

STB

FD

32760 (SUB36)

10-26-99

I

195938V3

7/15



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 budgeted 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 18<sup>th</sup> 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 BENEFITS

Section 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:

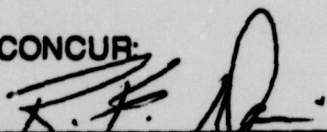
This will confirm our discussion in conference relating to the merger of the UP and SP railroads.


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.

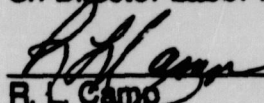
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided.

Yours truly,

I CONCUR:

  
Robert F. Davis, President/ ASD

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

  
R. L. Camp  
Manager Labor Relations

LETTER OF UNDERSTANDING NO. 2

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.

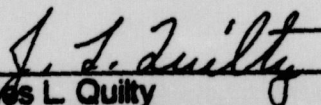
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

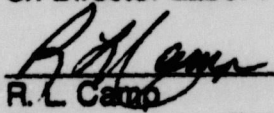
Yours truly,

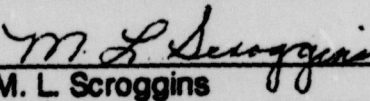
I CONCUR:

  
Robert F. Davis, President/ ASD

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

  
James L. Quilty  
General Chairman, SB #106

  
R. L. Camp  
Manager Labor Relations

  
M. L. Scroggins  
General Chairman, SB #51



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

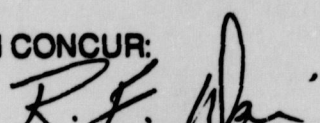
Gentlemen:

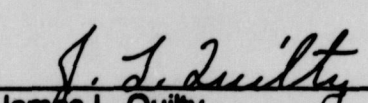
This will confirm our discussion in conference relating to the merger of UP and SP railroads.

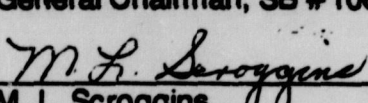
An employee not covered by any protective agreement or arrangement on his/ her respective property, may be offered employment anywhere on the combined (railroads) system and must accept such transfer or resign from service. Such employee will receive a thirty (30) calendar day notice and will advise 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.

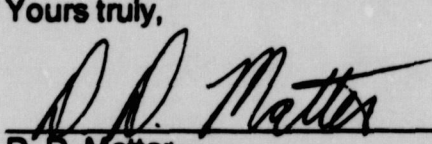
I CONCUR:


  
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. Carna  
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.

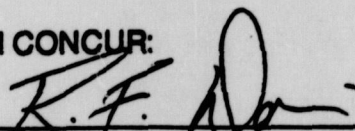
In regards to District/ Local Chairmen who are affected as a result of this Agreement and who represent employees covered thereby,

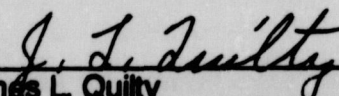
It is agreed that each employee who served as an agent or representative of the employees in the twelve (12) months immediately preceding the representative being affected, and who lost time from the Carrier, such representative and/ or employee's monthly dismissal/ displacement allowance shall include 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.

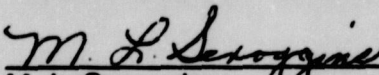
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

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:

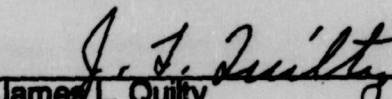
1. To the incumbents on the affected positions.
2. To other employees within the same seniority district as the affected Department, or, in the case of the UP, to other employees at the affected location (30 mile radius).
- 2(a). In the case of the UP, to other employees on the zone from which the work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

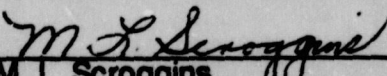
Any positions that remain unfilled will be bulletined in accordance with the working Agreement on the property (UP or SP) to which the work is being transferred.

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:

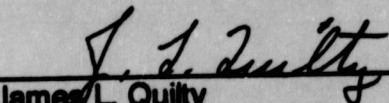
In recognition of the anticipated changes wherein the Company will be rearranging, eliminating and/ or transferring clerical work throughout its lines, the parties have committed to minimizing the disputes arising therefrom.

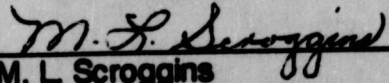
Since the Agreement is based upon cooperation of the parties with most problems resolved at the local level, it is agreed that with the concurrence of management, the Local/ District Chairmen may be absent from work with pay for up to thirty (32) hours per month for the purpose of administering this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

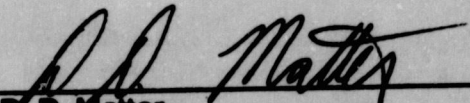
Yours truly,

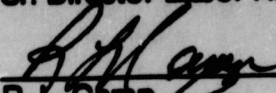
I CONCUR:

  
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



LETTER OF UNDERSTANDING NO. 7

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

Dear Sir:

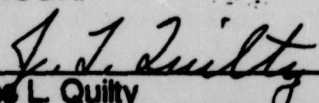
This will have reference to Article III of Implementing Agreement No. NYD-217. In the event the Carrier is unable to fill a position as a result of work transferred from the SP to the UP after exhausting the provisions of Article III and Side Letter No. 5, the position shall be advertised and filled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

Yours truly,

I CONCUR:

  
James L. Quilty  
General Chairman, SB #106

  
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.

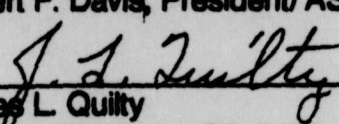
It is agreed and understood that wherever the terms Southern Pacific Transportation Company, Southern Pacific Lines or SP are used in the Merger Agreement and/ or any attachments or side letters they include:

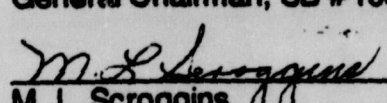
Southern Pacific Transportation Company (Western Lines)  
Southern Pacific Transportation Company (Eastern Lines)  
St. Louis Southwestern Railroad Company  
Denver And Rio Grande Western Railroad Company  
Southern Pacific Chicago St. Louis Corporation

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

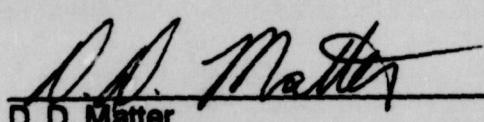
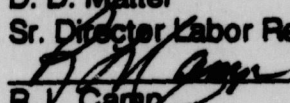
I CONCUR:

  
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

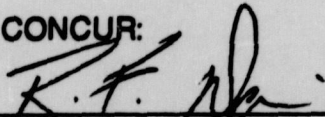
Gentlemen:

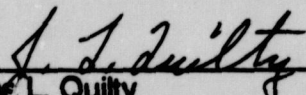
This will confirm our discussion in conference relating to the merger of UP and SP railroads.

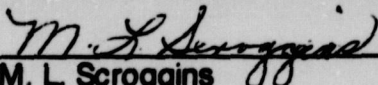
It is agreed service performed as a full-time "duly authorized representative" while on leave of absence shall be computed for continuous service purposes under the National Vacation Agreement in the same manner as if the employee had been working on a job covered by the TCU Agreement. Moreover, should 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:

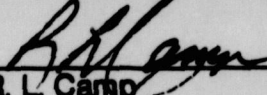
  
Robert F. Davis, President/ ASD

  
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.

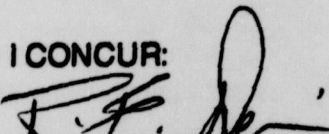
Concern has been expressed over confusion created when the Carriers conduct simultaneous transactions under the TOPS Agreement and the New York Dock Implementing Agreement.

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

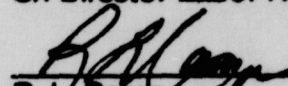
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

I CONCUR:

  
Robert F. Davis, President/ ASD

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

  
R. L. Camp  
Manager Labor Relations



LETTER OF UNDERSTANDING NO. 11

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:

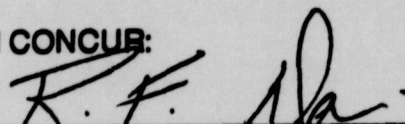
This will confirm our discussion in conference relating to the merger of UP and SP railroads. Concern was expressed as to the possibility that those employees who own a home and are required to change their place of residence in order to maintain a position with the Carrier and who purchase a home at 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.

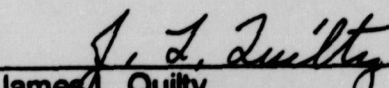
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

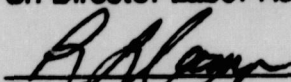
Yours truly,

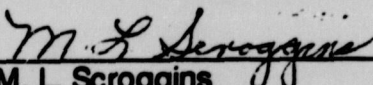
I CONCUR:

  
Robert F. Davis, President/ ASD

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

  
James L. Quilty  
General Chairman, SB #106

  
R. L. Camp  
Manager Labor Relations

  
M. L. Scroggins  
General Chairman, SB #51

LETTER OF UNDERSTANDING NO. 12

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.

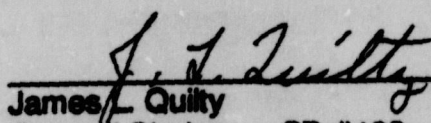
The Carrier will establish an ombudsman who will be available to hear the concerns of affected employees and develop answers to problems. The ombudsman will have sufficient authority to resolve problems.

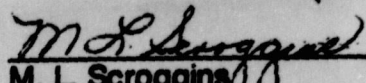
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

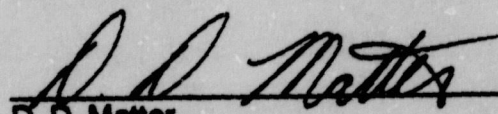
Yours truly,

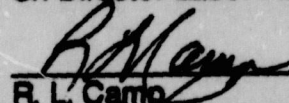
I CONCUR:

  
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



LETTER OF UNDERSTANDING NO. 13

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.

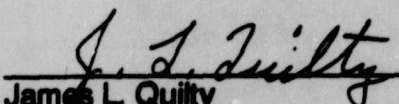
If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.


Yours truly,

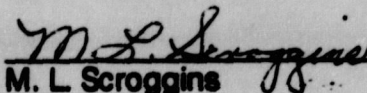
I CONCUR:

  
Robert F. Davis, President/ ASD

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

  
James L. Quilty  
General Chairman, SB #106

  
R. L. Camp  
Manager Labor Relations

  
M. L. Scroggins  
General Chairman, SB #51

LETTER OF UNDERSTANDING NO. 14

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.

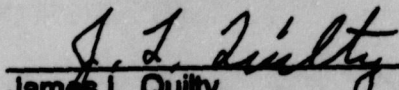
During our discussions, it was agreed that an employee assigned to a new position established pursuant to Implementing Agreement No. 217 would have their test period averages calculated from the date the assignment becomes effective irrespective of the employee's release date from the old position.


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

Yours truly,

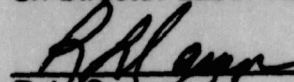
I CONCUR:

  
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:

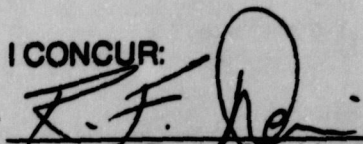
This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

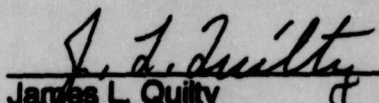
In our discussions it was agreed that all Customer Service Representative positions established pursuant to Implementing Agreement No. 217 would be bulletined as "CSR training positions". Once the training is completed, Customer Service Representative positions will be bulletined and assigned in accordance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

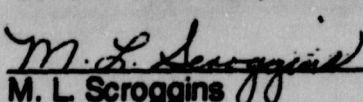
If the above adequately reflects our understanding, please sign in the space indicated below.

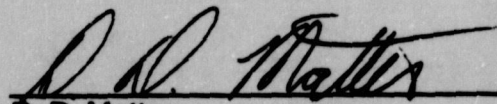
Yours truly,

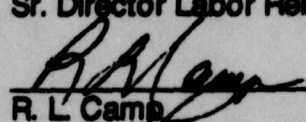
I CONCUR:

  
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

LETTER OF UNDERSTANDING NO. 16

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

Dear Sir:

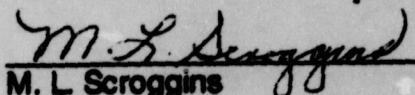
This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

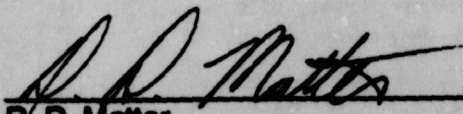
During our discussions it was agreed that SPCSL clerical employees with six (6) or more years seniority will be considered protected employees under the application of Implementing Agreement No. 217. Non-protected SPCSL clerical employees will receive any coverage as provided for in the Implementing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

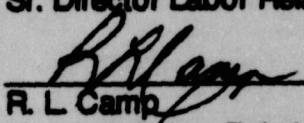
If the above adequately records our understanding and agreement please so indicate by placing your signature on the space provided below.

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



LETTER OF UNDERSTANDING NO. 17

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

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.

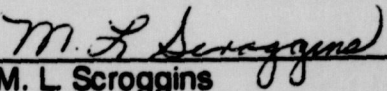
The TCU/ SP October 27, 1992 Implementing Agreement provides that in certain circumstances employees are to receive a transfer allowance to be paid over a period of time providing the employee fulfills certain obligations. It is understood that if an employee is transferred under this Agreement and thus 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.

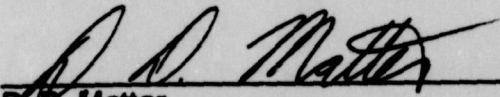
If the above adequately records our understanding and agreement please so indicate by placing your signature on the space provided below.

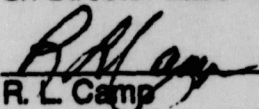
Yours truly,

I CONCUR:

  
Robert F. Davis, President/ ASD

  
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. 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.

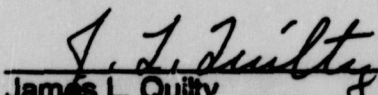
It was agreed that SP employees transferring to the UP would be permitted to retain their TOPS protected rate, DRGW Job Stabilization rate, SPCSL "grandfather" rate or establish the rate of the position to which transferring on the UP, whichever is greater, as their protected rate under the UP Job Stabilization 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.

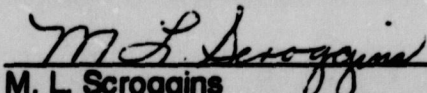
It was further agreed that UP employees transferring to the SP will establish a protected rate on the SP (TOPS or DRGW Job Stabilization, whichever is applicable) at the higher of their UP Job Stabilization protected rate, their employee maintenance rate or the rate of the position to which transferring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

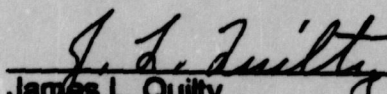
Employees now holding clerical seniority and who have been granted leave of absence to perform full time union service may exercise seniority as provided in the respective Bargaining Agreement or elect from the options contained in Implementing Agreement No. 217 provided such election is made within 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.

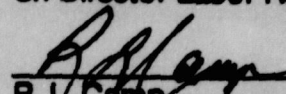
Yours truly,

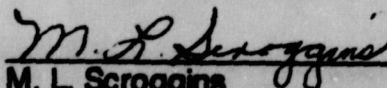
I CONCUR:

  
Robert F. Davis, President/ ASD

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

  
James L. Quilty  
General Chairman, SB #106

  
R. L. Camp  
Manager Labor Relations

  
M. L. Scroggins  
General Chairman, SB #51

LETTER OF UNDERSTANDING NO. 20

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.

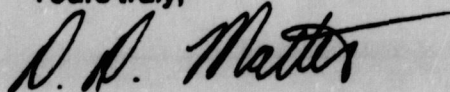
We anticipate this issue will be resolved nationally in the second or third quarter of 1997. However, in no event will this freeze of Rule 1(e) positions extend beyond January 1, 1998.

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

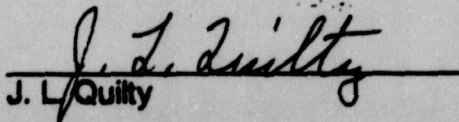
It is understood that any understanding we may reach will have to be approved by TCU International President Scardelletti.

If you concur, please sign in the space indicated.

Yours truly,



AGREED:

  
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.

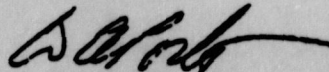
The daily rate of pay for a National Account Representative will be \$128.00.

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 Grandé Western Railroad and the Union Pacific Railroad belong to a hospital association;

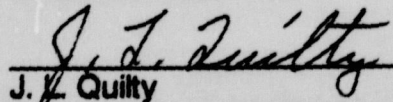
It is therefore agreed that SPTCo employees who have transferred or are transferring to the D&RGW or the UPRR will be granted an option to (1) retain coverage under GA-23000, or (2) elect to become covered by the hospital association, it being understood, however, that once an employee elects coverage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

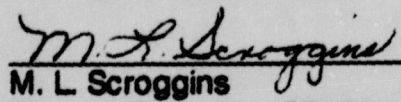
It is further agreed that the employees will be provided an election form and must advise the designated Carrier Officer of their intent to retain GA-23000 or become members of the hospital association in writing within thirty (30) days. Failure to complete and submit the form to the designated Carrier 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 18<sup>th</sup> day of December, 1996.

