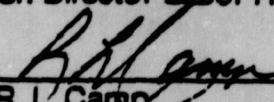

Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 10

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Dear Sir:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.

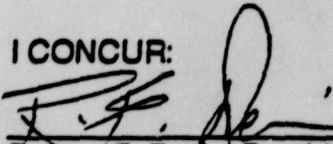
Concern has been expressed over confusion created when the Carriers conduct simultaneous transactions under the TOPS Agreement and the New York Dock Implementing Agreement.

It is agreed that during the operative period of the Implementing Agreement, the Carrier will not issue notices or make changes under TOPS.

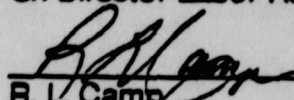
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

I CONCUR:


Robert F. Davis, President/ ASD


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

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Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

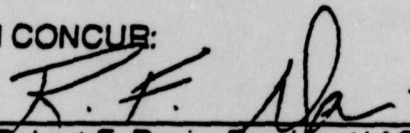
Gentlemen:

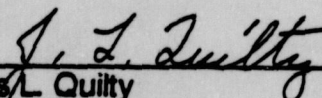
This will confirm our discussion in conference relating to the merger of UP and SP railroads. Concern was expressed as to the possibility that those employees who own a home and are required to change their place of residence in order to maintain a position with the Carrier and who purchase a home at the new work location may have to make two (2) house payments.

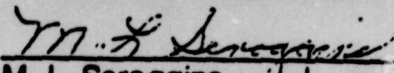
It is agreed that in addition to the moving benefits contained in the New York Dock Conditions (Section 1(a) - Option 1 of Attachment "B"), the Carrier will also pay, for a period not to exceed six (6) months, the lesser of the employee's house payment for his previous home or the house payment for a house at the new work location to any employee who may be required to make two (2) house payments due to not being able to sell the previous home.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

I CONCUR:

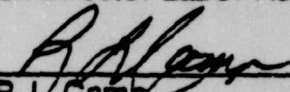

Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.


In the past, affected employees have experienced problems that fell outside the technical applications of the Implementing Agreement and were unable to get answers required to facilitate their transition to new duties, work locations, or lifestyles.

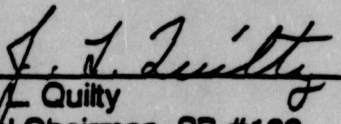
The Carrier will establish an ombudsman who will be available to hear the concerns of affected employees and develop answers to problems. The ombudsman will have sufficient authority to resolve problems.

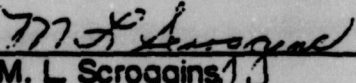
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

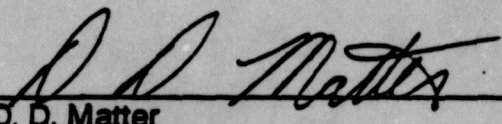
Yours truly,

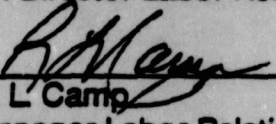
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:


This will confirm our discussion in conference relating to the merger of the UP and SP railroads.

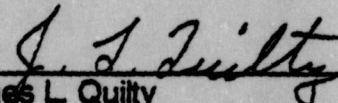
It was agreed that should the number of Southern Pacific employees making application for positions bulletined on the Union Pacific exceed the number of positions bulletined, the Carrier will offer, in a like number to the Union Pacific employees in the Zone at the location to which the work is being transferred, the separation allowance benefits of Attachment "A" to the Implementing Agreement.

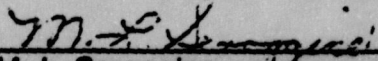
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

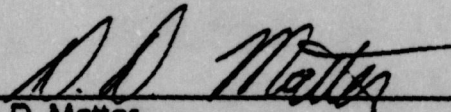
Yours truly,

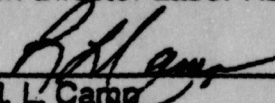
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Carr
Manager Labor Relations

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

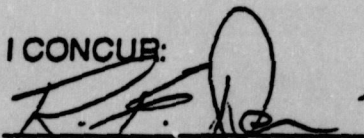
This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

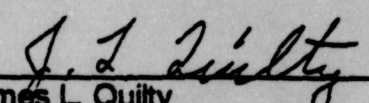
During our discussions, it was agreed that an employee assigned to a new position established pursuant to Implementing Agreement No. 217 would have their test period averages calculated from the date the assignment becomes effective irrespective of the employee's release date from the old position.


If you agree with this method of calculating the TPA's, please sign in the space indicated below.

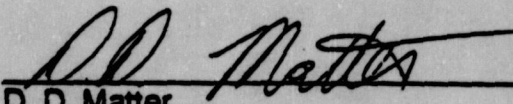
Yours truly,

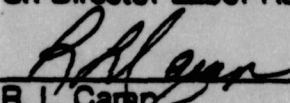
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 15

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

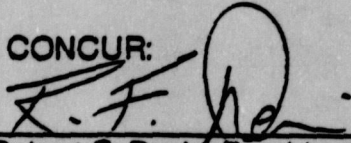
This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

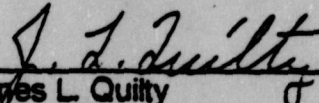
In our discussions it was agreed that all Customer Service Representative positions established pursuant to Implementing Agreement No. 217 would be bulletined as "CSR training positions". Once the training is completed, Customer Service Representative positions will be bulletined and assigned in accordance with the past practice of permitting all employees in the Customer Service Center at St. Louis to bid on the regular CSR positions.

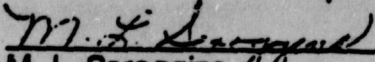
If the above adequately reflects our understanding, please sign in the space indicated below.

Yours truly,

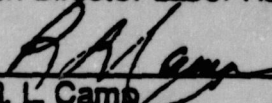
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Dear Sir:

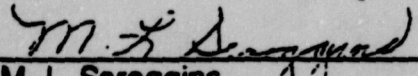
This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

During our discussions it was agreed that SPCSL clerical employees with six (6) or more years seniority will be considered protected employees under the application of Implementing Agreement No. 217. Non-protected SPCSL clerical employees will receive any coverage as provided for in the implementing Agreement or attachments thereto.

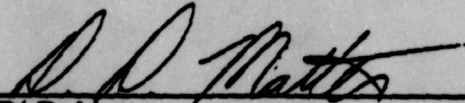
If the above adequately records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

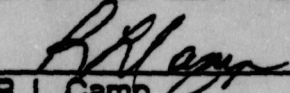
I CONCUR:



M. L. Scroggins
General Chairman, SB #51



D. D. Matter
Sr. Director Labor Relations/ Non-Ops



R. L. Camp
Manager Labor Relations

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

LETTER OF UNDERSTANDING NC

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948


Gentlemen:

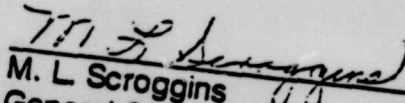
This will confirm our discussion in conference relating to the merger of UP and S
railroads.

The TCU/ SP October 27, 1992 Implementing Agreement provides that in certain
circumstances employees are to receive a transfer allowance to be paid over a period of
time providing the employee fulfills certain obligations. It is understood that if an employee
is transferred under this Agreement and thus not able to fulfill his prior obligations, the
employee will nevertheless receive the prior transfer allowance providing the employee
continues in the employ of the Carrier.


If the above adequately records our understanding and agreement please so indicate
by placing your signature on the space provided below.

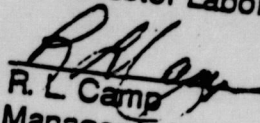
I CONCUR:


Robert F. Davis, President/ ASD


M. L. Scroggins
General Chairman, SB #51

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 18

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:


This will confirm our discussion in conference relating to the merger of UP and SP.

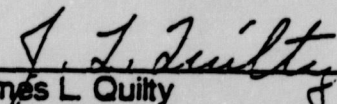
It was agreed that SP employees transferring to the UP would be permitted to retain their TOPS protected rate, DRGW Job Stabilization rate, SPCSL "grandfather" rate or establish the rate of the position to which transferring on the UP, whichever is greater, as their protected rate under the UP Job Stabilization Agreement, as amended. It is understood that allowing transferring SP employees the higher of the two (2) rates described above is in lieu of establishing an EMR for those employees.

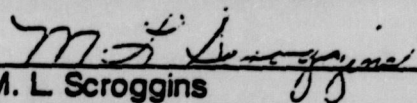
It was further agreed that UP employees transferring to the SP will establish a protected rate on the SP (TOPS or DRGW Job Stabilization, whichever is applicable) at the higher of their UP Job Stabilization protected rate, their employee maintenance rate or the rate of the position to which transferring on the SP.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

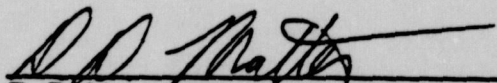
I CONCUR:

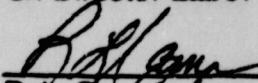

Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51

Yours truly,


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 19

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948


Gentlemen:

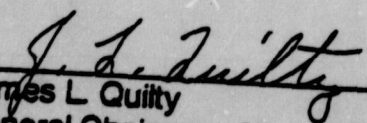
This will confirm our discussion in conference relating to the merger of UP and SP.

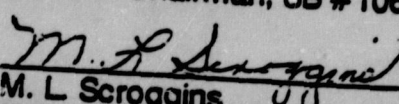
Employees now holding clerical seniority and who have been granted leave of absence to perform full time union service may exercise seniority as provided in the respective Bargaining Agreement or elect from the options contained in Implementing Agreement No. 217 provided such election is made within thirty (30) days after returning to service. In the event such employee elects a separation allowance, the amount of the separation will be determined by the employee's seniority date as of the effective date of this Agreement.

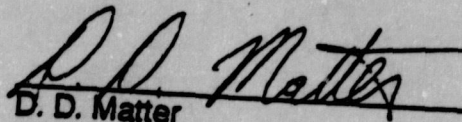
Yours truly,

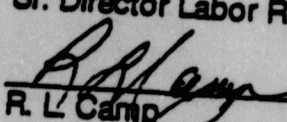
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Dear Sir:

The parties recognize a controversy currently exists over the Rule 1(e) positions which have recently been established in the NCSC at St. Louis. Both parties wish to resolve this dispute.

As a result of the UP/ SP merger, approximately 600 clerical positions are to be transferred from the SP to the UP between April 1997 and July 1998. Under the current UP Rule providing for 19% Rule 1(e) positions, this could result in an additional 114 Rule 1(e) jobs being created in the NCSC.

In order to minimize the initial impact of employees transferring from the SP to the UP on the ratio of Rule 1(e) positions to fully covered positions, the Carrier agrees to limit the number of Rule 1(e) positions created as a result of clerical positions being transferred. It is agreed that, except for the 19 NACSR positions covered by the March 10, 1994 Letter Agreement, (copy attached), the number of Rule 1(e) positions as of the date of this Agreement will not be increased as work and positions are transferred to the UP until such time as the issue has been resolved in accordance with Article VII of the September 9, 1996 National Agreement.

We anticipate this issue will be resolved nationally in the second or third quarter of 1997. However, in no event will this freeze of Rule 1(e) positions extend beyond January 1, 1998.

During this interim period the parties will continue to meet and attempt to resolve the issue outside the National Agreement.

It is understood that any understanding we may reach will have to be approved by TCU International President Scardelletti.

If you concur, please sign in the space indicated.

Yours truly,

D. A. Matter

AGREED:

J. L. Quilty
J. L. Quilty

cc: Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

March 10, 1994

Mr. R. F. Davis, President
Allied Services Division/TCU
3113 W. Old Higgins Road
Elk Grove Village, IL 60007

Dear Mr. Davis:

Reference is made to the letter of understanding dated July 20, 1993 regarding the establishment of National Account Customer Service Representative (NACSR) positions in the Customer Service Center, Denver, Colorado, for a 120-day period, as part of a "pilot program".

The individualized customer service provided to the large national accounts by the National Account Representatives has greatly improved customer satisfaction. This was the desired result when we entered into the pilot program. Since the program is working well, it is our desire to implement this program on a permanent basis, and, therefore, IT IS AGREED:

The Company may establish up to twenty (20) National Account Representatives in the Customer Service Center, Denver, Colorado if the account meets one of the following criteria:

1. Customer provides \$8 million in revenue annually. -
2. Customer is projected to provide \$8 million annually - within the next 12 months.
3. NACSR contact is a contractual condition of doing business..

The NACSR positions will be used to handle calls concerning the national accounts for which they are responsible; however, they may be required to handle general service calls in case of emergency or severe peaks in customer calls.

The positions shall be within the scope of the Clerks' Agreement and covered by all rules, except Rules 6(a), 16 and 17.

In order for the Company to establish an NACSR position, the position must have a national account (that meets one of the three criteria) identified with the position.

Mr. R. F. Davis, ASD/TCU
March 10, 1994
Page 2

GEN 116-1865

The NACSR position will generally be responsible for one account; however, depending upon workload and based on agreement between the Company and the Organization, the position may be required to handle additional accounts.