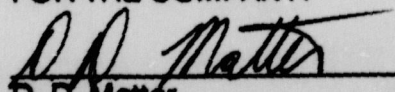
AGREED:  
FOR THE ORGANIZATION:


  
\_\_\_\_\_  
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

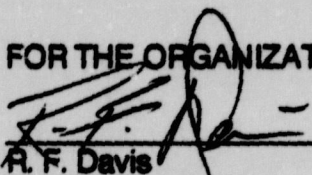
WHEREAS, many of the affected employees employed by the Southern Pacific Transportation Company at Denver, Colorado and Houston, Texas, maintain their seniority on separate seniority districts;

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.

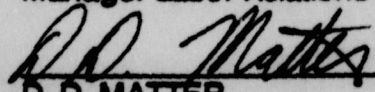
This Agreement is signed this 18<sup>th</sup> day of December, 1996.

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 18<sup>th</sup> 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 DOUCE STREET  
OMAHA, NEBRASKA 68102

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.

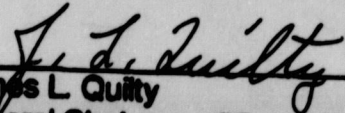
Attached is a copy of "Questions and Answers" concerning the Agreement, which have been developed and discussed by the parties. Please review the attachment and, if you concur with the responses to the questions, please so indicate by signing in the spaces provided.

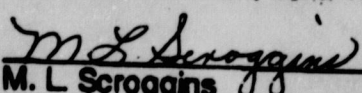
It is understood this list of "Q and A's" may be expanded by mutual agreement among the parties.

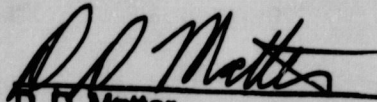
Yours truly,


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.**

\*\*\*\*

**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 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 I, paragraph 6).**

....



**Q. If an employee is on a leave of absence and returns to service to find his/her position was affected or an employee affected has exercised displacement rights thereon, to what benefits is the employee entitled?**

**A. Article V, Section 3 states, "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."**

**\*\*\*\***

**Q. If an employee is not offered a position and goes into dismissed status and is drawing a dismissal allowance and the Carrier recalls the employee from dismissed status to a position that requires a change in place of residence, what are the employee's options? Is the employee entitled to the separation under the terms of the UP-SP Implementing Agreement No. NYD-217?**

**A. If recalled pursuant to NYD-217, the employee will be offered the options under Article III, Section 3 which includes Option "A. Receiving severance under the separation program (Attachment "A")."**

**\*\*\*\***

**Q. If an employee's work is transferred to two locations and the Carrier creates a position at each location, will the employee have the first option for a position at either location? Will the employee have a choice of where he wants to go?**

**A. "Yes" to both questions.**

**\*\*\*\***

**Q. If two or more employees occupy the same household, what benefits pertaining to relocation and home sale allowance will be made?**

**A. If the "couple" are homeowners, one employee will receive the "homeowner" allowance and the other employee will be eligible for the "renter" allowance. If the "couple" are renters, both employees will be entitled to the renters allowance.**

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, 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

h:\sp\data\armdale.ntc



## 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

h:\sp\data\amendarmdale.ntc



# 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
<b>Janitor - 018</b>	<b>B. D. Beall</b>	<b>02-02-62</b>
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
<b>General Clerk - 002</b>	<b>Vacant</b>	
General Clerk - 017	Vacant	
<b>MofW Gen.Clerk/Steno - 139</b>	<b>Vacant</b>	

---

Work of the above positions will be transferred to **sixteen (16)** Utility Clerk positions and six (6) Ramp Clerk positions to be established under the Union Pacific/TCU Collective Bargaining Agreement.



Transportation • Communications International Union – AFL-CIO, CLC



ROBERT F. DAVIS  
*President*

TED P. STAFFORD  
*General Secretary-Treasurer*

AUG 04 1998

LABOR RELATIONS

File: 279-100

July 30, 1998

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

Dear Sir:

This will have reference to Carrier's notice of June 11, 1998, allegedly served 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 further, that said work and employees would be subject to the Union Pacific/TCU Collective Bargaining Agreement effective on or after August 10, 1998.

As I have previously advised you it is the Union's position that this notice is inappropriate and not in accordance with the spirit and intent of NYD-217. I therefore request that this notice be withdrawn and canceled.

The Carrier's notice indicates that various clerical positions currently under the Southern Pacific Agreement are to be placed under the Union Pacific Agreement and reclassified as Utility Clerk positions. This has the sole purpose of reducing the rates of pay of the positions. In addition to this, the Carrier advises that it intends to place six Ramp Clerk positions under the Union Pacific Agreement--these are positions that do not even exist under the Union Pacific Agreement at Kansas City as the Union Pacific ramp work is performed by an outside contractor. The effect of this notice is to "cherry pick" collective bargaining agreements and to place employees under an agreement with inferior benefits for the employees. This has no



Mr. D. D. Matter, Senior Director

July 30, 1998

Page Two

other application but to transfer wealth from employees to the employer. The Carrier's action is not necessary and certainly will not benefit the general public or the employees subject to this merger.

In reviewing a recent arbitration award (UTU v. UP--Yost Award) the Surface Transportation Board reiterated what the Supreme Court held in *Railway Labor Executives Association v. United States*, 987 F.2d 806 (D.C. Cir. 1993), "[I]n *RLEA*, supra, the court admonished the ICC to refrain from approving modifications that are not necessary for realization of the public benefits of the consolidation but are merely devices to transfer wealth from employees to their employer." While the STB affirmed the arbitrator's decision in this area it did so solely due to the fact that the UTU "made no effort to show that the UP Eastern District collective bargaining agreement is inferior to the collective bargaining agreements that it replaced."

The action contemplated by the Carrier regarding the clerks in Kansas City, without a doubt, has the effect of placing employees under an inferior agreement. First, the rates of pay of the positions are being reduced by a considerable amount; second, the Ramp Clerks are placed in jeopardy of having their work contracted to an outside party; and third, the extra board agreement under the SP Clerical Agreement is far superior to the extra board agreement under the UP Clerical Agreement. These are but three examples of how the SP CBA is superior to the UP CBA at Kansas City.

Nowhere in NYD-217 is it contemplated that the Carrier has the right to "cherry pick" agreements. On the contrary, the Implementing Agreement contemplates the Carrier transferring work and employees in order to effectuate the merger. All the Carrier is attempting to do with this notice is to place the former SP employees under the UP CBA. No employees or work are being transferred. The result of this would simply be to transfer wealth from the employees to the employer.

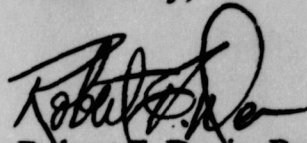
The Carrier's actions are not only in violation of NYD-217, but also contravene findings of the United States Supreme Court in *RLEA*. Something that even the STB finds violative of its merger approval.

Mr. D. D. Matter, Senior Director  
July 30, 1998  
Page Three

As stated above, the Union hereby demands that this notice be withdrawn and canceled. If the Carrier is unwilling to do this then you may consider this as a demand for arbitration of this issue. If the Carrier wishes to arbitrate the issue then it is requested that the notice not be effectuated until a decision is rendered by an arbitrator.

Kindly advise the Carrier's position and if you intend to withdraw this notice.

Yours truly,

A handwritten signature in dark ink, appearing to read "Robert F. Davis", written in a cursive style.

Robert F. Davis, President

cc: R. A. Scardelletti, IP  
J. L. Gobel, IVP  
J. P. Condo, IVP  
J. L. Quilty, GC  
S. R. Steeves, VP/ASD  
P. T. Trittel, ATP/ASD



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

Marla S. Carrow  
06/04/98 01:47 PM

To: Robert L. Camp@UP  
cc:  
Subject: Clerical Boards for Kansas City

Union Pacific Yard Clerical positions - Kansas City, MO

1st Shift

013	Chief Yard Clerk	Pinet, T. P.	S.S.#500-38-5359
112	Mail Clerk	Lancaster, S. L.	S.S.#496-34-4973
200	Utility (UP)	Holmes, Jr., I	S.S.#488-32-6062
202	Utility	Gomez, T. O.	S.S.#512-38-5437
203	Utility	Weber, Jr., J. E.	S.S.#500-38-5425
204	Utility	Harston, J. L.	S.S.#728-03-0882
219	Utility (Topping)	Harbrucker, J. E.	S.S.#487-54-6496
221	Janitor	Harrington, L. L.	S.S.#529-50-7550
235	Utility	Williams, C. V.	S.S.#493-38-3280

2nd Shift

015	Chief Yard Clerk	Erwin, E.E.	S.S.#491-44-9228
222	Utility (Topping)	Stevenson, F. E.	S.S.#497-44-8983
223	Utility (UP)	Childs, C. L.	S.S.#491-52-2541
224	Utility	Reese, E. B.	S.S.#498-48-1960
225	Utility	Benson, M. G.	S.S.#511-58-8699
227	Utility	Kraus, J. A.	S.S.#486-48-8196
228	Utility	Bruscato, A. J.	S.S.#488-50-8402
233	Utility	Lee, J. R.	S.S.#500-38-0506

3rd Shift

014	Chief Yard Clerk	Beebe, P. A.	S.S.#495-52-6948
206	Utility	Chapman, K. L.	S.S.#514-34-7481
213	Utility (UP)	Davis, R.	S.S.#512-34-7016
214	Utility	Doss, L. M.	S.S.#500-44-3355
229	Utility	Coats, C. L.	S.S.#513-58-7517
230	Utility	Heslop, R. V.	S.S.#486-50-7195
232	Utility (Topping)	Welch, S.E.	S.S.#497-56-7977
234	Utility	Fowler, T. D.	S.S.#497-56-6584

Relief Positions

753		Atkins, M. M.	S.S.#509-50-2337
759		Schulte, D. D.	S.S.#515-48-6798
763		Peters, G. H.	S.S.#510-44-6585
765		Wiseman, L. A.	S.S.#269-40-8216
766		Dugger, L. F.	S.S.#511-60-7773
767	OPEN		
768		Greenfield, C. B.	S.S.#498-48-1689
779		Rogers, E.	S.S.#513-30-3786
783		Duncan, J. L.	S.S.#515-48-6808

Extra Board

	Bly, Jr., W. A.	S.S.#493-72-2158
--	-----------------	------------------



Easterday, B. K.	S.S.#511-74-8429
Hatton, W.	S.S.#514-28-7335
Howe, L.	S.S.#512-80-7547
Jullison, A. K.	S.S.#488-72-4872
Smith, R. L.	S.S.#497-66-1879
Taylor, R. L.	S.S.#493-70-3844
Vasquez, R. B.	S.S.#509-56-5696
Willhite, M. J.	S.S.#515-44-4317

Southern Pacific Yard clerical positions (Armourdale Yard) - Kansas City, KS as of 5/31/98

				Sen. Date
604	Extra Board	Beall, B. ✓	S.S.#449-64-4995	2/2/62
019	Relief Clerk	Cox, G. A. ✓	S.S.#514-40-7998	5/22/63
008	Relief Clerk	Ellison, J. E. ✓	S.S.#485-52-7636	6/11/64
<del>018</del>	<del>General Clerk</del>	<del>Flory, T. R.</del>	<del>S.S.#429-08-7013</del>	<del>** Retired 6/1</del>
001	Relief Clerk	Hicks, C. W. ✓	S.S.#429-08-7013	11/7/73
017	<del>General Clerk</del>	<del>Hime, C. J.</del>	<del>S.S.#514-80-4684</del>	<del>** Deceased</del>
603	Extra Board	Jones, B. R. ✓	S.S.#514-80-4684	9/15/89
007	Asst. Chief Clerk	Koder, E. G. ✓	S.S.#479-44-4916	9/6/83
011	Relief Clerk	Moore, F. R. ✓	S.S.#499-46-9782	3/19/91
006	Clerk Telegrapher	Nisser, R. A. ✓	S.S.#500-44-5898	6/29/60
020 ✓	Chief Yard Clerk	Seymour, L. L. ✓	S.S.#515-32-6820	11/18/52
004	Clerk Telegrapher	Thompson, D. A. ✓	S.S.#442-62-7745	1/12/84
021	Mgr. Telgr.	Unrein, L. J. ✓	S.S.#515-36-6132	1/11/61
014	Asst. Chief Clerk	Wilber, G. J. ✓	S.S.#510-52-6378	12/21/67
009	General Clerk	Wilson, B. L. ✓	S.S.#486-36-9889	9/25/57

Southern Pacific Intermodal clerical positions (Armourdale Yard) - Kansas City, KS

003	General Clerk	Williams, C. J. ✓	S.S.#482-04-3450	5/1/97
005	General Clerk	Colvert, D. M. ✓	S.S.#430-50-6792	6/24/83
002	Crew Clerk	Earnheart, D. E. ✓	S.S.#509-38-1756	6/15/60
001	General Clerk	Ellis, D. J. ✓	S.S.#511-42-9809	6/11/64
701	Relief Clerk	Henley, R. E. ✓	S.S.#488-46-6177	2/19/91
004	Crew Clerk	Sawyer, C. E. ✓	S.S.#498-38-9450	9/29/57

**ARBITRATION PROCEEDING  
UNDER NEW YORK DOCK IMPLEMENTING AGREEMENT  
ARTICLE I, SECTION 4**

In the Matter of the Arbitration between:

**BROTHERHOOD OF MAINTENANCE  
OF WAY EMPLOYEES**

and

**UNION PACIFIC RAILROAD  
COMPANY**

**OPINION AND AWARD**  
**Issue: Assignment of Forces**

Date of Hearing: September 16, 1997  
Place of Hearing: Chicago, Illinois  
Date of Award: October 15, 1997

**PETER R. MEYERS, Arbitrator**  
360 East Randolph Street, Suite 3104  
Chicago, Illinois 60601  
312-616-1500

**APPEARANCES**

Donald F. Griffin, Employee Member  
Assistant General Counsel  
Brotherhood of Maintenance of Way  
Employees  
10 G Street, N.E., Suite 460  
Washington, D.C. 20002

W. E. Naro, Carrier Member  
Director, Labor Relations  
Maintenance of Way & Signal  
Union Pacific Railroad Company  
1416 Dodge Street  
Omaha, Nebraska 68179



## **Introduction**

This is a proceeding under Article I, Section 4, of the *New York Dock Conditions*. Upon application by the Union Pacific Corporation, the Surface Transportation Board (hereinafter "STB"), successor to the Interstate Commerce Commission, approved a merger between rail carriers controlled by the Union Pacific Corporation with rail carriers controlled by Southern Pacific Corporation. In approving this merger, the STB imposed the employee protective conditions known as the *New York Dock Conditions*. By letter dated February 4, 1997, the Union Pacific Railroad Company (hereinafter "the Carrier") notified the Brotherhood of Maintenance of Way Employees (hereinafter "the Organization") of its intent to establish system operations affecting maintenance of way employees working primarily in the western territory of the merged system. The Organization acknowledged receipt of the notice and agreed to meet with the Carrier, although it expressly reserved the right to challenge the legitimacy of the notice. The parties accordingly met and attempted to reach an implementing agreement, but ultimately were unsuccessful.

The arbitration provisions of *New York Dock* subsequently were invoked. Pursuant to Article I, Section 4, of the *New York Dock Conditions*, this matter then came to be heard before Neutral Arbitrator Peter R. Meyers on September 16, 1997, at Chicago, Illinois. The parties additionally filed written submissions in support of their respective positions.

### Question at Issue Posed by the Carrier

Does the Carrier's Proposed Arbitration Award constitute a fair and equitable basis for the selection and assignment of forces under a *New York Dock* proceeding so that the economies and efficiencies - the public transportation benefit - which the STB envisioned when it approved the underlying rail consolidation of the SP into the Union Pacific will be achieved?

### Questions at Issue Posed by the Organization

Does the UP's notice of February 4, 1997 concern a "transaction" under Section 1(a) of *New York Dock*?

If the UP's notice does concern a transaction, is it necessary to abrogate Article XVI of the September 26, 1996 BMW-NCCC agreement that applies to UP, SP and DRGW; abrogate the relevant SP and DRGW system production gang agreements; and modify the UP system production gang agreements in order to carry out the transaction?

If it is necessary to abrogate all of the above agreements, which arrangement is more fair and equitable to the interests of the affected employees: BMW's or UP's?