Additional NACSR positions may be established with the concurrence of the Organization.

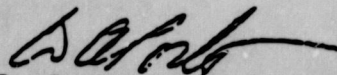
The daily rate of pay for a National Account Representative will be \$128.00.

Subsequent vacancies or new positions will be bulletined under Rule 9 of the Clerks' Agreement. Successful applicants for new positions must have a minimum of two years seniority with the Company, ability and fitness being equal among the candidates.

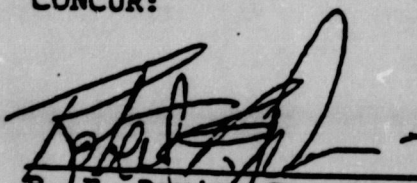
This agreement may be cancelled by 60 days written notice given by one party to the other.

If the foregoing meets with your concurrence, please sign in the space provided below.

Sincerely,


D. A. Porter
Director - Labor Relations

CONCUR:


R. F. Davis, President
Allied Services Division/TCU

MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
UNION PACIFIC RAILROAD

AND THEIR EMPLOYEES REPRESENTED BY

ALLIED SERVICES DIVISION/TCU
TRANSPORTATION COMMUNICATIONS UNION
.....

WHEREAS, the Carriers have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

WHEREAS, the affected employees employed by the Southern Pacific Transportation Company who may be required to move to the geographic location of the Denver and Rio Grande Western Railroad or the Union Pacific Railroad are covered by Travelers GA-23000, while the employees on the Denver and Rio Grande Western Railroad and the Union Pacific Railroad belong to a hospital association;

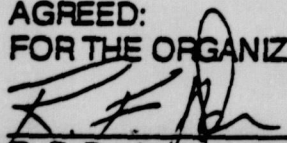
It is therefore agreed that SPTCo employees who have transferred or are transferring to the D&RGW or the UPRR will be granted an option to (1) retain coverage under GA-23000, or (2) elect to become covered by the hospital association, it being understood, however, that once an employee elects coverage of the hospital association, he/ she may not elect at a later date to return to GA-23000.

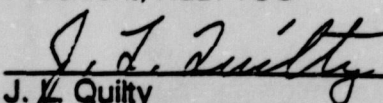
It is further agreed that the employees will be provided an election form and must advise the designated Carrier Officer of their intent to retain GA-23000 or become members of the hospital association in writing within thirty (30) days. Failure to complete and submit the form to the designated Carrier Officer will be construed to be an election for coverage that the employee previously had at the location from which transferred.

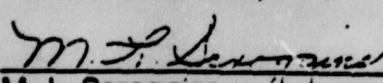
This Agreement is signed this 18th day of December, 1996.

AGREED:


FOR THE ORGANIZATION:



R. F. Davis
President, ASD/TCU


J. L. Quilty
General Chairman, TCU


M. L. Scroggins
General Chairman, SB #51

FOR THE COMPANY:


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

**MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
AND THEIR EMPLOYEES REPRESENTED BY
ALLIED SERVICES DIVISION/TCU**

WHEREAS, the Carrier's have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

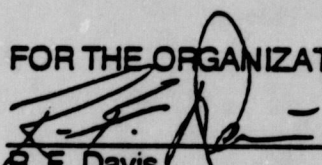
WHEREAS, many of the affected employees employed by the Southern Pacific Transportation Company at Denver, Colorado and Houston, Texas, maintain their seniority on separate seniority districts;

It is therefore agreed that Seniority Districts 1 and 3 in Houston, Texas, are hereby consolidated into one seniority district.

Additionally, employees on Seniority Districts 1, 2 and 3 at Denver will be considered as being on the same Seniority District for purposes of applying for positions being transferred to other locations as a result of a transaction made pursuant to Implementing Agreement No. 217. In the application of this understanding, the employee's earliest seniority date on Roster 1, 2 or 3 shall be used.

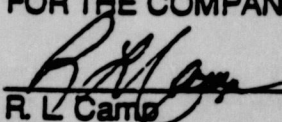
This Agreement is signed this 18th day of December, 1996.

FOR THE ORGANIZATION:

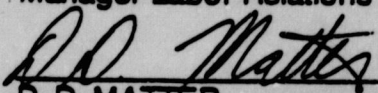


R. F. Davis
President, ASD/TCU

FOR THE COMPANY:



R. L. Camp
Manager Labor Relations



D. D. MATTER
Sr. Director Labor Relations/ Non-Ops

**MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
UNION PACIFIC RAILROAD
AND THEIR EMPLOYEES REPRESENTED BY
TRANSPORTATION COMMUNICATIONS UNION**

WHEREAS, the Carriers have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

WHEREAS, the affected employees employed by the SPCSL will eventually have their jobs abolished as a result of the diminution of work on SPCSL;

These employees will be covered under all the provisions of Implementing Agreement No. NYD-217 as well as the Attachments, Memorandums and Letters of Understanding which are a part of that Agreement on the date the Agreement becomes effective.

Effective with the abolishment of these position(s) the work of these positions will be transferred to UP. Employees unable to hold a position within a thirty (30) mile radius of their former work location on the SPCSL will have their name and seniority date placed on UP Zone 226, Master Roster 250, in accordance with Implementing Agreement No. NYD-217; and will become subject to the TCU/ UP Collective Bargaining Agreement; and will be placed in furlough protected status subject to recall in accordance with the UP Job Stabilization Agreement, as amended.

Employees transferring to the UP pursuant to this Memorandum of Agreement will establish a UP Job Stabilization Agreement protected rate at the rate of the position to which assigned as of the date of the Agreement (including all COLA and general rate increases).

This Agreement is signed this 18th day of December, 1996.

AGREED:

FOR THE ORGANIZATION:

M. L. Scroggins
M. L. Scroggins
General Chairman, TCU

J. L. Quilty
J. L. Quilty
General Chairman, TCU

FOR THE COMPANY:

D. D. Matter
D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
R. L. Camp
Manager Labor Relations

UNION PACIFIC RAILROAD COMPANY



1416 DOUGLASS STREET
OMAHA NEBRASKA 68173

December 18, 1996

NYD-217

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

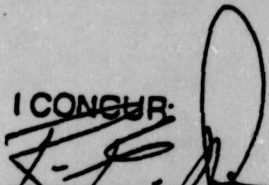
This has reference to UP/SP Implementing Agreement No. NYD-217.

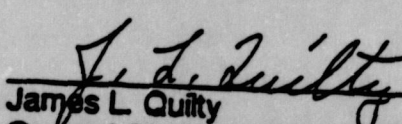
Attached is a copy of "Questions and Answers" concerning the Agreement, which have been developed and discussed by the parties. Please review the attachment and, if you concur with the responses to the questions, please so indicate by signing in the spaces provided.

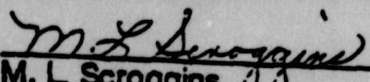
It is understood this list of "Q and A's" may be expanded by mutual agreement among the parties.

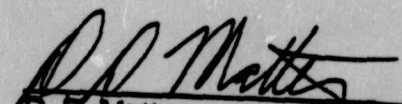
Yours truly,

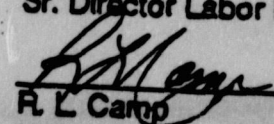
I CONCUR:


Robert F. Davis, President/ ASD


James L. Quilty
General Chairman, SB #106


M. L. Scroggins
General Chairman, SB #51


D. D. Matter
Sr. Director Labor Relations/ Non-Ops


R. L. Camp
Manager Labor Relations

MERGER IMPLEMENTING AGREEMENT NYD-217

QUESTIONS AND ANSWERS

Q. *An SP employee bids and is assigned to a position being moved to the Union Pacific in accordance with this agreement. While waiting for the effective date of the position on the Union Pacific, may this employee bid on or displace to SP positions on his or her SP seniority district?*

A. Yes, until such time as their relocation to their new Union Pacific assignment occurs, this SP employee may exercise their SP seniority in accordance with applicable SP Agreement rules.

....

Q. *May the above-described SP employee bid on other Union Pacific positions which are subsequently bulletined in accordance with this agreement?*

A. No.

....

Q. *May an SP employee bid on more than one position bulletined in accordance with this Agreement?*

A. Yes, until such time as they are assigned to a position bulletined in accordance with this Agreement, an SP employee can continue to bid on any and all positions bulletined in accordance with this Agreement. However, once assigned to a position bulletined under this Agreement, all subsequent bids placed by an SP employee on positions bulletined under this Agreement become void.

....

Q. *How will employees be notified of their assignment to a position bulletined in accordance with this Agreement?*

A. An assignment notice will be issued by the Union Pacific Railroad's TCU Assignment Center.

....

Q. *What is the UP TCU Assignment Center?*

A. On the UP, all job bulletins, assignments, job abolishments and displacements, as well as all other seniority moves such as furloughs and recalls, are handled by a "centralized" group, under the Labor Relations Department referred to as the TCU Assignment Center.

....

12

Q. If the Carrier receives more requests to relocate to positions established pursuant to this Agreement than there are positions bulletined, will employees still have the opportunity to transfer to the new location?

A. Yes, to the extent that the Carrier can create vacancies at the new location by offering separation allowances pursuant to Letter of Understanding No. 13 to Union Pacific employees.

....

Q. Are furloughed/protected SP employees subject to recall to Union Pacific positions which have been bulletined in accordance with this Agreement and remain unfilled?

A. Yes.

....

Q. How will a vacancy created as a result of Union Pacific employee accepting a separation allowance offered pursuant to Letter of Understanding No. 13 of this Agreement be filled?

A. The vacancy will be awarded in seniority order to those SP employees who make application for transfer and UP applicants based on their SP/UP seniority.

....

Q. If an employee doesn't apply for the voluntary separation allowance when posted and that employee is subsequently affected due to displacements or otherwise, what options are available to him/her?

A. The options listed in Article III, Section 3, are available to that employee.

....

Q. Does the employee described above have a second chance at the separation allowance?

A. Yes.

....

Q. If an employee chooses not to bid in a position at the new work location and instead displaces in accordance with the Agreement but later finds himself/herself displaced with no other position he/she can occupy, what benefits or options are available to this employee?

A. The options listed in Article III, Section 3, are available to this employee if the dismissal is the result of a transaction made pursuant to this Agreement. A choice between a new set of NYD test period averages and the previously selected protection (NYD or the protection arrangement on the property) will be offered such employee.

....

Q. An employee does not accept a position to follow work to a new location and decides to exercise a displacement, however, the only position left requires a change of residence. Is the employee entitled to the same benefits outlined in the UP-SP Implementing Agreement No. NYD-217 as if he/she had followed the work to a new location, i.e., benefits of Attachment "B"?

A. Yes.

....

Q. If an employee exercises seniority onto a position on his/her seniority district and receives moving allowance under the Agreement and is later displaced and is required to move again, will that employee receive moving benefits again under the UP-SP Implementing Agreement No. NYD-217?

A. Yes, if the required move is the result of a transaction under NYD-217.

....

Q. If an employee owns a house trailer will the Carrier treat this house trailer as a home and will he/she be entitled to the benefits under the Agreement No. NYD-217 as if he/she owned a home?

A. Yes.

....

Q. If an employee does not follow work to a new location but exercises seniority rights to another position under the Collective Bargaining Agreement, will he/she be trained in accordance with the Collective Bargaining Agreement on the respective property?

A. Yes.

....

Q. An employee at an unaffected location, on an unaffected roster bids on and is awarded a position being transferred to the UP under Item "3" of Letter of Understanding No. 5 of NYD-217. (Example - an SP employee at El Paso bids on and is awarded a Crew Dispatcher's job being moved from Denver to Omaha.) Can that employee be held on his/her current job (El Paso) after the affected job (Crew Dispatcher) has been moved to Omaha?

A. Yes.

....

Q. How long can the Carrier hold an employee at his present location if that employee's work has been transferred to the new location? Can that employee work on other positions while waiting to be transferred and/or can that employee work overtime while waiting to be transferred if the position has been abolished?

A. The Carrier cannot hold an employee at his/her present location if the employee's work has been transferred.

....

Q. Under the Agreement an eligible employee electing New York Dock protection retains his/her protective status for a period of up to six (6) years; what happens to that employee's protection after the NYD protective period?

A. At the expiration of the NYD protective period, the employee's protection reverts to the applicable protective arrangement/agreement in effect on the property (see Article 1, paragraph 6).

....

B

June 11, 1998

NYD-217

Mr. R. F. Davis
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

Pursuant to Article II - TRANSACTIONS of Implementing Agreement No. NYD-217, notice is hereby given of Carrier's intent to implement the transaction outlined in the attached document and consolidate all clerical work associated with the Southern Pacific (Armourdale Yard) facility located in Kansas City, KS, with that of the Union Pacific facility located in Kansas City, MO.

As outlined in the attachment, it is the Carrier's intent to eliminate all of the clerical positions currently assigned to the SP Armourdale Yard operations and transfer all of this work to clerical positions to be established under the Union Pacific/TCU Collective Bargaining Agreement, effective on or after August 10, 1996.