### Relevant Contract Provisions

#### NEW YORK DOCK CONDITIONS

#### APPENDIX III

Labor protective conditions to be imposed in railroad transactions pursuant to 49 U.S.C. 11343 et seq. [formerly sections 5(2) and 5(3) of the Interstate Commerce Act], except for trackage rights and lease proposals which are being considered elsewhere, are as follows:



1. **Definitions.** - (a) "Transaction" means any action taken pursuant to authorizations of this Commission on which these provisions have been imposed.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the railroad's employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or applicable statutes.

4. **Notice of agreement of decision.** -- (a) Each railroad contemplating a transaction which is subject to these conditions and may cause the dismissal or displacement of any employees, or rearrangement of forces, shall give at least ninety (90) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of the railroad and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be affected by such transaction, including an estimate of the number of employees of each class affected by the intended changes. Prior to consummation the parties shall negotiate in the following manner.

Within five (5) days from the date of receipt of notice, at the request of either the railroad or representatives of such interested employees, a place shall be selected to hold negotiations for the purpose of reaching agreement with respect to the application of the terms and conditions of this appendix, and these negotiations shall commence immediately thereafter and continue for at least thirty (30) days. Each transaction which may result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all employees involved on a basis accepted as appropriate for application in the particular case and any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of thirty (30) days there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the request for arbitration the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee then the National Mediation Board shall immediately appoint a referee.

STB

FD

32760 (SUB36)

10-26-99

I

195938V3

8/15



(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(b) No change in operations, services, facilities, or equipment shall occur until after an agreement is reached or the decision of a referee has been rendered.

#### **Factual Background**

This matter originates with the Union Pacific Corporation's ("UPC") filing, on November 30, 1995, of an application with the Interstate Commerce Commission ("ICC") seeking to obtain approval of a proposed merger of the rail carriers controlled by UPC with the rail carriers controlled by Southern Pacific Rail Corporation. The Surface Transportation Board ("STB"), the ICC's successor agency, subsequently approved the proposed merger, and it imposed the employee protective conditions found in the *New York Dock Conditions* upon the Carrier in implementing the approved merger.

As required by *New York Dock*, the Carrier issued a notice, on February 4, 1997, of its intention to establish system operations under the provisions of the collective bargaining agreement between Union Pacific Railroad and the Brotherhood of Maintenance of Way Employees. The proposed system operations, if implemented, will affect maintenance of way employees working in the Carrier's western territory, which includes Union Pacific

("UP"), Southern Pacific Western Lines ("SPWL"), UP(WP), and Denver & Rio Grande Western Railroad ("DRGW") territories.

The Organization reserved its right to challenge the legitimacy of the Carrier's February 4, 1997, notice, but it acknowledged receipt of the notice and agreed to meet with the Carrier to discuss the proposed system operations. The parties met and engaged in negotiations, but they were unable to reach an agreement as to the proposed system operations or how it would be implemented. The parties did, however, reach tentative agreements as to certain issues; most of these appear to be included in the proposed implementing agreements that the parties submitted in the course of these proceedings.

Because the parties were unsuccessful in reaching an implementing agreement, the arbitration provisions contained in Article I, Section 4, of the *New York Dock Conditions* were invoked.

#### **The Organization's Position**

The Organization initially contends that the Carrier's notice of February 4, 1997, does not concern a "transaction" as that term is defined in Article 1, Section 1, of *New York Dock*. Because this issue is jurisdictional, if the Carrier's notice does not concern a transaction, then this Arbitrator is without authority to proceed any further. Contending that "transaction" is synonymous with the term "coordination" that is used under the Washington Job Protection Agreement ("WJPA"), the Union maintains that the seniority reorganization proposed in the Carrier's notice, which it previously characterized as a



change in the status of the former UP, SP, and DRGW employees, does not constitute a "coordination," so it cannot be a transaction under *New York Dock*. The reported WJPA decisions establish that coordinations involve the transfer of work from one carrier to another, or the closing of facilities and the corresponding consolidation of work from those facilities to a new central location. The Union maintains that there are no reported WJPA decisions concerning a "coordination" of maintenance of way forces similar to what the Carrier proposes in this proceeding.

The Union stresses that in its proposal, the Carrier is not seeking to join facilities or transfer work from one carrier to another; instead, the Carrier is seeking to expand the territory over which UP, SP, and DRGW employees must exercise their seniority in order to maintain their right to regional or system production gang work. The Organization asserts that the Carrier's proposal most closely resembles a proposed carrier action in a WJPA case that the arbitrator held was not a coordination. The Carrier's proposal amounts only to a change in crew assignments that simply would result in a larger seniority district for system operations. The Organization points out that under the Carrier's proposal, the SP would continue to operate separately, under different work rules from those used by the UP. The Organization contends that the Carrier's proposal is a legitimate one for collective bargaining under the Railway Labor Act, but it does not concern a transaction under *New York Dock*.

The Union also emphasizes that the parties' past dealings demonstrate that the

Carrier's proposal is appropriate for collective bargaining, but does not concern a *New York Dock* transaction. The Union points out that this Carrier, as well as others, sought to obtain through bargaining under the Railway Labor Act the same type of rules that the Carrier seeks here. The Carrier previously argued to PEB 229 that it needed Railway Labor Act bargaining relief to operate regional or system production gangs, and it did not then suggest that *New York Dock* might provide the same relief. The Organization points out that the parties have fully and fairly battled over regional and system production gangs for more than eleven years under the Railway Labor Act. The Organization suggests that the Carrier may be frustrated by its inability to get its way under the Railway Labor Act, so it now is advancing the novel theory that everything occurring under the Railway Labor Act has no effect because the operation of regional or system production gangs over carriers coming under common control actually is a transaction under *New York Dock*. The Organization contends that this is a frivolous and destabilizing theory, and it should be rejected.

Moreover, the history of the Carrier's dealings with the Organization, including three agreements in which the Carrier pledged to not try to operate system production gangs in the manner proposed in its notice, serves as an estoppel against the Carrier in this proceeding. The Organization asserts that the Carrier's bargaining with the Organization, pursuant to the Railway Labor Act, over the very rules it now seeks under *New York Dock* constitutes an admission that its notice is invalid. The Organization emphasizes that the



Carrier's existing voluntary agreements, made after the effective date of the UP-SP merger, that it would not seek PEB 219 regional or system gang rules bar the February 4th notice.

The Organization then contends that even if the Carrier's notice does concern a transaction under *New York Dock*, the Carrier cannot show that abrogating the SP and DRGW system production gang agreements, as well as Article XVI of the September 26, 1996, agreement between the Organization and the National Carriers' Conference Committee ("NCCC"), is necessary to carry out the UP-SP merger. The Organization acknowledges that the UP-SP merger allows the Carrier to utilize maintenance of way equipment throughout the merged system, to plan maintenance of way capital projects on a system-wide basis, and to create a system-wide maintenance of way budget. The Organization points out, however, that none of the collective bargaining agreements at issue prevent such actions, nor do they prevent the public from obtaining any reasonable transportation benefits from the merger.

The Organization asserts that the collective bargaining agreements do limit the distance from home that maintenance of way employees may be required to work; the contracts set territorial limits on the scope of the system production gang operations. To the extent that any collective bargaining agreement puts such a territorial limit in place, it limits any carrier's flexibility in the assignment of employees. The Organization contends that the existence of a contractual term that limits a carrier's operational flexibility cannot be considered a term that must be overridden *per se*. The Organization points out that the

Carrier itself has proposed, for example, to maintain three separate system maintenance of way operations, and it has kept the UP and SP maintenance of way operations separate, except for system gang operations, through *New York Dock* implementing agreements. The Organization therefore asserts that the narrow question presented is whether the creation of a UP-SP-DRGW system production gang territory, and the corresponding abrogation of the SP and DRGW agreements and Article XVI of the September 26, 1996, agreement, is necessary to carry out the UP-SP merger. The Organization contends this is not necessary.

The Organization goes on to point out that the Carrier chose, on three separate occasions since 1991, to end its efforts under the Railway Labor Act to seek the same system gang rules that it seeks here. The most recent such occasion was in July 1997, after it served the *New York Dock* notice at issue here, when the Carrier agreed to perpetuate its earlier election not to operate regional or system production gangs over the SP and DRGW. The Organization contends that if the Carrier truly believed that system production operations over all carriers coming under its common control were "necessary" to carry out this and earlier mergers, then it would have elected, in 1991, to take the rights granted to it by PEB 219. The Carrier's actions demonstrate that these rules are not necessary to the operation of a merged carrier. The Organization additionally points to a determination by PEB 229, which both the Carrier and the Organization extensively briefed regarding system production gang rules, that such rules are not necessary; PEB 229 recommended



that the 1991 elections by carriers, either to accept or reject the PEB 219 regional and system gang production rules, should be frozen. The Organization contends that PEB 229's findings should be given great weight here. The Organization maintains that the Carrier now is trying to use *New York Dock* as an end run around decisions that it made during Railway Labor Act proceedings, decisions that carried long-term consequences. The Carrier's position here has nothing to do with the Railway Labor Act barring merger efficiencies; instead this matter has to do with the Carrier previously making what it now believes were incorrect choices.

The Organization then emphasizes that the Carrier's last proposed implementing agreement permitted the UP, SP, and DRGW employees to refuse to work on the territories of the other railroads. Such an arrangement would preserve the pre-merger system gang operations for current employees, and it would extend new seniority rules only to yet-to-be-hired employees. The Organization asserts that the acquisition of such prospective contractual rights is a matter for bargaining under the Railway Labor Act.

The Organization further contends that if this Arbitrator does fashion an implementing agreement, then the Organization's proposed arrangement should be selected. The Organization argues that its proposed implementing agreement is fair and equitable to the employees' interests. The Organization's proposal essentially provides that if the Carrier is to obtain PEB work rules under *New York Dock*, then it must be required to assume all of those rules; the Carrier cannot be allowed to pick and choose only those

portions that it wants. The Organization argues that a full imposition of PEB 219 rules, as amended by the September 26, 1996, agreement, would be fair to employees, and it would not give the Carrier an advantage over its competitors, such as BNSF, which operate under the full PEB 219 production gang rules.

The Organization points out that of the fifteen sections and one appendix contained in its proposal, the parties agreed in principal as to ten sections and the appendix. The Organization asserts that the remainder of its proposed sections merit inclusion in any implementing agreement that is put in place between the parties. The Organization then focused on each of these five sections.

The Organization asserts that its proposed Section 6 applies a tentatively agreed-upon rule, placing a limit of 1000 miles that an employee would be required to travel to work from his home territory, to all employees in system operations. The Organization also maintains that its proposed Section 9, mandating that positions in system operations will be paid at the highest rate extant for that positions on SP, DRGW, or UP, is legitimate under PEB 219. The Organization contends that if the Carrier considers these system operations to be essential, then it should pay for them at the highest rates prevailing in the merged system. The Organization's proposed Section 10 is designed to ameliorate the economic hardship to employees returning to service after furlough. This section would use unused vacation as collateral for a cash advance from the Carrier to cover the initial costs to a furloughed employee of returning to work, including travel, meal, and lodging



expenses; under this section, the Carrier, and not the employee, would subsidize the Carrier's start-up costs for system gangs. The Organization then argues that its proposed Section 11 incorporates a rule that applies to PEB 219 production gangs under Article XVI of the September 26, 1996, agreement. The Organization points out that because the Carrier is seeking to obtain PEB-219-style system gang rules, it is fair that the Carrier also accept PEB 219 system gang financial obligations, as its competitor has. The Organization further asserts that its proposed Section 12 adopts the DRGW election of allowances, which is a right, privilege, or benefit that cannot be taken from DRGW employees. The Organization maintains that these allowances are not part of an employee's rate of pay, but instead are a negotiated benefit that partially reimburses the employee for the cost of living away from home. For ease of administration, the Organization proposes that the election of allowances be available to all employees in the system operations.

### The Carrier's Position

The Carrier initially contends that this Arbitrator has both the jurisdictional authority and the obligation to adopt the Carrier's proposed implementing agreement. The Carrier points out that neutrals in Article I, Section 4, proceedings act as agents of the STB; they are therefore bound by ICC/STB precedent. Both the STB and the federal courts have definitively established that *New York Dock* arbitrators have authority, under Sections 11341(a) and 11347 of the Interstate Commerce Act, to override Railway Labor Act procedures and collective bargaining agreements as necessary to carry out an ICC/STB

approved transaction, such as the merger at issue. The Carrier emphasizes that it also well established that the Section 11341(a) exemption for approved transactions extends to subsidiary transactions that fulfill the purposes of the main control transaction. As applied to the instant matter, the proposed establishment of system operations is a subsidiary transaction that fulfills the purposes of the approved merger, the main control transaction, by achieving the economies and efficiencies, for the public benefit, that lie at the heart of the merger. The Carrier maintains that there is a direct causal relation between the UP/SP merger coordination approved by the STB and the operational changes that it seeks in this proceeding to implement that coordination. This Arbitrator therefore has the jurisdictional authority to modify the collective bargaining agreements, as proposed by the Carrier, because these modifications are necessary to effectuate the efficiencies and economies of the merger underlying this proceeding.

Moreover, the Carrier asserts that the definition of "transaction" contained in Article I, Section 1, of *New York Dock* includes the transfer of work and employees in order to effectuate an approved merger and achieve the economies and efficiencies that were the motives for seeking the merger. The Carrier asserts that it is well established that the ICC/STB and, by extension, *New York Dock* arbitrators have the jurisdictional authority to transfer work and employees from one collective bargaining agreement to another, notwithstanding contrary requirements of the Railway Labor Act or the collective bargaining agreements themselves. It similarly is well established that *New York Dock*



arbitrators have authority to modify or set aside collective bargaining agreements as necessary to realize the merger efficiencies identified by the carrier.

The Carrier goes on to argue that both STB and judicial precedent establish that the promotion of more economical and efficient transportation constitutes a public transportation benefit. The Carrier therefore asserts that because the transportation benefit flowing to the public from the underlying transaction in this matter will be effectuated by the operational efficiency associated with system operations, its proposed implementing agreement should be imposed here.

The Carrier then points out that as a result of the UP/SP merger, it currently has ten system tie gangs and twelve system rail gangs working across its Western Territory. Some of the gangs are on UP lines, others on DRGW lines, and the rest on SP lines. Moreover, these various gangs are separated by different seniority districts that are split between these lines, and the seniority districts even split the lines internally. The Carrier contends that under the current system and collective bargaining agreements, the movement and efficiency of all the rail and tie gangs are hindered by climate changes, manpower shortages, and equipment allocation problems.

As an example of these various hindrances, the Carrier points out that due to work-schedule limitations caused by conflicting seniority rosters, the 1997 schedule was not able to account for climate concerns. One tie gang worked from June through October in southern Arizona and New Mexico, while another tie gang is scheduled to work in northern

Oregon in November through mid-December. With the current collective bargaining agreements in place, the Carrier cannot make changes that would eliminate or alleviate problems caused by scheduling in such different climates without incurring delay, additional manpower needs, and greater costs. The Carrier asserts that if all of these systems are put under the Union Pacific collective bargaining agreement, then it could schedule crews to work in the southern and western areas from late fall through early spring, then move the crews to the northern regions from late spring through early fall.

The Carrier additionally argues that the current system also results in manpower shortages within a seniority district when road work is done within that district. Positions are left temporarily vacant due to a maintenance of way project because employees are taken from their regular maintenance positions to work on the road crew. Moreover, when a project crosses seniority district lines, the positions are all abolished and then re-bid for the new seniority district, which affects the continuity of the crew and the work. The Carrier maintains that in a system without seniority districts, as it proposes, the mobility of the work force would not face such limits and employees could be kept working in suitable climates throughout the year. In addition, gangs would benefit from continuity through the elimination of the need to re-bid; the Carrier asserts that a crew that has worked together for some time will be more productive than a new group of employees. Moreover, with separate collective bargaining agreements applying to the different east-west corridors, work currently is scheduled in such a way that none of the corridors is left open for



unobstructed business.

The Carrier maintains that the different collective bargaining agreements and the various seniority districts exacerbate all of these problems. The Carrier asserts that extending the present UP system operations to encompass the SP/WL, DRGW, and WP makes sense for both business and the employees. The Carrier emphasizes that system operations would allow the employees an opportunity to move to seasonal work, rather than be furloughed. In addition, the Carrier would have greater flexibility to work around climatic changes and corridor traffic needs. The Carrier further stresses that under the proposed system operations, it can accomplish more with less, thus realizing the economies and efficiencies of the merger.

The Carrier emphasizes that its proposed changes are necessary to achieve the public transportation benefits of the merger. As the ICC previously has found, consolidating carriers achieve cost reductions, and these cost reductions are a public benefit. The Carrier asserts that its proposed implementing agreement is designed to promote more economical and efficient transportation, and it places the burden of *New York Dock* protections on the Carrier when it implements these economies and efficiencies. The Carrier maintains that its proposed implementing agreement complies with the goals of the STB's decision approving the merger. The Carrier ultimately argues that its proposed implementing agreement should be adopted.

## **Decision**

This Arbitrator has carefully reviewed all of the evidence and testimony in the record, as well as the written briefs submitted by the parties. In this proceeding, each side has posed certain Questions at Issue, each of which must be answered. These Questions at Issue highlight various aspects of the fundamental dispute between the Carrier and the Organization here: whether and how a system operation for the Carrier's maintenance of way work in its western territory should be implemented?

The first question that must be addressed is one posed by the Organization: Does the UP's notice of February 4, 1997, concern a "transaction" under Section 1(a) of *New York Dock*? This question raises what is, essentially, a jurisdictional issue. If the February 4, 1997, notice does not concern a *New York Dock* transaction, then this Board cannot proceed to any of the substantive issues presented here. There is extensive decisional precedent available on this point from the ICC/STB, and it must be emphasized that because this Arbitrator's authority flows directly from the STB, this Arbitrator is bound to follow decisions and rulings issued by the STB and its predecessor, the ICC. After a thorough review of the numerous documents, court decisions, arbitration awards, and law review articles submitted by the parties, this Arbitrator must find that that precedent overwhelmingly establishes that the Carrier's February 4, 1997, notice does concern a "transaction," as that term is defined in Article I, Section 1(a), of the *New York Dock Conditions*.



In approving the UP/SP merger, the STB imposed the *New York Dock* protections on the rail consolidation. Article I, Section 1(a) of the *New York Dock Conditions* defines "transaction" as "any action taken pursuant to authorizations of this Commission on which these provisions have been imposed." There can be no question that in approving the merger, and imposing the *New York Dock* provisions, the STB authorized the Carrier to act so as to achieve the economies and efficiencies of the merger. In compliance with the procedures mandated in the *New York Dock Conditions*, the Carrier issued its February 4, 1997, notice, which contains the required specifics associated with its proposal to establish system operations affecting maintenance of way employees working in its western territory. The operational changes that the Carrier has proposed are directly related to the STB-approved merger that is the foundation of this proceeding. Because the Carrier's February 4, 1997, notice proposes a course of action to effectuate the STB-approved merger, a course of action whereby the Carrier seeks to consolidate and unify its maintenance of way forces and operations, the notice does, in fact, concern a *New York Dock* transaction. After reviewing the extensive materials submitted by the parties, this Arbitrator must find that the first Question at Issue posed by the Organization must be answered in the affirmative. Accordingly, this Arbitrator has the authority to consider the merits of the matter presented here.

The extensive relevant precedent submitted by the parties also leaves no doubt that this Arbitrator has authority, under Sections 11341(a) and 11347 of the Interstate

Commerce Act, to override the Railway Labor Act and the collective bargaining agreements as necessary to achieve the economies and efficiencies that are the purpose of the underlying rail consolidation. Again, a line of ICC/STB decisions, as well as federal court decisions, culminating in the United States Supreme Court's decision in *Norfolk and Western Railway Co. v. American Train Dispatchers Ass'n*, 499 U.S. 117 (1991), expressly hold that such authority is a fundamental part of the process through which a rail consolidation is effectuated.

The ICC/STB previously has considered and rejected the Organization's assertion that Section 4 proceedings, such as this one, essentially are limited to physical transfers of work and the coordination of operations in terminal areas following a merger or consolidation. There is no express support in either the statutory law or relevant decisional precedent for the Organization's contention that any other adjustments associated with the implementation of a rail consolidation must be made through collective bargaining under the Railway Labor Act. The overwhelming weight of relevant authority conclusively establishes that *New York Dock* arbitrators have the authority, in Section 4 proceedings, to override Railway Labor Act procedures and collective bargaining agreements as necessary to achieve the economies and efficiencies that flow from an approved merger. This Arbitrator accordingly has authority to modify, as necessary, to carry out the transaction, the September 26, 1996, BMW-NCCC agreement, as well as the relevant UP, SP, and DRGW system production gang agreements.



The Organization's second Proposed Question at Issue, whether it is necessary to abrogate these various agreements in order to carry out the transaction, also must be answered in the affirmative. It generally has been recognized that rail consolidations, such as the one underlying this proceeding, generate a public transportation benefit to the extent that they lead to more efficient and economical operations. Rail consolidations, if properly effectuated, can mean more streamlined operations, with increased efficiency in the assignment of employees and the completion of work projects. In this proceeding, the Carrier has presented competent evidence that these very efficiencies and economies can be realized in connection with the merger at issue if it is allowed to implement system operations for its maintenance of way work. The other side of this contention is, of course, that without the implementation of such a system operation, it will not be possible to achieve all of the economies and efficiencies that a rail consolidation typically is designed to yield.

The Carrier convincingly has shown that if it implements a system operation, then it will be able to schedule its maintenance of way employees in a more efficient and productive manner. It will be possible for the Carrier to schedule work projects over its entire western territory, thereby making allowances for weather extremes and corridor traffic needs. The need to abolish and re-bid positions on various road work gangs as the work crosses over currently existing seniority district boundaries, and the delay and administrative costs associated with these steps, also would be eliminated; the entire

western territory effectively would become a single seniority district under the Carrier's proposals. On this record, it is evident that under the particular circumstances surrounding the approved merger underlying this proceeding, the implementation of system operations for the Carrier's maintenance of way work, as proposed in the Carrier's February 4, 1997, notice, will yield significant economies and efficiencies in its operations.

As the ICC/STB repeatedly has found, such efficiencies and economies constitute a public transportation benefit. Moreover, this is precisely the showing that the Carrier must make in this proceeding to support its proposal for the implementation of system operations. The purpose of the approved merger is to generate a transportation benefit for the public. As emphasized by the United States Court of Appeals for the District of Columbia Circuit, transportation benefits include the promotion of economical and efficient transportation. *Railway Labor Executives Association*, 987 F.2d 806, 815 (D.C. Cir. 1993).

It is not possible to properly implement a system operation, and achieve the economies and efficiencies associated with such a consolidation, if a carrier and organization attempt to continue to operate under several collective bargaining agreements. Conflicting contractual provisions, differences in work rules, and basic problems of coordination between and across several collective bargaining agreements inevitably will cut into, and perhaps completely destroy, any possibility of achieving the efficient, coordinated, economical operation promised by a rail consolidation. If the Carrier's



maintenance of way work is to be consolidated into a more efficient, economical system operation, as is necessary to achieve the purposes of the approved merger, then it is necessary for the parties to operate under a single collective bargaining agreement.

As is its right, the Carrier has chosen to adopt the provisions of the collective bargaining agreement between UP and BMW E to govern its maintenance of way operations in the western portion of the combined system. The Organization has not argued that one of the other relevant contracts should be adopted instead of the one chosen by the Carrier. The Carrier's election means that the relevant SP and DRGW system production gang agreements are effectively abrogated. There is no legitimate basis for insisting that the parties attempt to operate under several collective bargaining agreements, when it is abundantly clear that the post-merger consolidated rail operation can exist and do business most efficiently if the maintenance of way employees in the expansive western territory of the consolidated system are working under a single set of contractual provisions, seniority protections, and work rules. One can understand the frustration felt by the Union after having negotiated collective bargaining agreements that are now abrogated by the current law in this area. However, in answer to the second Question at Issue Proposed by the Organization, this Arbitrator finds that it is necessary to abrogate the SP and DRGW system production gang agreements and Article XVI of the September 26, 1996, BMW E-NCCC agreement, as well as to modify the UP system production gang agreements, in order to most efficiently and economically carry out the transaction.

The Organization's final Question at Issue and the single Question at Issue posed by the Carrier seek essentially the same answer: which of the parties' proposals constitutes the more fair and equitable basis for implementing the proposed system operations. Prior to invoking these Section 4 arbitration proceedings, the parties did meet and negotiate over the terms of an implementing agreement; as shown in their respective proposed implementing agreements, the parties were able to reach agreement on a substantial number of issues. These areas of agreement must form the basis of the implementing agreement developed through this proceeding. Accordingly, all of those provisions that the parties both have indicated were agreed upon form the basis of the implementing agreement developed here.

The Organization's proposal contains some measures in addition to those upon which the parties reached agreement. Focusing on those proposed additional terms that the Organization emphasized in its submission, Sections 9 and 11 of the Organization's proposal both merit inclusion in the implementing agreement. Section 9 refers to rates of pay for positions in the proposed system operations, and it mandates that highest rate provided among the SP, DRGW, and UP prevail as the rate of pay applicable to these positions. Such a proposal is appropriate, in that employees who fill these positions will be assuming certain additional burdens and hardships, particularly the burden of having to work in areas much farther from their home bases than they are now required to work. Fairness and equity require that the rates of pay applicable to the positions in the proposed



system operations be at the highest prevailing rates allowed maintenance of way employees filling similar positions on the UP, DRGW, and SP.

As for Section 11 of the Organization's proposal, it was apparent at the hearing that the parties reached an agreement as to the concept underlying this measure, although there were some differences between the parties as to language. Under these circumstances, it is appropriate to include this provision, as proposed by the Organization.

Sections 6, 10, and 12 of the Organization's proposal fare less well. Section 6 suggests the imposition of a cap of 1000 miles on the distance from home base that an employee would be required to travel to a work site. Given the geographic size of the Carrier's western territory, such a cap would completely undercut the implementation of the proposed system operation. Such a cap cannot be imposed as part of the implementing agreement if it is to have its intended effect. Section 10 proposes a system of issuing short-term loans, made against unused vacation time, to assist employees with expenses associated with returns to service. As the Organization itself indicates in its submission, however, the rules generally applicable to employees represented by the Organization, presumably including both those employed by this Carrier and those employed by other carriers, call for *per diem* meal and lodging allowances, as well as travel allowances, that are paid after the actual expenses are incurred. If this is the system that is in place and followed by carriers generally, it would be inappropriate to require this Carrier to adopt a less advantageous one. It also is difficult to comprehend how such a system could be

established so that the described loans could be processed and then reach an affected employee in a timely fashion, and how such a system could be protected from potential problems of abuse. Moreover, if such loans are to be made available only for employees who have at least five days of unused vacation time, it is possible that this would benefit a relatively small number of employees. There is no showing that such a provision would be workable or would contribute in any meaningful way to the fairness and equity of the proposed system operations.

As for Section 12, the Organization's assertion that the election of allowances contained in the DRGW contract must be preserved as a negotiated benefit ignores the fact that the implementation of the Carrier's proposed system operations means that the DRGW agreement, as well as the SP agreement, are being abrogated. Adopting such a system of election for employees throughout the Carrier's entire maintenance of way operation in its western territory would be a costly administrative burden that would do little or nothing to advance the fairness and equity of the situation. This provision shall not be included in the implementing agreement.

### **Award**

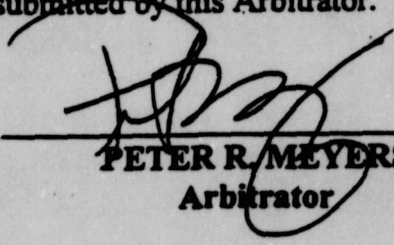
The first Question at Issue posed by the Organization is answered in the affirmative.

The second Question at Issue posed by the Organization is answered in the affirmative.

The final Question at Issue posed by the Organization and the Question at issue



posed by the Carrier are answered in both the negative and the affirmative. Certain provisions from each party's proposed implementing agreement, including all of those provisions as to which the record reveals that the parties have agreed, are included in the Implementing Agreement submitted by this Arbitrator.



---

**PETER R. MEYERS**  
Arbitrator

**Dated this 15<sup>th</sup> day of October, 1997  
in Chicago, Illinois.**

**IMPLEMENTING AGREEMENT**  
**between**  
**UNION PACIFIC RAILROAD COMPANY**  
**and the**  
**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES**

The U.S. Department of Transportation, Surface Transportation Board ("STB") approved the merger of the Union Pacific Corporation ("UPC"), the Union Pacific Railroad Company/Missouri Pacific Railroad Company (collectively referred to as "UP") and the Southern Pacific Rail Corporation, Southern Pacific Transportation Company ("SPT"), St. Louis Southwestern Railway Company ("SSW"), SPSCCL Corp., and the Denver & Rio Grande Western Railroad Company ("DRGW") (collectively referred to as "SP") in Finance Docket 32760. In approving this transaction, the STB imposed *New York Dock* labor protective conditions.

In order to achieve the benefits of operational changes made possible by the transaction, to consolidate the seniority of all employees working in the territory covered by this Agreement into one common seniority territory covered under a single, common collective bargaining agreement,

**IT IS AGREED:**

**Section 1.**

Effective January 1, 1998, all system gang operations on UPRR, WPRR, SPRR, and DRGW territories will be combined and will be subject to the collective bargaining agreement between the Union Pacific Railroad and the Brotherhood of Maintenance of Way Employees ("BMWE") effective January 1, 1973, including revisions to April 1, 1992, as amended.

**Section 2.**

(A) UPRR, WPRR, SPRR, and DRGW employees who, prior to the effective date of this Agreement, had a right based on their seniority to work on system-type operations within their respective territories, will have their name and seniority dates dovetailed onto the UPRR System Gang seniority rosters for the following ten (10) classifications, as applicable:

**GROUP 20: ROADWAY EQUIPMENT SUBDEPARTMENT**

- (a) Roadway Equipment Operator
- (b) Roadway Equipment Helper



(B) All new employees hired subsequent to the effective date of this Agreement to fill positions identified under Section 2(A) will establish seniority on the applicable system seniority roster, pursuant to Rule 15(a) of the Collective Bargaining Agreement between UPRR and BMW. Such employees will have no designation listed by their names.

#### **Section 4.**

(A) When employees with designations apply for bulletined Group 20, 26, or 27 positions, assignments will be handled as follows:

- (1) When bids are received only from S, W, and D designated employees, the employees listed on the applicable seniority roster with the superior seniority date/ranking will be assigned.
- (2) When bids are received only from U designated employees, the employee listed on the applicable seniority roster with the superior seniority date/ranking will be assigned.
- (3) When bids are received from U designated employees, as well as S, W, and/or D designated employees, the senior U designated applicant and the senior employee among the S, W, and D designated applicants will be identified, and the employee with the senior hire date will be assigned.

(B) The exercise of seniority displacement rights by U, S, W, and D designated employees will be controlled by the same principles explained in Section 4(A).

#### **Section 5**

(A) Except as provided above, all new positions or vacancies that are to be filled for system-type operations identified in Section 2(A) of this Agreement will be bulletined and assigned in accordance with Rule 20 of the Collective Bargaining Agreement between the UPRR and BMW.

(B) Except as provided above, employees assigned to system-type operations identified in Section 2(A) whose position is abolished or who are displaced will be governed by Rule 21 of the Collective Bargaining Agreement between the UPRR and BMW.

(C) Employees assigned to system-type operations identified in Section 2(A) will be governed by Rule 22 of the Collective Bargaining Agreement for the purpose of seniority retention on system seniority rosters.

## **GROUP 26: TRACK SUBDEPARTMENT**

- (a) System Extra Gang Foreman
- (b) System Assistant Extra Gang Foreman
- (c) System Gang Track Machine Operator
- (d) System Gang Truck Operator/Bus
- (e) System Extra Gang Laborer
  - Special Power Tool Machine Operator (SPTMO)
  - Roadway Power Tool Machine Operator (RPTMO)
  - Roadway Power Tool Operator (PTO)
  - Track Laborer

## **GROUP 27: TRACK SUBDEPARTMENT**

- (a) Track Welding Foreman
- (b) Track Welder - Machine
- (c) Track Welder Helper

(B) UPRR division/district personnel who do not have seniority in Group 20, 26, or 27 prior to the effective date of this Agreement will be added to the rosters identified in Section 2(A), as applicable. These employees will be given a seniority date of the effective date of this Implementing Agreement, on the applicable roster, and the ranking order will be determined by ranking the employees with the superior division/district seniority dates first.

### **Section 3.**

(A) All employees listed on the combined rosters established under Section 2(A) will have their hire date in the Maintenance of Way Department listed next to their seniority date and the following designations listed next to their name:

<u>Employee</u>	<u>Designation</u>
UPRR	U
SPRR	S
WPRR	W
DRGW	D

### **EXAMPLE**

<u>DESIGNATION</u>	<u>NAME</u>	<u>SOCIAL SECURITY</u>	<u>SENIORITY DATE</u>	<u>HIRE DATE</u>
S	BROWN JC	520-48-0901	7-16-73	2-8-71



(D) Employees who have seniority on the system combined roster and who are regularly assigned in a lower class or who are furloughed from the service of the carrier will be governed by Rule 23 of the Collective Bargaining Agreement between the UPRR and BMW.

#### **Section 6**

Respective rates of pay for positions assigned to the system operations listed herein will be established at the highest prevailing rates being allowed Maintenance of Way employees filling similar respective assignments on the UPRR, SPRR, WPRR, or DRGW. Rates of pay established under this provision will be subject to all future general wage increases, including cost of living allowances (COLAs).

#### **Section 7**

Employees assigned to any positions listed under Section 2(A) of this Agreement who do not voluntarily leave the gang to which assigned for a period of six (6) months shall, within sixty (60) days of the end of said six-month period, receive from the Carrier a lump sum payment equal to five (5) per cent of their respective compensation earned during that period, not to exceed one thousand dollars (\$1,000.00).