Please contact my office if you have any questions regarding this transaction.

Yours truly,

(original signed)

D. D. Matter
Gen. Director Labor Relations

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

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ARMOURDALE CLERICAL ASSIGNMENTS

| Position | Incumbent | Seniority Date |
|------------------------|------------------|-----------------------|
| Chief Clerk - 020 | L. L. Seymour | 10-15-52 |
| General Clerk - 009 | B. L. Wilson | 09-25-57 |
| TFC Clerk - 004 | C. E. Sawyer | 09-29-57 |
| TFC Clerk - 002 | D. E. Earnheart | 06-15-60 |
| Clk/Telegrapher - 006 | R. A. Nisser | 06-29-60 |
| Mgr/Telegrapher - 021 | L. J. Unrein | 01-11-61 |
| Extra Board | B. D. Beall | 02-02-62 |
| Relief Clerk - 019 | G. A. Cox | 05-22-63 |
| TFC Clerk - 001 | D. J. Ellis | 06-11-64 |
| Asst. Chf. Clerk - 014 | G. J. Wilber | 12-21-67 |
| Relief Clerk - 001 | C. W. Hicks | 11-07-73 |
| TFC Clerk - 005 | D. M. Colvert | 06-24-83 |
| Asst. Chf. Clerk - 007 | E. G. Koder | 09-06-83 |
| Relief Clerk - 008 | J. E. Ellison | 09-25-83 |
| Clk/Telegrapher - 004 | D. A. Thompson | 01-12-84 |
| Extra Board | B. R. Jones | 09-15-89 |
| TFC Rlf. Clerk - 701 | R. E. Henley | 02-19-91 |
| Relief Clerk - 011 | F. R. Moore | 03-19-91 |
| TFC Clerk - 003 | C. J. Williams | 05-01-97 |
| General Clerk - 018 | Vacant | |
| General Clerk - 017 | Vacant | |

Work of the above positions will be transferred to fifteen (15) Utility Clerk positions and six (6) Ramp Clerk positions to be established under the Union Pacific/TCU Collective Bargaining Agreement.

June 24, 1998

NYD-217

CORRECTED

Mr. R. F. Davis
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

Reference Carrier's Notice dated June 11, 1998, pursuant to Article II - TRANSACTIONS of Implementing Agreement No. NYD-217, giving notice of Carrier's intent to implement the transaction outlined in the attached document and consolidate all clerical work associated with the Southern Pacific (Armourdale Yard) facility located in Kansas City, KS, with that of the Union Pacific facility located in Kansas City, MO. Please note corrections to attached list of clerical assignments, Armourdale Yard, are in bold print.

As outlined in the attachment, it is the Carrier's intent to eliminate all of the clerical positions currently assigned to the SP Armourdale Yard operations and transfer all of this work to clerical positions to be established under the Union Pacific/TCU Collective Bargaining Agreement, effective on or after August 10, 1998.

Please contact my office if you have any questions regarding this transaction.

Yours truly,

(original signed)

D. D. Matter
Gen. Director Labor Relations

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

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September 11, 1998
NYD-217

Mr. R. F. Davis
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

This has reference to my letter dated June 11, 1998, serving notice under the auspices of NYD-217 advising that the Carrier intended to consolidate all clerical work from the Southern Pacific (Armourdale Yard) with that of the Union Pacific Facility at Kansas City and place that work and employees under the Union Pacific/TCU Collective Bargaining Agreement. In accordance with that notice, the Carrier bulletined jobs to be transferred to SP employees with an effective date of September 17, 1998.

By letter dated July 30, 1998, Mr. Davis advised the Carrier that it was the Union's position the notice of June 11, 1998 was inappropriate and not in accordance with the spirit and intent of NYD-217. Moreover, Mr. Davis stated that if the Carrier did not agree with his position he would demand that the issue be submitted to arbitration. Finally, Mr. Davis requested that if the Carrier wished to arbitrate the issue, then the notice not be effectuated until a decision had been rendered by the arbitrator.

First, the Carrier does not agree that the notice issued on June 11, 1998 was inappropriate. Moreover, it is the Carrier's position that the notice and the proposed changes embrace the spirit and intent of NYD-217. In view of this fact, the Carrier is agreeable to submitting this issue to final and binding arbitration on an expedited basis. I will be contacting you in the near future to begin the Referee selection process. Secondly, with regard to your request to delay the implementation of the proposed transaction, the Carrier is reluctantly agreeable to honoring that request with certain reservations. The Carrier reserves the right to immediately effect the changes outlined in the original notice upon receipt of the Arbitrator's Award in the event a decision favorable to the Carrier is rendered without further notice (i.e., a new 60-day notice) to the Organization. Additionally, in the event circumstances change, the Carrier reserves the right to cancel the original notice at any time prior to or after the arbitration Award is rendered, cancelling all assignments and option forms and serving a new 60-day notice, which, if necessary, would not be placed into effect until after a decision rendered by the Referee. Of course, it is understood that the Carrier's decision to grant the Organization's request concerning this delay in implementing the transaction is made without prejudice to the Carrier's position regarding this issue.

Yours truly,

(original signed)
D. D. MATTER
Sr. Director Labor Relations/Non-Ops

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

D

bcc: John Marchant
Dick Meredith
Doug Smith
✓ Brenda Council - Kutak Rock
Henry Carnaby - Room 830
Ron Johnson - Washington, D.C.

May 18, 1999
NYD-217

Mr. Robert M. O'Brien
16 Fox Hill Lane
Milton, MA 02186

Dear Sir:

This refers to the proposed New York Dock Arbitration Award involving the TCU and Union Pacific concerning consolidation of forces and work at Kansas City Terminal. As you know, the parties have a session scheduled for June 2, 1999, to review that proposed Award.

Effective today, the Carrier has exercised its right to cancel the Notice dated June 11, 1998. That Notice was the basis for the dispute. (A copy of the cancellation Notice is attached.) The Carrier's right to cancel the June 11, 1998 Notice was preserved in my letter of September 11, 1998. (A copy of that letter is attached and it also appeared as Exhibit "6" in our Submission.) In addition, the Carrier has an established practice of unilaterally cancelling NYD-217 Notices.

Since the June 11, 1998 Notice has been cancelled, it is Union Pacific's position the Questions at Issue in the above-referenced proposed Arbitration Award are now moot. It is further Union Pacific's position that an Arbitration Award is now neither necessary nor appropriate and that there is no need to convene the review session on June 2. These positions are consistent with the proposition that where there is no dispute, there should be no Arbitration Award.

I believe this puts this dispute to rest. However, should you wish to discuss this matter, please give me a call (402) 271-4947.

Yours truly,

(original signed)
D. D. MATTER
Gen. Director Labor Relations/Non-Ops

cc: Mr. J. Parker
International Vice President, TCU
3 Research Place
Rockville, MD 20850

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

UNION PACIFIC RAILROAD COMPANY

1416 Dodge Street
Omaha Nebraska 68179



May 18, 1999
NYD-217

Mr. R. F. Davis
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

This has reference to my letter dated June 11, 1998, served pursuant to Article II -TRANSACTIONS of Implementing Agreement No. NYD-217, as amended, advising that the Carrier intended to consolidate all clerical work from the Southern Pacific (Armourdale Yard) with that of the Union Pacific Facility at Kansas City and place that work and employees under the Union Pacific/TCU Collective Bargaining Agreement.

Please accept this letter as notification of Union Pacific's decision to **cancel the June 11, 1998 Notice effective immediately.**

Yours truly,

D. D. MATTER
Gen. Director Labor Relations/Non-Ops

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

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September 11, 1998
NYD-217

Mr. R. F. Davis
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

This has reference to my letter dated June 11, 1998, serving notice under the auspices of NYD-217 advising that the Carrier intended to consolidate all clerical work from the Southern Pacific (Armourdale Yard) with that of the Union Pacific Facility at Kansas City and place that work and employees under the Union Pacific/TCU Collective Bargaining Agreement. In accordance with that notice, the Carrier bulletined jobs to be transferred to SP employees with an effective date of September 17, 1998.

By letter dated July 30, 1998, Mr. Davis advised the Carrier that it was the Union's position the notice of June 11, 1998 was inappropriate and not in accordance with the spirit and intent of NYD-217. Moreover, Mr. Davis stated that if the Carrier did not agree with his position he would demand that the issue be submitted to arbitration. Finally, Mr. Davis requested that if the Carrier wished to arbitrate the issue, then the notice not be effectuated until a decision had been rendered by the arbitrator.

First, the Carrier does not agree that the notice issued on June 11, 1998 was inappropriate. Moreover, it is the Carrier's position that the notice and the proposed changes embrace the spirit and intent of NYD-217. In view of this fact, the Carrier is agreeable to submitting this issue to final and binding arbitration on an expedited basis. I will be contacting you in the near future to begin the Referee selection process. Secondly, with regard to your request to delay the implementation of the proposed transaction, the Carrier is reluctantly agreeable to honoring that request with certain reservations. The Carrier reserves the right to immediately effect the changes outlined in the original notice upon receipt of the Arbitrator's Award in the event a decision favorable to the Carrier is rendered without further notice (i.e., a new 60-day notice) to the Organization. Additionally, in the event circumstances change, the Carrier reserves the right to cancel the original notice at any time prior to or after the arbitration Award is rendered, cancelling all assignments and option forms and serving a new 60-day notice, which, if necessary, would not be placed into effect until after a decision rendered by the Referee. Of course, it is understood that the Carrier's decision to grant the Organization's request concerning this delay in implementing the transaction is made without prejudice to the Carrier's position regarding this issue.

Yours truly,

(original signed)
D. D. MATTER
Sr. Director Labor Relations/Non-Ops

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

E

ROBERT M. O'BRIEN

ATTORNEY AT LAW
16 FOX HILL LANE
MILTON, MA 02186
(617) 896-0835

August 25, 1999

Dean D. Matter, General Director - Labor Relations
Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179

-and-

Robert F. Davis, President
ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

RE: SECTION 11 NEW YORK ARBITRATION
(Consolidation at Kansas City Terminal)

Gentlemen:

I am enclosing herewith a signed copy of my Award in the above-referenced matter since I do not consider the dispute that led to the Award moot notwithstanding the Carrier's contention.

It is undisputed that the Carrier reserved the right to cancel the June 21, 1998 Notice to consolidate certain work and clerical employees at its Kansas City Terminal at any time, including prior to and subsequent to the issuance of a New York Dock Arbitration Award. However, this preservation of rights does not render the decision I forwarded you on March 25, 1999, moot, in my opinion.

It is noteworthy that the Carrier has expressly reserved the right to issue a new Notice pursuant to NYD-217 consolidating clerical forces and work at Neff Yard and Armourdale Yard in Kansas City. If the Carrier exercises this prerogative many of the issues that have been addressed in my Award may recur. Rather that relitigate those issue anew my Award may offer some guidance to help resolve them. In the light of these circumstances, the underlying dispute involving the consolidation of work and clerical employees at Kansas City is not moot.

Contrary to the Carrier's assertion, this Arbitrator is not issuing a declaratory order. Rather, the Award I am rendering addresses issues that are still viable since the Carrier has

"EXHIBIT B"

preserved its right to serve a new Notice under NYD-217 to consolidate clerical work and employees at its Kansas City Terminal. As noted above, the Award may help resolve some of the issues attendant such a consolidation.

Please advise if you wish to meet in executive session to discuss the Award that I am enclosing herewith.

Very truly yours,

Robert M. O'Brien

Robert M. O'Brien
New York Dock Arbitrator

RMO'B/amm
enclosure



F

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
OMAHA, NEBRASKA 68179

August 30, 1999
NYD-217

Mr. R. F. Davis
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

Reference my Notice also of today's date advising of the Carrier's intent to abolish certain positions at Armourdale Yard, Kansas City, Kansas, on or after October 29, 1999. The following relief positions were inadvertently omitted from that Notice:

| <u>POSITION NO.</u> | <u>INCUMBENT</u> |
|---------------------|------------------|
| 001 | C. W. Hicks |
| 701 | R. E. Henley |

These positions will also be abolished on or after October 29, 1999. Accordingly, please consider this an amendment to the above-referenced Notice. Copies of this amendment will be furnished to all affected incumbents.

If you have any questions regarding this transaction, please contact my office.

Yours truly,

D. D. Matter
Gen. Director Labor Relations/TCU

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

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"EXHIBIT A"

bcc: Jim Cox - Kansas City
Mike Scoggins - Kansas City
Mitzy Graybeal - Room 1208
Ron Bena - PNG06

August 30, 1999
NYD-217

Mr. R. F. Davis
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

Pursuant to Article II - Transactions of New York Dock Implementing Agreement No. NYD-217, notice is hereby given of the Carrier's intent to abolish the positions listed below at Armourdale Yard, Kansas City, Kansas, on or after October 29, 1999:

| <u>POSITION NO.</u> | <u>INCUMBENT</u> |
|---------------------|------------------|
| 020 | L. L. Seymour |
| 018 | B. D. Beall |
| 021 | L. J. Unrein |
| 014 | E. G. Koder |
| 006 | R. A. Nisser |
| 007 | T. M. Ludwig |
| 004 | D. A. Thompson |
| 001 | G. A. Cox |
| 008 | J. E. Ellison |
| 011 | F. R. Moore |

Any remaining duties and responsibilities of these positions will be absorbed by remaining clerical forces at Armourdale Yard, Kansas City, Kansas.