If, prior to the end of a six-month period, said employees involuntarily leave the gang to which assigned or the Carrier disbands the gang in its entirety, the employees forced to leave the gang shall, within sixty (60) days of their last day on the gang, receive from the Carrier a lump sum payment equal to five (5) per cent of their respective compensation earned during the period employed on the gang.

#### **Section 8**

All service performed by employees on any of the system territories identified in this Agreement which is part of their continuous employment relationship in the Maintenance of Way Department will be combined for vacation, personal leave, entry rates and other present or future benefits that are granted on the basis of qualifying time of service in the same manner as though all such time had been spent in the service subject to one collective bargaining agreement.

#### **Section 9**

(A) The *New York Dock* employee protective conditions will be applicable to this transaction. There will be no duplication of benefits by an employee under this Agreement and any other agreements or protective arrangements.

(B) If employees are entitled to protection as a result of this transaction, the following will apply:

(1) Not later than the twenty-fifth day of the month following the month for which

benefits are claimed, each "dismissed" employee will provide the Carrier with the following information for the month in which he/she is entitled to benefits:

(a) the day(s) claimed by such employee under any unemployment act, and

(b) the day(s) each employee worked in other employment, the name(s) and addresses of the employer(s), and the gross earnings made by the employee in such other employment.

(2) If a dismissed employee has nothing to report under this Section account not being entitled to benefits under any unemployment insurance and having no earnings from other employment, such employee will submit, within the time period provided for in Section 9(B)(1), the appropriate form stating "Nothing to Report." This can be submitted by letter or on Form 32179 provided by the Carrier. The claim is to be submitted to:

Supervisor Protection Administration  
1416 Dodge Street, MC PNG 06  
Omaha, Nebraska 68179

(3) The failure of any dismissed (furloughed) employee to provide the information

required in this Section will result in the withholding of all protective benefits for the month in question pending receipt of such information for the employee.

(4) Any "displaced" employees will file an initial claim with the Supervisor Protection Administration at the address set forth in Section 9(B)(2) above. If an employee is determined to be eligible for displacement allowances, the employee will be paid a differential allowance for each month in which he/she is entitled. Such employee need not file any additional forms unless he/she becomes furloughed. In such an event, the employee will be subject to the requirements of a dismissed employee as set forth above.



## **Section 10**

**This Agreement will constitute the required agreement as provided in Article I, Section 4, of the *New York Dock* employee protective conditions. Any claims or disputes arising from the application of this Agreement or the protective conditions referred to in Section 7 will be handled directly between the General Chairman and Director of Labor Relations.**

**This Agreement will become effective on the 1st day of January, 1998.**

**AGREEMENT**  
**between**  
**UNION PACIFIC RAILROAD COMPANY**  
**and the**  
**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES**

---

In connection with our discussions concerning Union Pacific Railroad's (UPRR) New York Dock notices of September 13, 1994 and January 8, 1997, to merge the seniority territories of the Missouri Kansas Texas Railroad Company (MKT), Oklahoma, Kansas and Texas Railroad (OKT), Southern Pacific Chicago St. Louis Railroad (SPCSL), Southern Pacific Transportation Company (Eastern Lines) (SPEL) and St. Louis Southwestern Railroad Company (SSW) into the Union Pacific Railroad Company former Missouri Pacific (UP),

**IT IS THEREFORE AGREED:**

**Section I: CONSOLIDATION OF AGREEMENTS AND SENIORITY**

(A) The collective bargaining agreement between the Union Pacific Railroad Company and the Brotherhood of Maintenance of Way Employees (BMWE) effective April 1, 1975, as amended, will become applicable on the SPCSL, MKT, OKT, SPEL and SSW as of 12:01 am on the implementation date of this agreement. UPRR will provide fifteen days written notice of its intent to implement this agreement. Except as provided in this agreement, all understandings, interpretations, and agreements applicable to employees covered by the UP collective bargaining agreement will apply to employees covered by the present collective bargaining agreements between MKT, OKT, SPEL, SSW, and BMWE.

(B) The collective bargaining agreements between SPCSL, SPEL, SSW, MKT, OKT and BMWE and all understandings, interpretations, and memorandum agreements in connection therewith are hereby abrogated as of 12:00 midnight on the date immediately prior to the implementation date of this agreement. The agreement of July 5, 1997, between UPRR and BMWE concerning the former SPCSL will be retained with respect to employees on the roster as of July 5, 1997.

(C) As of 12:01 a.m. on the implementation date, all seniority territories of the MKT, OKT, SPEL, SSW, SPCSL and the respective seniority rosters will be merged into the MP seniority territories and seniority rosters as follows:

**1. Maintenance of Way Divisions:**

(a) The following lines will be merged into the UP Kingsville



**Seniority Division and Southern District:**

- SP (EL) Corpus Christi Branch: MP 122.6 to MP 156.6 - Entire Branch
- Brownsville Branch: MP 151.5 to 205.2 - Entire Branch
- Rockport Branch - Entire Branch
- Port Lavaca Branch from MP 29.2 to Port Lavaca end of track
- Coleta Creek Branch - Entire Branch

**(b) The following lines will be merged into the UP DeQuincy Seniority Division and Southern District:**

- SP(EL) East switch Dayton from MP 326.8 to East switch Cade (Old Avondale Subdivision) MP 134.0
- Sabine Branch: Entire branch including all Beaumont operations.

**(c) The following lines will be merged into the UP New Orleans "A" Seniority Division and Southern District.**

- SP(EL) from east switch Cade (Old Avondale Subdivision) MP 134.0 east to Avondale, including all Avondale operations.
- Lufkin Subdivision from Shreveport to UP crossing (MP 226.0),

**(d) The following lines will be merged into the UP Palestine Division and Southern District:**

- Lafayette Subdivision from Dayton, MP 326.8 to Dawes (MP 353.0)
- Lufkin Subdivision from Tower 26, MP 0.7 to MP 226.0 (UP interlocker).
- Heame Subdivision MP 10.0 to MP 120.7 (entire subdivision).
- Glidden Subdivision West Junction (MP 12.6) to Flatonia (MP 120.0) entire subdivision
- Ennis Subdivision (Heame/Flatonia line) from Ennis (MP 230.6) to San Antonio
- Ennis Subdivision (Corsicana line) from Tyler (MP 546.2) to MP 621.3 Corsicana (entire line)
- Pine Bluff Subdivision from Big Sandy (MP 525.0) to Tyler (MP 546.2).

- Athens Branch; MP 243.0 to 254.9- entire branch
- Del Rio Subdivision (Del Rio line) from San Antonio (MP 209.3) to Withers (MP 218.8)
- Kerrville Branch - entire branch
- Gatesville Branch - entire branch
- Houston Terminal Operations-Houston Terminal Subdivision, Passenger Line - entire subdivision, Freight line- entire subdivision, Galveston Line - Tower 68 (MP 0.0 to Galveston (MP55.6), Harrisburg Line - Harrisburg Junction (MP 1.3) to West Junction (MP12.6), Baytown Branch - entire branch, Cedar Bayou Branch - entire branch, Arenal Lead - entire branch.
- Ft. Worth Subdivision from MP 243.2 to Waco (MP 165.9)
- Houston Subdivision from Waco Junction (MP 842.1) to Galveston (MP 233.2) including all Houston Terminal operations
- Austin Subdivision from Ajax (MP 209.1) to San Antonio (SP Junction MP 259.8) including all San Antonio terminal operations
- San Antonio Subdivision from Smithville (MP 0.0) to Ajax (MP 51.9)

(e) The following lines will become a new seniority division, will be designated as the Del Rio Seniority Division, and will be included in the Texas District:

- SP(EL) Del Rio Subdivision from Withers (MP 218.8) to MP 820.0 on the Valentine Subdivision
- Eagle Pass Branch from Spofford (MP0.0) to Eagle Pass (MP33.2)
- Cline Mine Branch from MP 0.0 to MP 6.0 - entire branch
- UP Baird Subdivision MP 858.4 including all El Paso terminal operations

Note: The above consolidations do not affect the ratio of jobs within the El Paso Terminal as between the SP(WL) and the SP(EL).

(f) The following lines will be merged into UP Red River "B" Seniority Division and Texas District:

- SP(EL) Commerce Subdivision (Commerce Line) from Mt. Pleasant (MP479.5) to East Ft. Worth (MP632.7)



- SP(EL) Commerce Subdivision (Sherman Line) from Sherman (MP 328.8) to Miller (MP 258.5)
- SP(EL) Elam Branch MP 307.7 to MP 315.0,
- SP(EL) Ennis Subdivision (Heame Line) from Miller (MP 258.8) to Ennis (MP 230.6),
- SP(EL) Ft. Worth Branch: Tower 55 (MP 52.7) to Garrett (MP0.0)
- SSW Pine Bluff Subdivision (Pine Bluff Line) from Texarkana (MP417.5) to Big Sandy (MP525.).
- MKT Choctaw Subdivision from MP656.15 to Whitesboro (MP682.0)
- MKT Dallas Subdivision from Hicks (MP599.20) to North Junction (MP644.08) including all terminal operations
- MKT DFW Subdivision from North Junction (MP644.08) to Dart Hold Signal (MP643.8) and from Dalwor Junction (MP 612.2) to 6th Street Junction (MP 611.9)
- Waxahachie Subdivision Forest Avenue (MP769.3) to end of track (MP802.7) Industrial tracks only
- MKT OKT Subdivision from North Tower 55 (MP 612.9) to MP 562.00
- MKT Ft. Worth Subdivision from Ney Yard (MP 249.5) to MP 243.2

(g) The following lines will be merged into the UP, Old Eastern Seniority Division and Western District:

- SSW territory from St. Louis (MP 12.8) to Owensville (MP 91.5).

(h) The following lines will be merged into UP Consolidated Seniority Division # 1 and Eastern District:

- SSW operations within the St. Louis Terminal-Illmo Subdivision from Valley Junction(MP0.0) to St. Louis Terminal (MP2.0),
- St. Louis Subdivision MP 0.0 to MP 12.8.
- SPCSL from Lennox (MP 269.00)to Church Street (MP 287.2)

**NOTE:** The UPRR St. Louis Terminal employees have prior rights with respect to the creation of Roster #1. SPCSL and SSW employees will be dovetailed with the UPRR St. Louis Terminal employees. They will obtain the same prior rights in

the consolidated roster as UPRR St. Louis Terminal employees. There will be no prior rights as between SPCSL, SSW and UPRR St. Louis Terminal employees.

- (i) The following lines will be merged into the UP Arkansas Seniority Division and Eastern District:

- SSW Seniority District No. 1 from Simbco (Illmo Line) (MP 119.7) to Texarkana (MP 417.5) (Pine Bluff Subdivision),
- Shreveport Line from Lewisville (MP 389.7) to Shreveport yard (MP 451.7),
- Memphis Line from Kentucky Street (MP 1.2) to Brinkley (MP 70.6),
- Little Rock Branch - entire branch
- Stuttgart Branch - entire branch,
- New Madrid Branch - entire branch.
- UP Wynne Subdivision from Jonesboro Junction (MP 235.3) to Wynne (MP 280.4)
- UP Helena Branch from Wynne (MP 290.2) to Helena Junction (MP 326.2) - entire branch

- (j) The following lines will be merged into the UP Kansas City Terminal Seniority Division and Western District:

- SSW Kansas City Terminal Operations- Armourdale Yard and all other SSW maintained tracks in Kansas City Terminal.

- (k) The following lines will become a new seniority division, designated as Division #4, and will be merged into the Western District:

- SSW seniority No. 4 from Topeka SJ Junction (MP 89.0) to Tucumari (MP 637.5).

- (l) The following lines will be merged into the UP Central Division and Western District:

- OKT Subdivision from MP 562.00 to Wichita (MP 241.8) and all OKT Wichita terminal operations.
- Herrington Branch from MP 171.3 to MP 242.0
- Lawton Branch MP 0.0 to MP 56.2 - Entire Branch
- Cherokee Subdivision from South Hillsdale (MP 41.8) to



**McCalister (MP 564.8).**

- Choctaw Subdivision from McCalister (MP 564.8) to Red River (MP 656.15)
- Shawnee Branch from Howe (MP 295.5) to Oklahoma City (MP 485.6) including all terminal operations
- Shawnee Branch from El Reno (MP 513.6) to Oklahoma City (MP 485.6)
- Tulsa Branch from Chase (MP 324.8) to MP 278.3.
- UP KO&G and Midland Valley
- UP Wichita Branch from Wichita Yard (MP 482.0) to MP 453.0 including all Wichita terminal operations
- UP Trigo Industrial Lead from MP 491.6 to MP 499.0
- McPherson Subdivision from Herrington Junction (MP 474.7) to MP 518.0.

(m) The following lines will be merged into the UP Illinois Division and Eastern District:

- SPCSL from Lennox (MP 269.0) to Joliet (MP 36.7)
- Pequot Line from Mazonia (MP 62.6) to Joliet (MP 36.7)
- Airline Line from KC Junction (MP 190.6) to Cockrell (MP 192.4)

## **2. Bridge and Building (B&B):**

(a) The following lines will be merged into the old T&P Seniority District and System B&B Gangs South:

- SP(EL) Avondale Subdivision from West Bridge Junction (MP 10.5) to MP 14.95
- SP(EL) Commerce Subdivision from Mt. Pleasant (MP 479.5) to East Ft. Worth (MP 632.7)
- SP(EL) Elam Branch from Briggs (MP 315.0) to MP 307.7
- SSW Pine Bluff Subdivision from Texarkana Yard (MP 418.7) to Tyler Yard (MP 546.2)
- MKT OKT Subdivision from North Tower 55 (MP 612.9) to MP 562.00.
- SP(EL) Ft. Worth Branch from Garrett (MP 0.0) to Ft. Worth Tower 55 (MP 52.7) - entire branch
- MKT Choctaw Subdivision from MP 656.15 to Whitesboro (MP 682.0)
- MKT Dallas Subdivision from Hicks (MP 599.20) to North Junction (MP 644.08) including all terminal operations

- MKT DFW Subdivision from North Junction (MP 644.08) to Dart Hold Signal (MP 643.8) and from Dalwor Junction (MP 612.2) to 6th Street Junction (MP 611.9)
- MKT Ft. Worth Subdivision from Ney Yard (MP 249.5) to MP 243.2

(b) The following lines will be merged into the UP DeQuincy Seniority Division and System B&B Gangs South:

- SP(EL) Lafayette Subdivision from Iowa Junction (MP 205.9) to Houston (MP 0.0)
- SP(EL) Sabine Branch from Beaumont South Yard (MP 29.8) to (MP 13.2) - entire branch
- SP(EL) Baytown Branch from Dayton Junction (MP 0.0) to (MP 21.8) - entire branch
- SP(EL) Cedar Bayou Branch from Eldon Junction (MP 0.0) to (MP 5.0) - entire branch
- SP(EL) Harrisburg Line from Harrisburg Junction (MP 1.3) to West Junction (MP 12.6)
- SP(EL) Lufkin Subdivision from Houston (MP 0.0) to Jordan (MP 230.8)
- Houston Terminal Operations- Houston Terminal Subdivision, Passenger Line- entire subdivision, Freight Line-entire subdivision, Galveston Line-Tower 68 (MP 0.0) to Galveston (MP 55.6)
- MKT Houston Subdivision from MP 178.90 to Galveston (MP 233.2)

(c) The following lines will be merged into the UP Kingsville Seniority Division and System B&B Gangs South:

- SP(EL) Bellaire Line from Bellaire Junction (MP 6.2) to Eagle Lake Junction (MP 61.2) - entire line
- SP(EL) Arenal Branch from Arenal (MP 5.0) to Eagle Lake (MP 63.0) - entire branch
- SP(EL) Wharton Branch from Tower 17 (MP 0.0) to MP 25.8 - entire branch
- SP(EL) Palacios Branch from Wharton Junction (MP 0.0) to New Gulf (MP 12.9) - entire branch
- SP(EL) Victoria Subdivision from Port Lavaca (MP 0.0) to Flatonia (MP 29.2) - entire subdivision
- SP(EL) Coleta Creek Branch from Victoria (MP 90.8) to Coleta Creek (MP 106.6) - entire branch



- SP(EL) Corpus Christi Branch from SP Junction (MP 122.6) to Corpus Christi (MP 156.6) - entire branch
- SP(EL) Rockport Branch from Sinton (MP 121.0) to MP 13.5 - entire branch
- SP(EL) Brownsville Branch from McAllen (MP 151.5 to Brownsville (MP 205.2) - entire branch

(d) The following lines will be merged into the UP Palestine Seniority Division and System B&B Gangs South:

- SP(EL) Hearne Subdivision from Eureka (MP 10.0) to Hearne (MP 120.7) - entire subdivision
- SP(EL) Glidden Subdivision from West Junction (MP 12.6) to Flatonia (MP 120.0) - entire subdivision
- SP(EL) Ennis Subdivision from Hearne (MP 120.7) to Miller (MP 258.8) - entire subdivision
- SP(EL) Athens Branch from Athens (MP 243.0) to MP 259.4 - entire branch
- SP(EL) Gatesville Branch from Hearne (MP 120.7) to MP 686.6 - entire branch
- MKT Ft. Worth Subdivision from MP 243.2 to Waco (MP 165.9)
- MKT Houston Subdivision from Waco Junction (MP 842.1) to MP 179.90
- MKT Austin Subdivision from Ajax (MP 209.1) to San Antonio (SP Junction MP 259.8) including all San Antonio terminal operations
- MKT San Antonio Subdivision from Smithville (MP 0.0) to Ajax (MP 51.9)
- Lufkin Subdivision from Tower 26, MP 0.7 to MP 226.0 (UP interlocker).