If you have any questions regarding this transaction, please contact my office.

Yours truly,

(original signed)
D. D. Matter
Gen. Director Labor Relations/TCU

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

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"EXHIBIT A"

September 8, 1999
NYD-217

VIA UPS NEXT DAY AIR

J029 071 743 0

Mr. R. F. Davis
International Vice President, TCU
3 Research Place
Rockville, MD 20850

Dear Sir:

This has reference to your letter dated September 3, 1999, concerning the UP's Notice of August 30, 1999, involving ten (10) positions at the Armourdale Yard at Kansas City, Kansas.

Your letter states, "There has been no request for further executive sessions, and this Award is now in effect." This statement is incorrect. Upon receipt of the Award on August 30, the Carrier called your office and advised of its intent to request an Executive Session to discuss the Award. I advised you that I would be calling Mr. O'Brien that afternoon. I attempted to reach Mr. O'Brien by telephone at least three (3) times during the week of August 30. Failing to reach him by telephone, I wrote him on September 3, 1999 formally requesting an Executive Session which, if you will recall, Mr. O'Brien specifically stated he would grant if requested by either party. Accordingly, your statement that the Award is now in effect is incorrect.

As I explained to you on Monday, August 30, the Carrier was not creating any positions on the UP side of the operation at Kansas City. The only way SP employees could move to the UP side of the operation would be if they would replace existing UP clerical employees. Again, I'm certain this was not the intent of Mr. O'Brien's Award. Moreover, the Notice dated August 30, 1999, does not take effect for sixty (60) days from the date of the Notice. Consequently, your letter is premature.

Finally, with regard to the other issues raised in your letter, the Carrier does not agree with your "interpretation" of Mr. O'Brien's Award. This is precisely why an Executive Session was requested.

Yours truly,

(original signed)

D. D. MATTER

General Director Labor Relations/Non-Ops

CC: Mr. Robert M. O'Brien
16 Fox Hill Ln
Milton, MA 02186

VIA UPS NEXT DAY AIR J029 071 744 9

BCC: John Marchant
Dick Meredith
Doug Smith
Brenda Council - Kutak Rock
Henry Carnaby - Room 830

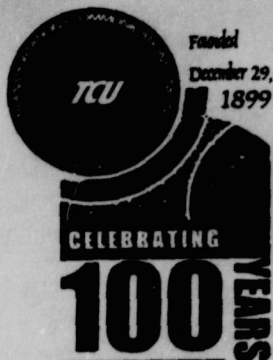
(w/attachment)

"

"

"

"



**Challenging
the future with
a century of
pride!**

Transportation Communications International Union

Robert A. Scardelletti
International President

September 3, 1999

Mr. D. D. Matter, Senior Director
Labor Relations - Non-Ops
Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

Dear Mr. Matter:

This is in further response to UP's notice of August 30, 1999, involving ten positions at the Armourdale Yard in Kansas City, Kansas.

Arbitrator O'Brien issued his proposed decision involving this same facility on March 25, 1999, and rejected UP's claim that the award was moot by letter dated August 25, 1999. There has been no request for further executive sessions, and this award is now in effect.

A review of UP's notice of June 11, 1998, that was the subject of the O'Brien Award, and your current notice reveals that both notices involve the exact same positions. While your current notice states that the duties and responsibilities of the abolished positions will be "absorbed" by the clerical forces at Armourdale Yard, the June 11, 1998, notice states that the abolished positions were to be "transferred", and UP's brief repeatedly noted that the June 11, 1998, notice was served "to consolidate the SP and UP clerical work at Kansas City."

It is clear beyond any doubt that both the June 11, 1998, and the current notice involved the consolidation of clerical work in Kansas City. The O'Brien Award should now be implemented. Specifically, the award calls for the consolidated work to be covered by a single agreement -- namely, the UP agreement, except that said agreement is to incorporate SP rates of pay, prohibition against subcontracting, and guaranteed extra board.

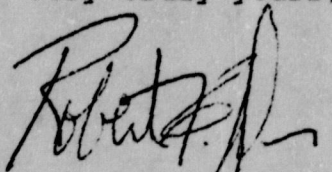
3 Research Place ♦ Rockville, Maryland 20850 ♦ Phone—301-948-4910 ♦ FAX—301-948-1369

Mr. D. D. Matter
September 3, 1999
Page 2

Accordingly, UP should immediately apply the three SP rules cited above to the consolidated clerical work as required by the O'Brien Award. Further, the incumbents of the abolished positions should be afforded the opportunity to follow their work. That work -- particularly crew hauling -- has already been transferred from Armourdale to Neff Yard. Clearly, the employees whose jobs are now being abolished as a result of this consolidation have first rights to perform this work over new hires. Finally, we reserve the right to subsequently deal with the retroactive application of these rules and the TPA of affected SP employees who have been denied the opportunity to follow their work.

If the carrier fails to abide by the March 25 O'Brien Award by September 17, 1999, we will take all appropriate action to enforce the award.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert F. Davis", with a stylized flourish at the end.

Robert F. Davis
International Vice President

H

TO: John Marchant
Dick Meredith
Doug Smith
Dan Moresette
Wayne Naro
Henry Carnaby – Room 830
✓ Brenda Council – Kutak Rock