(e) The following lines will become a new seniority division, will be designated as Division #4, and will become part of the territory of System B&B Gangs North:

- SSW seniority No. 4 from Topeka SJ Junction (MP 89.0) to Tucumari (MP 637.5).

(f) The following lines will become a new seniority division, will be designated as the Del Rio Seniority Division, and will become part of the territory of System B&B gangs South:

- SP(EL) Del Rio Subdivision from Withers (MP 218.8) to MP 820.0 on the Valentine Subdivision
- Eagle Pass Branch from Spofford (MP 0.0) to Eagle Pass (MP 33.2)
- Cline Mine Branch from MP 0.0 to MP 6.0 - entire branch
- UP Baird Subdivision MP 858.4 including all El Paso terminal operations

(g) The following lines will be merged into the UP Central/Kansas Division and System B&B Gangs North:

- OKT Subdivision from MP 562.00 to Wichita (MP 241.8) and all OKT Wichita terminal operations.
- Herrington Branch from MP 171.3 to MP 242.0
- Lawton Branch MP 0.0 to MP 56.2 - Entire Branch
- Cherokee Subdivision from South Hillsdale (MP 41.8) to McCalister (MP 564.8).
- Choctaw Subdivision from McCalister (MP 564.8) to Red River (MP 656.15)
- Shawnee Branch from Howe (MP 295.5) to Oklahoma City (MP 485.6) including all terminal operations
- Shawnee Branch from El Reno (MP 513.6) to Oklahoma City (MP 485.6)
- Tulsa Branch from Chase (MP 324.8) to MP 278.3
- UP KO&G and Midland Valley

(h) The following lines will be merged into the UP Illinois Seniority Division and System B&E Gangs North:

- SPCSL from Lennox (MP 269.00) to Joliet (MP 36.7)
- SPCSL Pequot Line from Mazonia (MP 62.6) to Joliet (MP 36.7)
- SPCSL-Airline Line from KC Junction (MP 190.6) to Cockrell (MP 192.4)

(i) The following lines will be merged into the Old Eastern Seniority Division and System B&B Gangs North:

- SSW territory from St. Louis (MP 12.8) to Owensville (MP 91.5)

(j) The following lines will be merged into UP Consolidated Seniority Roster #1 and System B&B Gangs North:



- SSW operations within the St. Louis Terminal-Illmo Subdivision from Valley Junction (MP 0.0) and St. Louis Terminal (MP 2.0),
- SSW St. Louis Subdivision MP 0.0 to MP 12.8.
- SPCSL from Lennox (MP 269.00) to Church Street (MP 267.2)

(k) The following lines will be merged into the UP Arkansas Seniority Division and System B&B Gangs North:

- SSW Seniority District No. 1 from Simbo (Illmo Line) (MP 119.7) to Texarkana (MP 417.5) (Pine Bluff Subdivision),
- Shreveport Line from Lewisville (MP 389.7) to Shreveport yard (MP 451.7)
- Lufkin Subdivision from Shreveport to UP crossing (MP 226.0),
- Memphis Line from Kentucky Street (MP 1.2) to Brinkley (MP 70.6),
- Little Rock Branch - entire branch
- Stuttgart Branch - entire branch,
- New Madrid Branch - entire branch.
- UP Wynne Subdivision from Jonesboro Junction (MP 235.3) to Wynne (MP 280.2)
- UP Helena Branch from Wynne (MP 280.4) to Helena Junction (MP 326.2) - entire branch
- UP Monroe Subdivision from Little Rock Junction (MP 305.1) to TexMo Junction (MP 195.7)

### 3. System Operations:

All SPCSL, SP(EL), MKT, OKT, and SSW territories will be merged into the MP System Rail Gang Seniority territory.

## Section II: SELECTION AND ASSIGNMENT OF EMPLOYEES

### (A) Common Principles

In the implementation of this agreement, there will be no abolishment and readvertisement of positions. Employees will remain on their existing positions until such time as the seniority divisions and rosters are realigned. Thereafter the Carrier may make such changes as the needs of the service dictate. This section neither enhances nor diminishes UPRR's right to abolish positions under existing agreements or practices.

**(B) Division Forces**

**(1 ) Seniority rosters will be created by dovetailing the former MKT, SPCSL, OKT, SP(EL) and SSW employees assigned to positions on the territories as described in Section I above into the appropriate UP seniority rosters. Employees of the former UP will have an "M" placed next to their name. Employees of the former SP(EL) will have a "P" placed next to their name. Employees of the former SSW will have a "W" placed next to their name. Employees of the MKT will have a "K" placed next to their names. Employees of the OKT will have an "O" placed next to their names. SPCSL employees will have a "C" placed next to their names. Such employees will have prior rights to positions as set forth below. Employees hired after September 12, 1996, will not obtain any prior rights as a result of this agreement.**

**(2) MKT, SPCSL, OKT, SP(EL) and SSW employees, who have their former seniority divisions divided among multiple UP rosters, will have their seniority dovetailed into each MP roster into which their former seniority roster was divided. Such employees will be allowed a one time opportunity to exercise seniority between consolidated divisions that contain parts of the employee's former MKT, SP(EL) or SSW home division. Exercise of such right will result in forfeiture of all seniority in the consolidated division from which exercise of seniority was made.**

**(3) (a) Section I(C)(1)(e) provides for the consolidation of the UP Baird Subdivision MP858.4 including all El Paso terminal operations into the Del Rio Seniority Division. UP Employees assigned to this territory will be dovetailed into the Del Rio Seniority Division and also will be retained on the Rio Grande Seniority Division. They will be prior righted to the territory transferred to the Del Rio Seniority Division.**

**(b) Section I(C)(1)(i) provides for the consolidation of the UP Wynne Subdivision from Jonesboro Junction (MP 235.3) to Wynne (MP326.2) into the Arkansas Seniority Division. UP employees assigned to this territory will be dovetailed into the Arkansas Seniority Division and also will be retained on the Louisiana Seniority Division. They will be prior righted to the territory transferred to the Arkansas Seniority Division.**

**(c) If employees bid off the prior rights territories set forth in (3)(a) and (b) above for any reason, such prior rights will be forfeited.**

**(4) In the event two or more employees from different seniority rosters have identical seniority dates, the employees will be ranked first by service dates within the BMWV craft, then, if service dates are the same, by the last four digits of the employee's seniority social security numbers, with the lower number ranked first. With respect to SPCSL, MKT, OKT, SP(EL) and SSW employees, they will be placed on the UP rosters in the same order as they were on their original rosters.**



(5) (a) Except as provided in Section II (5)(c), headquartered positions will be assigned first to employees holding prior rights on the territory where the position is headquartered. If a prior rights employee does not bid on the position, it will be assigned to the senior qualified employee on the consolidated division seniority roster. Neither failure to bid on such position nor bidding out of one's prior right territory will result in forfeiture of an employee's prior rights. Prior rights will be recognized when an employee applies for positions in higher classifications when no bids are received from employees with seniority in the classification.

(b) Division mobile gangs will be subject to a modified form of prior rights. Prior rights for purposes of assignment to and bumping onto such positions will be based upon the actual geographic location of the gang at the time of such bump or advertisement. Employees assigned to or bumping onto such gang can work anywhere within the consolidated seniority division. If a prior right employee later has an exercise of seniority or is working in a lower classification while holding seniority in a higher classification, such employee may utilize his prior rights to displace onto such gang within ten days of the gang commencing work within the employee's prior rights territory. A prior rights employees electing to move to a mobile position may do so by notifying Gang Management and his supervisor of his desire to do so. An employee will not be entitled to an exercise of seniority simply because the gang leaves the employee's prior rights area.

(c) Positions headquartered within the Dallas-Ft. Worth, Houston, Little Rock -North Little Rock, St. Louis, Kansas City, Pine Bluff, Wichita, and San Antonio terminals will not be subject to prior rights and will be assigned to the senior qualified employee on the applicable consolidated division roster. For purposes of this agreement these terminals are defined as follows:

Dallas-Ft. Worth Terminal

- Baird Subdivision - MP 254.00 (Ben Brook)
- Ft. Worth Subdivision - MP 243.25 (Wrenn)
- Choctaw Subdivision - MP 736.7. (Roanoke)
- Waxahachie Subdivision - Entire Subdivision
- Everman Lead - Entire Lead
- DFW Subdivision - Entire Subdivision
- OKT Subdivision to MP 562.00 (Chico)
- Dallas Subdivision to MP 203.5 (Mesquite)
- SP Commerce and Ennis Subdivisions from Sherman (MP 328.8) to Ennis (MP 232.00)
- Denton Branch from MP 758.00 to MP 729.5
- All branch and industrial tracks contained within the

above defined terminal

Houston Terminal

- Heame Subdivision MP 16.8
- Houston Subdivision MP 178.9 to Galveston MP 233.2
- Palestine Subdivision MP 210.8 (Spring Jct. )
- Lufkin Subdivision MP 15.00
- Beaumont Subdivision MP 400.00
- Passenger Line MP 35.3
- Freight Line
- Baytown Branch MP 33.2
- Galveston Line MP 55.6
- Brownsville Subdivision MP 342.8 -
- Popp Industrial Lead
- Harrisburg Line MP 12.6
- Bellaire Line MP 21.6
- All branch and industrial tracks contained within the above defined terminal

Little Rock-North Little Rock Terminal

- Hoxie Subdivision MP 338.00
- Coffeyville Subdivision MP 346.14
- Little Rock Subdivision MP 359.00
- Monroe Subdivision MP 315.9 (Higgins)
- SSW Little Rock Branch - Entire Branch
- Jacksonville Industrial Lead
- All branch and industrial tracks contained within the above defined terminal.

St. Louis Terminal

- Sedalia Subdivision MP 14.0
- Desoto Subdivision MP 10
- Chester Subdivision MP 10.0
- SSW operations within the St. Louis Terminal
- Illmo Subdivision from Valley Junction MP 0.00 to St. Louis Terminal (MP 2.0)
- St. Louis Subdivision MP 12.8



- SPCSL line MP 269.00 (Lennox)
- Pana Subdivision MP 275.7 (Lennox Tower)
- All branch and industrial tracks contained within the above defined terminal

#### Wichita Terminal

- OKT Subdivision MP 251.00
- Herington Branch MP 235.00
- Hardtner Industrial Lead MP 485.9
- Conway Springs Branch
- Winfield Branch
- Arkansas City Industrial Lead
- El Dorado Line MP 474.4 (Greenwich)
- All branch and industrial tracks contained within the above defined terminal

#### Pine Bluff Terminal

- Monroe Subdivision MP 348.00 to MP 353.6
- Pine Bluff Subdivision MP 271.2
- Jonesboro Line MP 261.2
- All branch and industrial tracks contained within the above defined terminal.

#### San Antonio Terminal

- Austin Subdivision MP 247.00 to MP 278.5
- Kerrville Branch MP 252.00
- City Public Service Branch
- Corpus Christi Subdivision MP 3.1
- Blewett Branch MP 218.8
- Glidden Subdivision MP 201.00
- All branch and industrial tracks contained within the above defined terminal.

#### Kansas City Terminal

- KCT Subdivision Congo Junction (MP 444.2) to Southwest Junction (MP. 278.2), Rock Creek

Junction (MP 276.8) to Gillis St. (MP 282.1), Neff Yard (MP 279.00) to Troost St. (MP 282.00), ASB Junction (MP 282.4) to West Yard (MP 6.3), Edgewater (MP 289.0) to Broadway (MP 283.00), Manchester (MP B278.8) to Leeds MP 284.7

- SSW Kansas City Terminal Operations - Armourdale Yard and all other SSW maintained tracks in Kansas City Terminal
- All branch and industrial tracks contained within the above defined terminal.

#### **(C) DISTRICT TIE GANG AND DISTRICT OPERATIONS**

(1) All UP, MKT, OKT, SPCSL, SP(EL), and SSW employees will be dovetailed into the appropriate district tie gang seniority rosters based upon their oldest seniority date in each classification. UP employees holding district tie gang seniority will utilize their district tie gang dates. MKT and OKT employees holding 8900 roster seniority will utilize their 8900 roster dates. If an MKT, SP(EL) or SSW employee's division seniority is placed upon division rosters that are in different District Tie Gang seniority territories, the employee will be placed on both district tie gang seniority rosters. When an employee makes an exercise of seniority as provided in Section II (2)(b)(3) above and forfeits division seniority, he also will forfeit the district tie gang seniority as well.

(2) UP employees holding seniority on District Tie Gang seniority rosters on or before September 12, 1996, and MKT, SPCSL, OKT, SP(EL) and SSW employees assigned to tie gangs on September 12, 1996, will be prior righted to district tie gang work according to the rosters which entitled them to perform district tie gang work. Such employees will have a "T" designation placed next to their names. In the event such employees bid from the tie gang to the system or division, they will forfeit such prior rights. UP, MKT, and OKT employees, who were placed on the roster based upon their district tie gang date or 8900 roster date and who held an earlier division date, will replace their district tie gang date with such earlier division date and will be repositioned on the roster based upon the earlier division date without the prior right designation. Bidding from the tie gang to the system or division will not result in forfeiture of seniority on the district tie gang roster unless to do so would have resulted in such forfeiture under the collective bargaining agreement.

(3) In all other respects, the selection and assignment to positions on the district tie gangs will be in accordance with the collective bargaining agreement.

(4) Employees holding seniority in classifications of Welder, Welder Helpers, Blacksmiths, Blacksmith Helpers, Water Service, Bridge Tenders, and Work



Equipment Mechanics will be dovetailed and treated in the same manner as provided for division forces in Section II(B)(1)(2)(4) and (5)(b).

#### **(D) SYSTEM RAIL GANG OPERATIONS**

(1) All UP, MKT, OKT, SPCSL, SP(EL) and SSW employees will be dovetailed into the appropriate system rail gang seniority rosters based upon their oldest seniority date in each classification. UP employees holding system rail gang seniority will utilize their system rail gang dates. MKT employees holding 8900 roster seniority will utilize their 8900 roster dates.

(2) UP employees holding seniority on or before September 12, 1996, on system rail gang rosters and SPCSL, MKT, OKT, SP(EL) and SSW employees working on rail gangs on September 12, 1996, will be prior righted to positions on the system rail gangs according to the rosters which entitled them to perform system rail gang work. Such employees will have an "S" designation placed next to their names. In the event such employees bid from the system to the district or division, they will forfeit such prior rights. UP, MKT, and OKT employees, who were placed on the roster based upon their system rail gang date or 8900 roster date and who held an earlier division date, will replace their system rail gang date with such earlier division date and will be repositioned on the roster based upon the earlier division date without the prior right designation. Bidding from the rail gang to the division or district will not result in forfeiture of seniority on the system rail gang roster unless to do so would have resulted in such forfeiture under the collective bargaining agreement.

(3) In all other respects, the selection and assignment to positions on the system rail gangs will be in accordance with the collective bargaining agreement.

#### **SECTION IV: HEALTH AND WELFARE BENEFITS**

During the sixty day period between December 1, 1997 and January 31, 1998, each MKT, OKT, SP(EL), SPCSL, and SSW employee will be given the option in writing to retain their present coverage or select the Union Pacific Railroad Employees Health Systems for their coverage. Failure to exercise this option will result in the employee being placed under the coverage of the Union Pacific Railroad Employees Health Systems. Employees hired after the implementation of this agreement will be placed in the Union Pacific Railroad Employees Health Systems.

#### **SECTION V: MECHANICS AND WATER SERVICE EMPLOYEES**

On the SP(EL), MKT, and OKT, work equipment mechanics are represented by the International Association of Machinists. On the SP(EL), MKT, and OKT, water service employees are represented by the Sheet Metal Workers International Association.

On the SPCSL, UPRR and SSW such work is performed by employees represented by BMW. It was understood that this agreement will not impact the representation of such employees.

#### **SECTION VI: NEW YORK DOCK APPLICATION**

(A) The New York Dock employee protective conditions, which is attached hereto as Attachment "A", will be applicable to this transaction. There will be no duplication of benefits by an employee under this agreement and any other agreements or protective arrangements.

(B) If employees are entitled to protection as a result of this transaction, the following will apply:

- (1) Not later than the twenty-fifth day of the month following the month for which benefits are claimed, each "dismissed" employee will provide the Carrier with the following information in writing on Form 32179 for the month in which he/she is entitled to benefits:
  - (a) the day(s) claimed by such employee under any unemployment act, and
  - (b) the day(s) each employee worked in other employment, the name(s) and addresses of the employer(s), and the gross earnings made by the employee in such other employment.
- (2) If a dismissed employee has nothing to report under this section account not being entitled to benefits under any unemployment insurance and having no earnings from other employment, such employee will submit, within the time period provided for in Section V(B)(1), Form 32179 stating "Nothing to Report." Claims are to be submitted to:

**Supervisor Protection Management  
1416 Dodge Street, PNG06  
Omaha, Nebraska, 68179**
- (3) The failure of any dismissed (furloughed) employee to provide the information required in this section will result in the withholding of all protective benefits for the month in question



pending receipt of such information for the employee.

- (4) Any "displaced" employees will file an initial claim with the Supervisor Protection Management at the addresses set forth in Section 2 above. If an employee is determined to be eligible for displacement allowances, the employee will be paid a differential allowance for each month in which he/she is entitled. Such employee need not file any additional forms unless he/she becomes furloughed. In such event, the employee will be subject to the requirements of a dismissed employee as set forth above.

#### **SECTION VII: APPLICATION OF THIS AGREEMENT**

(A) The provisions of this agreement have been designed to address a particular situation, is without prejudice to the position of either party, and is not to be cited by either party. To the extent the provisions of this agreement conflict with the provisions of any other agreement, the provisions of this agreement will apply.

(B) This agreement will constitute the required agreement as provided in Article I Section 4 of the New York Dock employee protective conditions. Any claims or disputes arising from the application of this Agreement or the protective conditions referred to in Section VI will be handled directly between the General Chairman and Director of Labor Relations

(C) This agreement will become effective November 1, 1997.

Signed this 7th day of November, 1997, in Omaha, Nebraska.

**FOR THE ORGANIZATION:**

Bill R. Palmer  
General Chairman, BMW (MP)

R.D. Smith  
General Chairman, BMW (SPEL, SSW) (OKT)

Quane L. Smith  
General Chairman, BMW (C&E)

**FOR THE CARRIER:**

W.E. Naro  
Director Labor Relations

*J. J. Hanley*  
General Chairman, BMW (SPCSL)

*Don M. Hanley*  
General Chairman, (MKT)

APPROVED:  
*L. W. Borden*  
Vice President, BMW



NEW YORK DOCK CONDITIONS

Labor protective conditions to be imposed in railroad transactions pursuant to 49 U.S.C. 11343 et seq. (formerly sections 5(2) and 5(3) of the Interstate Commerce Act), except for trackage rights and lease proposals which are being considered elsewhere, are as follows:

## ARTICLE I

1. Definitions.--(a) "Transaction" means any action taken pursuant to authorizations of this Commission on which these provisions have been imposed.

(b) "Displaced employee" means an employee of the railroad who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) "Dismissed employee" means an employee of the railroad who, as a result of a transaction is deprived of employment with the railroad because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction.

(d) "Protective period" means the period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of the railroad prior to the date of his displacement or his dismissal. For purposes of this appendix, an employee's length of service shall be determined in accordance with the provisions of section 7(b) of the Washington Job Protection Agreement of May 1936.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the railroad's employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or

applicable statutes.

3. Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements; provided, that if an employee otherwise is eligible for protection under both this Appendix and some other job security or other protective conditions or arrangements, he shall elect between the benefits under this Appendix and similar benefits under such other arrangement and, for so long as he continues to receive such benefits under the provisions which he so elects, he shall not be entitled to the same type of benefit under the provisions which he does not so elect; provided further, that the benefits under this Appendix, or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits; and, provided further, that after expiration of the period for which such employee is entitled to protection under the arrangement which he so elects, he may then be entitled to protection under the other arrangement for the remainder, if any, of this protective period under that arrangement.

4. Notice and Agreement or Decision - (a) Each railroad contemplating a transaction which is subject to these conditions and may cause the dismissal or displacement of any employees, or rearrangement of forces, shall give at least ninety (90) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of the railroad and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be affected by such transaction, including an estimate of the number of employees of each class affected by the intended changes. Prior to consummation the parties shall negotiate in the following manner.

Within five (5) days from the date of receipt of notice, at the request of either the railroad or representatives of such interested employees, a place shall be selected to hold negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this appendix, and these negotiations shall commence immediately thereafter and continue for at least thirty (30) days. Each transaction which may result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all



employees involved on a basis accepted as appropriate for application in the particular case and any assignment of employees necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of thirty (30) days there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the request for arbitration the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expense shall be paid by the party incurring them.

(b) No change in operations, services, facilities, or equipment shall occur until after an agreement is reached or the decision of a referee has been rendered.

5. Displacement allowances - (a) So long after a displaced employee's displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid

during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period), and provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases.

If a displaced employee's compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

(b) If a displaced employee fails to exercise his seniority rights to secure another position available to him which does not require a change in his place of residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position he elects to decline.

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for justifiable cause.

6. Dismissal allowances. - (a) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the transaction. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(b) The dismissal allowance of any dismissed employee who returns to service with the railroad shall cease while he is so



reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of section 5.

(c) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the railroad shall agree upon a procedure by which the railroad shall be currently informed of the earnings of such employee in employment other than with the railroad, and the benefits received.

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

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

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

9. Moving expenses. - Any employee retained in the service of the railroad or who is later restored to service after being

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

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

11. Arbitration of disputes. - (a) In the event the railroad and its employees or their authorized representative cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except section 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman. If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the



committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding, upon the parties.

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

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

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

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

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

(i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the railroad for any loss suffered in the sale of his home for

STB

FD

32760 (SUB36)

10-26-99

I

195938V3

9/15



less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

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

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

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

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

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

All other expenses shall be paid by the party incurring the including the compensation of the appraiser selected by such part,

## ARTICLE II

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

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

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

## ARTICLE III

Subject to this appendix, as if employees of railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by railroad and employees of any other enterprise within the definition of common carrier by railroad in section 1(3) of part I of the Interstate Commerce Act, as amended, in which railroad has an interest, to which railroad provides facilities, or with which railroad contracts for use of facilities, or the facilities of which railroad otherwise uses; except that the provisions of this appendix shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier; provided that said carriers shall establish one convenient central location for each terminal or other enterprise for receipt of one such application which will be effective as to all said carriers and railroad shall notify such employees of this requirement and of the location for receipt of



the application. Such employees shall not be entitled to any of the benefits of this appendix in the case of failure, without good cause, to accept comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this appendix, with any carrier for which application for employment has been made in accordance with this section.

#### ARTICLE IV

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

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

#### ARTICLE V

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

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

**AGREEMENT**  
**between**  
**UNION PACIFIC RAILROAD COMPANY**  
**and the**  
**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES**

---

The parties agree to the following amendments to the collective bargaining agreement between Union Pacific Railroad (former Missouri Pacific) and the Brotherhood of Maintenance of Way Employees, which became effective April 1, 1975:

A. The Memorandum Agreement of April 1, 1975 (Appendix I-1), Section 4(d) of the Agreement of February 5, 1993 (Appendix J-14), and Section 4 and 6(b) of the Agreement of August 26, 1983 (Appendix D-1) are abrogated.

B. Rule 2(b) is deleted and replaced with the following language:

"Except as otherwise provided in this agreement, an employee may establish and retain seniority in all subdepartments covered under this agreement. Employees may establish seniority in any subdepartment and may move from one subdepartment to another without loss of seniority.

Employees may bid to any classification within any subdepartment. An employee may not bid down within the same subdepartment. An employee may only move up or laterally between system, district, and division subdepartments. If an employee either bids down within the same subdepartment or bids down in moving between system, district, and division subdepartments, the employee will forfeit seniority in the classification from which the employee moved. "

C. Rule 2(g) is deleted and replaced with the following language:

"In the exercise of displacement rights, an employee must exhaust their rights in the class in which employed. After exhausting such rights, the employee may either drop back to the next lower classification within that subdepartment or exercise seniority to another subdepartment in which the employee holds seniority. To be entitled to exercise seniority in either the lower classification or the other subdepartment and retain seniority in the higher classification, the employee must have exhausted displacement rights over junior employees in the higher classification if qualified for the position held by the junior employee (an employee may not disqualify himself), otherwise if the employee exercises seniority in either a lower



classification or another subdepartment, the employee will forfeit seniority in the higher classifications. Employees who retain seniority in a higher classification under this rule and who are occupying a position in a lower classification within that subdepartment will be subject to assignment by bulletin per Rule 11 to positions in the higher classification available in line with their seniority, and failing to respond to notice of assignment within seven calendar days will forfeit seniority in the higher classification. "

D. The following is added to the agreement as Rule 14(k):

"When a system gang is established, a majority of the employees assigned to such gang will have the right to elect in writing to work consecutively all the work days of a work half or work month so the employee may observe the regular rest days of the respective work period consecutively as well. Such work schedule will commence on the first work day of the gang and thereafter, may be changed only once per quarter. Any changes will begin on the first work day of the next payroll period. Such elections, however, may be changed by the Carrier when the needs of service require by giving at least five (5) days advance notice advising of the purpose of the change and the estimated duration of the change. If the Carrier makes such an election to temporarily change the work period, employees on the gang may exercise a displacement from the gang at the time the change occurs. To exercise such displacement, the employee must advise his supervisor in writing within 48 hours of the time of notification of the proposed change. An employee making such an election may rescind his election in writing at any time prior to the time the change occurs.

Rules in effect covering payment for service performed on rest days will apply to those accumulated rest days provided within this rule. Time worked prior to or after the assigned daily hours will be paid for in accordance with the overtime provisions of the agreement.

Holidays will be observed at the end of the consecutive work period. If the holiday falls on a Monday, Tuesday, Wednesday, Thursday, or Friday the amount of service hours ordinarily scheduled in line with the terms of this agreement will be reduced by eight for each holiday observed. If a holiday falls on a Saturday, there will be no reduction in the amount of service hours ordinarily scheduled in line with this agreement. New Year's Day will not be subject to the provisions of this rule. Employees however will be permitted to return to the gang on the day following the day the New Year's Day holiday is observed. The work period will be extended one additional day to accomodate such travel.

Employees who qualify for holiday allowances under existing rules will be compensated eight (8) hours at the straight time rate for the holiday involved. If required to perform service during the hours at the end of the compressed work period observed as the holiday, employees will be compensated at the overtime rate in addition to their holiday pay. Holidays will be observed prior to employees taking their rest days.

To the extent Section 8 of the Memorandum Agreement of August 26, 1983, is in conflict with the provisions of this agreement, this agreement will apply."

**E. The following is added to the agreement as Rule 2(m)**

"New employees hired on the system rail gangs or district tie gangs after January 1, 1988, will also establish seniority on the division and system or district seniority roster of their choice as of the date they begin compensated service on the system rail gang or district tie gang. If an employee makes such election after sixty days of commencing compensated service, the date of election will become the employee's seniority date on the other rosters. If these employees establish seniority in the various subdepartments in system rail or district tie gang subdepartments, they also will establish corresponding seniority dates on the division and system or district rosters selected. Such employees, however, will not be permitted to exercise such division or district seniority until they have completed two calendar years of service on the respective system rail or district tie gangs. If an employee is unable to hold a position on the system or district rosters, the employee may exercise seniority subject to recall to the seniority roster from which the employee was unable to hold a position. After the completion of the two year period, all restrictions expire and the employee may exercise seniority in line with the collective bargaining agreement."

**F. The first sentence of Rule 11(b) is amended to read as follows:**

"When vacancies bulletined under this rule are not filled by reason of no bids from qualified employees, the position will be filled by (1) appointment of the junior unassigned employee in that classification, (2) appointment of the junior qualified employee from the next lower classification, or (3) the hiring of a new employee, in that order."

**G. Rates of pay will be adjusted in accordance with the schedule that is attached hereto as Appendix A. Employees assigned to such positions making less than the rates set forth in Appendix A will be increased to such**



amounts. These rates are subject to subsequent wage increases and cost of living adjustments.

This agreement will become effective January 1, 1998

Signed this 7th day of November, 1997, in Omaha, Nebraska.

**FOR THE ORGANIZATION**

Bill R. Palmer  
General Chairman, BMW (MP)

R.D. Amey  
General Chairman, BMW (SPEL, SSW, OKT)

Joe M. Gorman  
General Chairman, BMW (MKT)

Al Francis  
General Chairman, BMW (SPCSL)

Quane L. Smith  
General Chairman, BMW (C&EI)

**FOR THE CARRIER**

W.E. Nass  
Director Labor Relations

**APPROVED:**

L.W. Borden  
Vice President, BMW

November 7, 1997

L/R Files: NYD-211, NYD-212, NYD-213

Mr. B.R. Palmer  
General Chairman, BMWWE  
324 W. Whaley  
P.O.Box 2767  
Longview, Texas, 75606-2767

Mr. R. D. Sanchez  
General Chairman, BMWWE  
350 N. Sam Houston PKWY E. Ste 202  
Houston Texas, 77060

Mr. D. L. Smith  
General Chairman, BMWWE  
RR #1 Box 98  
Lema, Illinois, 62440

Mr. J. E. Ybarra  
General Chairman, BMWWE  
P O Box 175  
Mound Valley, Kansas, 62278

Mr. H. J. Granier  
General Chairman, BMWWE  
PO Box 329  
Mayfield Ky. 41066

Gentlemen:

This is to confirm our discussions concerning the agreement effective January 1, 1998, which adjusts the rates of pay of various positions coming within the jurisdiction to the collective bargaining agreement between Union Pacific Railroad and the Brotherhood of Maintenance of Way Employees, effective April 1, 1975.

During our discussions of this agreement, the issue arose concerning those employees who were assigned to positions whose rates were being adjusted down. It was your concern that such employees were receiving a decrease in pay.

In order to correct this situation, it was agreed that those employees assigned to positions on January 1, 1998, who were making more than the new rates, will retain their existing rates. Such employees will be identified and placed on a list identified with the higher rates and positions, and a copy furnished to the General Chairmen. An updated list will be provided on an annual basis. All positions, however, will be bulletined according to the rates set forth in Appendix A of the agreement.

It further was agreed that it will be the responsibility of those employees who are

MP:CBACHOS



entitled to a higher rate to notify the designated carrier representative of their preserved rate when they are assigned to a position. Upon verification, the employee's rate of pay will be adjusted to the higher rate. Failure of the employee to do so will not result in any liability to the carrier. Forfeiture of seniority in a classification will result in the employee also forfeiting any rights to the preserved rates. These rates will be subject to subsequent wage increases and cost of living adjustments.

If the foregoing correctly sets forth the understanding reached in conference, please sign in the space provided below.

**AGREED:**

Bill R. Palmer  
General Chairman, BMWE(MP)

P.O. Smith  
General Chairman, BMWE (SPEL, SSW,OKT)

Jim M. Gleason  
General Chairman, BMWE(MKT)

Duane L. Smith  
General Chairman, BMWE (C&E)

Al Hansen  
General Chairman, BMWE (SPCSL)

**APPROVED:**

L.W. Borden  
Vice President, BMWE

Yours truly

W. E. Naro  
Director Labor Relations  
Maintenance of Way & Signal

MAINTENANCE OF WAY RATES OF PAY EFFECTIVE JANUARY 1, 1998

Bridge & Building	Asst. Foreman	Division	15.89
Bridge & Building	Asst. Foreman	System	16.83
Bridge & Building	Asst. Hoist Eng.	System	16.21
Bridge & Building	Carpenter	Division	15.69
Bridge & Building	Carpenter	System	16.23
Bridge & Building	Carpenter Helper	Division	15.14
Bridge & Building	Foreman	Division	16.95
Bridge & Building	Foreman	System	17.99
Bridge & Building	Hoist Eng.	System	16.47
Bridge & Building	Lead Carpenter	Division	15.86
Bridge & Building	Motor Car Operator	Division	15.83
Bridge & Building	Truck Operator	System	16.33
Bridge & Building	Welder	System	16.54
Bridge Tender	Foreman	Division	14.89
Bridge Tender	Trackman	Division	14.69
Track	Six Ton Plus	Division/District	16.76
Track	Six Ton Plus	System	17.19
Track	Asst. Foreman	Division	15.12
Track	Asst. Foreman	System	15.66
Track	Foreman	District	17.29
Track	Foreman	Division	16.57
Track	Foreman	System	17.37
Track	Machine Operator	Division/District	15.89
Track	Machine Oper Helper	District	15.14
Track	Rail Anchor Appl.	System	15.39
Track	Trackman	Division	14.50
Track	Trackman	System	14.52
Track	Truck Operator	District	14.98
Track	Truck Operator	System	14.98
Track	Truck Op Two Ton Plus	District/Division	15.34
Welding	Helper	District/Division	15.06
Welding	Welder	District	16.35
Work Equip Mechanic	Foreman	District	17.70
Work Equip Mechanic	Foreman	System	18.22
Work Equip Mechanic	Helper	System	15.31
Work Equip Mechanic	Machinist	District/System	17.17
Water Service	Foreman	Division	19.37
Water Service	Helper	Division	15.11
Water Service	Repairman	Division	17.39

*Raised*  
*generally*



**MEMORANDUM OF AGREEMENT**  
**between**  
**UNION PACIFIC RAILROAD COMPANY**  
**and the**  
**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES**

---

Eligible employees will be allowed the following allowances in lieu of any and all allowances provided by Rule 21 and 26 (a) and (b) of the collective bargaining agreement between Union Pacific Railroad and the Brotherhood of Maintenance of Way Employees, which became effective April 1, 1975.