FROM: Dean Matter *DM*

DATE: October 26, 1999

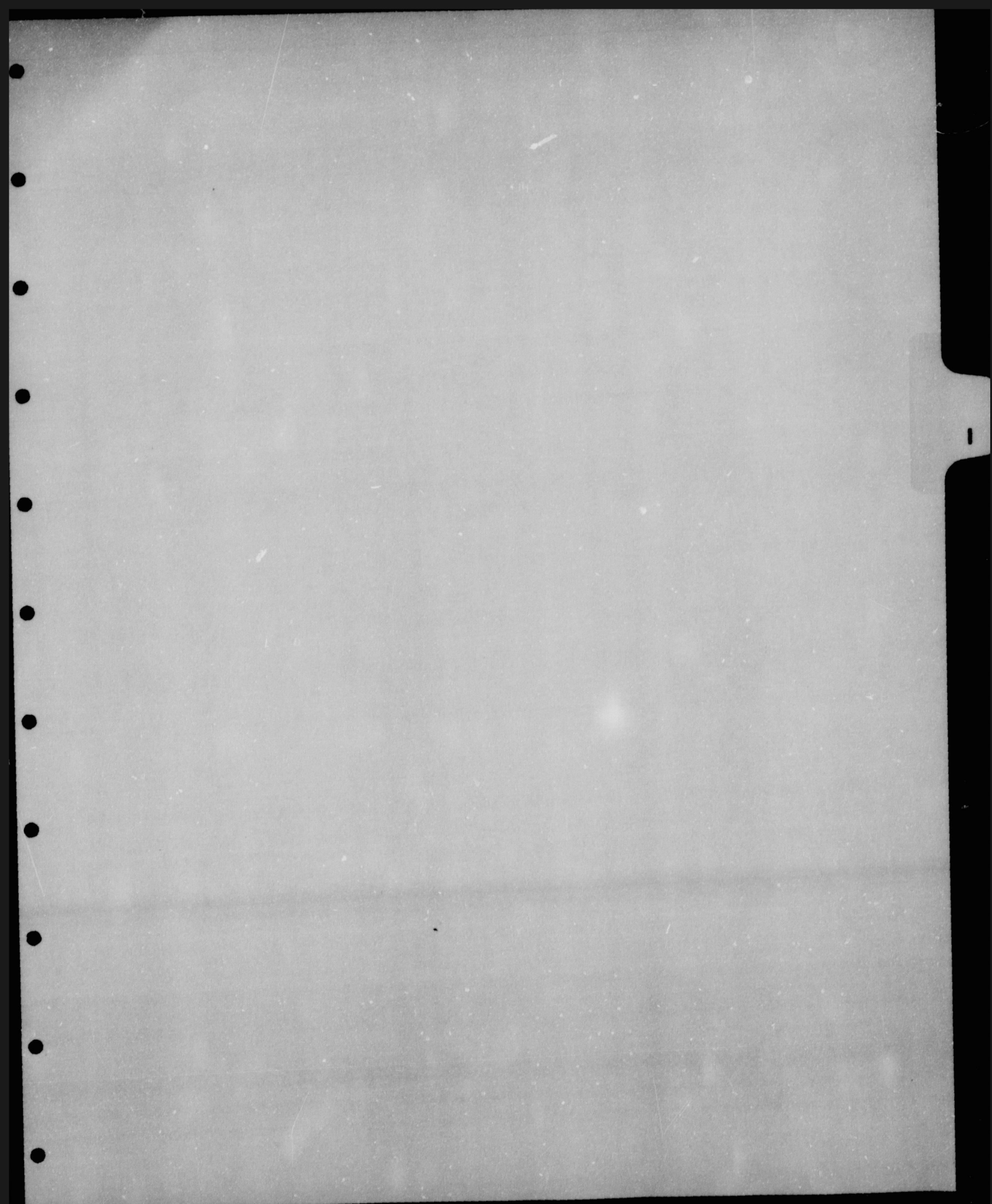
FILE: NYD-217

Attached is a copy of an Award rendered by Referee Robert M. O'Brien concerning the consolidation of clerical work at Kansas City (Armourdale Yard). This Award provides for the work to be placed under the SP Agreement at that location.

If you have any questions concerning this Award or its interpretation, please don't hesitate to contact my office.

Attachment

"EXHIBIT C"



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



November 13, 1999
NYD-217

Mr. T. Stafford
President ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Gentlemen:

This is to advise that Carrier's notice dated August 30, 1999, and the amendment to that notice also dated August 30, 1999, served pursuant to Article II - Transactions of New York Dock Implementing Agreement No. NYD-217, giving notice of the Carrier's intent to abolish certain clerical positions at Armourdale Yard, Kansas City, Kansas, on or after October 29, 1999 are, hereby, cancelled.

Yours truly,

D. D. Matter
Gen. Director Labor Relations/TCU

cc: Mr. J. P. Condo
International Vice President, TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Gobel
International Vice President, TCU
4189 North Road
Moose Lake, MN 55767

H:\SP\DATA\CANCEL.ARM

"EXHIBIT D"

STB

FD

32760 (SUB36)

11-16-99

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196058

Transportation Communications International Union

Robert A. Scardelletti
International President

LEGAL DEPARTMENT

Mitchell M. Kraus
General Counsel

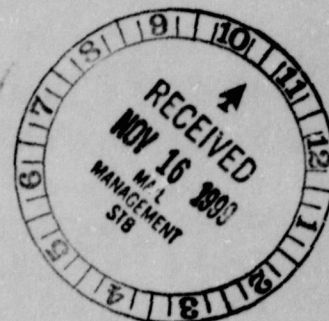
Christopher J. Tully
Assistant General Counsel

ENTERED
Office of the Secretary

NOV 16 1999

Part of
Public Record

November 16, 1999



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pride!**

VIA FACSIMILE

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Finance Docket No. 32760 Sub. No. 36
In the Matter of: Transportation Communications
International Union and Southern Pacific Railway
Lines (SSW), UPRR Company

Dear Mr. Williams:

Please be advised that the Transportation Communications International Union has no objection to the request of the Union Pacific Railroad for a seven day extension of time to file a reply to our Petition for Enforcement of an Arbitration Award.

Very truly yours,

Mitchell M. Kraus
General Counsel

MMK:fm

CC: Brenda J. Council, Esquire

STB

FD

32760 (SUB36)

11-15-99

D

196051

196051

KUTAK ROCK
 THE OMAHA BUILDING
 1650 FARNAM STREET
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BRENDA J. COUNCIL
 brenda.council@kutakrock.com

November 15, 1999

VIA FACSIMILE (202) 565-9004

Vernon A. Williams
 Secretary
 Surface Transportation Board
 1925 K Street N.W.
 Washington, D.C. 20423-0001

ENTERED
 Office of the Secretary

NOV 16 1999
 Part of
 Public Record

Re: Finance Docket No. 32760, Sub. No. 36
 In the Matter of: Transportation Communications International Union and
 Southern Pacific Railway Lines (SSW), UPRR Company.

Dear Mr. Williams:

Due to the unexpected scheduling of oral argument in another case, I will not be able to file our Reply to the Petition for Enforcement of an arbitration within the time period specified in the rules.

Therefore, I hereby request an extension of 7 days within which to file the Reply of Union Pacific.

Very truly yours,

Brenda J. Council
 Brenda J. Council

lat

cc: Mitchell M Kraus
 General Counsel
 Christopher Tully
 Assistant General Counsel