**IT IS THEREFORE AGREED:**

1. (a) Employees who are assigned to and who are occupying outfit cars with meal services provided will receive no per diem meal allowances but will be privileged to partake of the meals served without expense. Meals served will be wholesome and served under sanitary conditions.

(b) Employees who are assigned headquarters of outfit cars without meal services provided will be allowed a per diem allowance of \$12.75 per calendar day to help defray meal expenses subject to the qualifying provisions of Section 2 (b) of this agreement.

(c) When outfit gangs are moved on the employees' work days, such employees will receive their regular pay for each of the work days that the outfit cars are in transit. If the cars are moved on a holiday (or day observed as such), or on a rest day, travel time will be allowed at the rate of one (1) hour for each sixty (60) miles the outfit cars are moved within the twenty four hour period, not to exceed eight (8) hours on a given holiday or rest day providing they are available for work. Travel time will be compensated at the straight time rate. In addition, the employee will be afforded the transportation expense provided for in Section 2(c) of this agreement.

2. (a) Employees who are assigned headquarters of "on-line" (without outfit cars assigned) will be allowed a daily per diem allowance of \$42.50 per calendar day to help defray expenses for lodging and meals subject to the qualifying provisions of Section 2(b) of this agreement.

(b) The per diem allowance will be paid for each day of the calendar week, including rest days, holidays, and personal leave days. It, however, will not be payable for workdays that the employee is voluntarily absent from service, or for rest days, holidays or personal leave days when the employee is voluntarily absent from service when work is available to him on the workday immediately preceding or the workday immediately following said rest days, holidays, or personal leave days. The per diem

allowance will not be reduced due to an employee working a work week arrangement of other than normal assignment contemplated in Rule 14 (40 Hour Work Week) of the collective bargaining agreement.

(c) Employees assigned to "on-line" service will have an assembly point of the designated work site where the day's work is scheduled to begin. When the employees are prevented from assembly at the work site to begin their tour of duty because of inadequate roads or parking for their personal vehicles, arrangements for a suitable assembly point located nearest the work site will be made for the beginning of the employees' tour of duty. At the close of shift each day employees will be returned to their original assembly point. If the assembly point for "on-line" employees is changed from one workday to the next, the Carrier must designate the new assembly point no later than the close of shift the previous work day.

For the purpose of ensuring that traveling "on-line" employees are afforded an opportunity to secure adequate rest, it is agreed that the distance traveled between a former assembly point and a new assembly point during any 24-hour period will not normally exceed four hundred and fifty (450) miles. Likewise traveling "on-line" employees will not normally be expected to travel in excess of one hundred fifty (150) miles in moving from the former assembly point to the new assembly point during the unassigned hours between two consecutive work days.

Employees assigned to "on-line" service as provided in this Section 2 or to outfit service as provided in Section 1 above will be entitled to additional compensation in making moves from an old assembly point to a new assembly point by being provided a transportation allowance as follows:

Normal Traveled Road Miles From the Old Assembly Point To The New Assembly Point			Transportation Allowance
0	-	60	\$ 0
60	-	105	\$ 5
106	-	150	\$ 15
151	-	250	\$ 30
251	-	350	\$ 55
351	-	450	\$ 75
451	-	550	\$ 100
551	-	650	\$ 120
651	-	750	\$ 145
751	-	850	\$ 165



851	-	950	\$ 190
951	-	1050	\$ 210
1051	-	1150	\$ 235
1151	-	1250	\$ 255
1251	-	1350	\$ 280
1351	-	1450	\$ 300
1451	-	1550	\$ 325
1551	-	1650	\$ 345
1651	-	1750	\$ 370
1751	-	1850	\$ 390

The qualification provisions as set forth in Section 2(b) above will apply for reimbursement of the transportation allowance.

(d) Employees assigned to operate and transport company equipment outside of assigned hours from the former assembly point to the new assembly point will be compensated pursuant to Rule 14 for such service performed outside of assigned hours but will not be entitled to the transportation allowance set forth in Section 2(c) unless, they, too, are subsequently required to make the move to transport their personal automobiles/belongings as well.

(e) Employees who are assigned headquarters of "on-line" (without outfit cars assigned) will be allowed a daily per diem allowance of \$2.25 to help defray expenses for travel subject to the qualifying provisions of Rule 2(b) of this Memorandum.

4. There will be no duplication or combination of the per diem and/or transportation allowances with other travel allowances and/or actual necessary expenses on any one day.

5. This Agreement will become effective January 1, 1998, and supersedes all rules, practices, and working conditions in conflict herewith.

Signed this 6th day of November 1997, in Omaha, Nebraska.

**FOR THE BROTHERHOOD OF  
MAINTENANCE OF WAY EMPLOYEES:**

  
General Chairman - BMWE (MP)

**FOR THE CARRIER:**

  
Director Labor Relations

*P. D. Smith*  
General Chairman - BMWE(SPEL,SSW,OKT)

*W. H. Francis*  
General Chairman - BMWE (SPCSL)

*W. H. Smith*  
General Chairman - BMWE (C&E)

*Joe M. Glavin*  
General Chairman - BMWE (MKT)

APPROVED:

*L. A. Baker*  
Vice President - BMWE



**UNION PACIFIC RAILROAD COMPANY**  
Labor Relations Department, Room 332  
1416 Dodge Street, Omaha, Nebraska 681179

January 1, 1998  
M 210-38

Mr. H. J. Granier  
General Chairman, BMWWE  
P O Box 329  
Mayfield, Ky. 41066

Mr. B. R. Palmer  
General Chairman, BMWWE  
PO BOX 2767  
Longview Tx. 75606-2767

Mr. R. D. Sanchez  
General Chairman, BMWWE  
350 N. Sam Houston Pkwy. E. Ste. 202  
Houston, Tx. 77060

Mr. D. L. Smith  
General Chairman, BMWWE  
RR #1 Box 98  
Lema, Il. 62440

Mr. J. E. Ybarra  
General Chairman, BMWWE  
P O Box 175  
Mound Valley, Ks. 67354

Gentlemen:

This refers to the Memorandum of Agreement, effective January 1, 1998, that provides employees assigned in on-line service the opportunity for adequate rest when assembly points are changed.

Under the language the parties placed certain mileage restrictions on the location of a newly designated assembly point. These restrictions are intended to be applied under normal day-to-day operations. The parties jointly recognize, however, that on occasion requirements of service may dictate the need to establish an assembly point at a location in excess of the mileage restrictions set forth in Section 2(c). The rule is not intended to prohibit such movement but is primarily intended to insure that on-line employees are afforded an opportunity to secure adequate rest before being required to again go on duty. When such long distance moves are made, any distances traveled in excess of the restrictions will be discounted at the rate of sixty (60) miles per hour from the next scheduled workday beginning at the start of shift. In computing time under this provision, any fraction of a half hour less than fifteen (15) minutes will be dropped; any fraction of a half hour which is fifteen (15) minutes or more will be counted as an additional one half-hour.

MPPERDIEMAGT

For example, you may have a gang assigned Monday through Friday 7:00 a.m. to 4:00 p.m. On Monday prior to the close of shift the Carrier designates a new assembly point 220 miles from the former assembly point, i.e., 70 miles in excess of the 150 mile restriction. The employees involved would be expected to report to the new assembly point and commence work at 8:00 a.m. on Tuesday, which is one (1) hour after the regular 7:00 a.m. starting time. The employees would receive straight time wages from 7:00 a.m. to 8:00 a.m. In this example, since the fraction consisting of 10 minutes was less than 15, it was dropped. At their option, employees may travel all 220 miles immediately following the close of shift on Monday, may travel all 220 miles immediately prior to the start of shift on Tuesday, or may travel intermittently in some combination thereof. In any event, they will be assured of the opportunity to secure adequate rest.

Likewise, if the employees are released at 4:00 p.m. on Monday because the Carrier designated a new assembly point that is 620 miles from the former assembly point (170 miles in excess of the 450 mile 24-hour restriction), the employees involved would be expected to report to the new assembly point and commence work at 7:30 a.m. Wednesday, one-half hour after the regular 7:00 a.m. to 4:00 p.m. Tuesday and 7:00 a.m. to 7:30 a.m. Wednesday. In this example, the 150 miles were taken into account. The 450 miles in a twenty-four (24) hour period were accounted for and the fraction consisting of 20 minutes (miles) was more than 15, therefore it was counted as an additional one half-hour.

In emergency situations where on-line service employees are required to change assembly points outside the regular assigned hours and further are required to commence working immediately upon completion of the move, such employees will be allowed time in at the pro-rata rate for all time spent traveling outside of assigned hours, and such time will be considered continuous time in computation of continuous time under Rule 14 of the collective bargaining agreement.

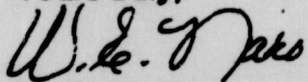
In addition, it is recognized that the working hours of such on-line employees will not be reduced below that regularly assigned as a result of any move made.

It is understood that this handling will not be considered as a precedent nor be cited in future cases. To formally signify your concurrence in the above understanding, please affix your signature in the space provided below.

AGREED:

  
General Chairman, BMW (MP)

Yours truly,

  
W. E. Naro  
Director Labor Relations

MPPERDIEMAGT



D.C. Smith

General Chairman, BMW (SPEL, SSW, OKT)

M. J. Jones

General Chairman, BMW (SPCSL)

Quane L. Smith

General Chairman, BMW (C&E)

Joe M. Ybarra

General Chairman, BMW (MKT)

APPROVED:

L.W. Barber

Vice President, BMW

MPPERDIEMAGT

## **INTERPRETATIONS RELATIVE TO THE PER DIEM AGREEMENT:**

**Q-1** Is it the intent of this on-line service agreement to mobilize Maintenance of Way gangs that have been historically headquartered at specific locations?

**A-1** No.

**Q-2** For the employee who is assigned to on-line service, where is his headquarters?

**A-2** The headquarters for an employee in on-line service on any particular workday is the assembly point/work site where the day's work is scheduled to properly begin as designated by the Carrier in line with the requirements of the on-line service agreement.

**Q-3** An employee is assigned to on-line service with a 7:00 a.m. to 3:30 p.m. work day and a Monday through Friday workweek. On Tuesday at 6:30 p.m. the Manager notifies the employee his assembly point is being changed from point A to point B, a distance of 120 miles. Provided there is no emergency involved in this situation when and where would the employee report for Wednesday's work?

**A-3** Unless a change in the assembly point is designated as of the close of shift Tuesday, or in this instance 3:30 p.m. the assembly point remains unchanged and he would report at that location at the normal 7:00 a.m. starting time on Wednesday.

**Q-4** In the same scenario set forth in Q-3, there was a derailment on a bridge at point B and the employee was required to relocate and commence work immediately upon his arrival and perform emergency repair work for six (6) hours. What allowances would the employee receive in compensation, time for travel to the derailment site, and mileage allowances?

**A-4** The employee's designated assembly point would be considered his headquarter's location and he would be treated as any other employee called out during his rest hours away from his headquarters and the travel time, expense and other pertinent agreement rules would apply.

**Q-5** An employee assigned to on-line service is scheduled to change his assembly point from point A to begin work at point B on Wednesday morning. During the evening hours heavy rains occur and the last five (5) miles of the trip to point B involves the Carrier's right of way road which is inadequate for travel. What is the employee expected to do in connection with reporting for work on Wednesday morning?



**A-5** If the on-line employees of a gang are prohibited from meeting at the designated assembly point solely due to the inadequate roads, they should contact their supervisor so the Carrier can make arrangements to accommodate them in this situation.

**Q-6** An employee is assigned to on-line service with a 7:00 a.m. to 3:30 p.m. workday and a Monday through Friday workweek. At close of shift Wednesday the employee is notified by his supervisor that his assembly point is being changed from point A to point B, a distance of 325 miles. Provided there is no emergency involved in this situation, when and where would the employee report for Thursday's work and what allowances would he receive.

**A-6** The employee would be entitled to a mileage allowance of \$55.00.

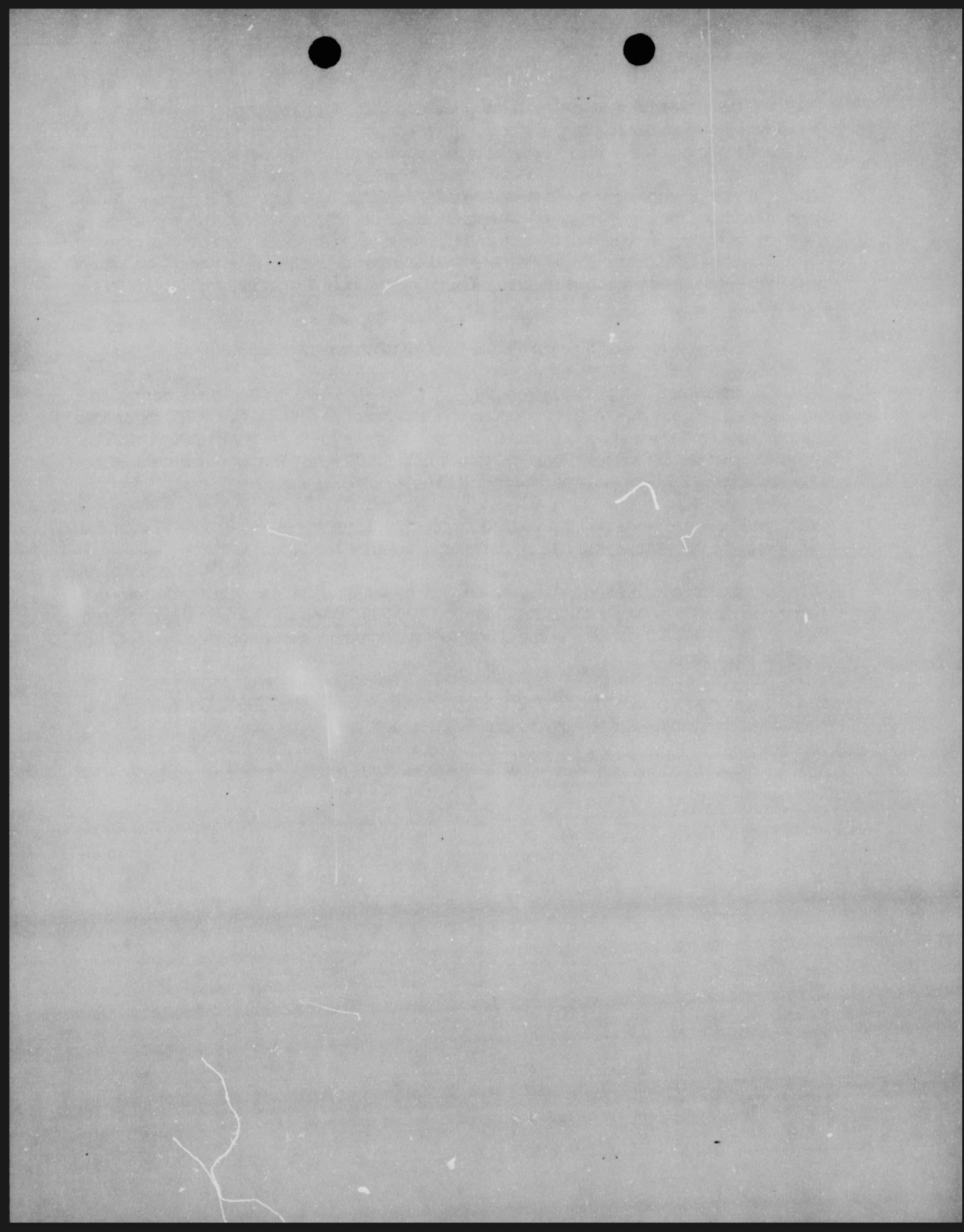
A maximum of one hundred fifty (150) miles would be traveled during the employee's rest hours and for the remaining one hundred seventy five (175) miles the Carrier would defer the starting time on Thursday by three (3) hours until 10:00 a.m. The employee would be allowed three (3) hours until 10:00 a.m. The employee would be allowed three (3) hours straight time from 7:00 a.m. to 10:00 a.m.

**Q-7** Will the positions being advertised through telephonic bidding (Rule 11) indicate that the gang will receive the \$42.50 per diem allowance?

**A-7** Positions established to work on-line gangs will be bulletined in accordance with Agreement Rule 11 and will specifically mention that it is on-line service with the per diem allowance of \$42.50 per day and applicable transportation allowance when qualifying conditions are met.

**Q-8** In connection with the transportation allowances, are we talking about rail miles or normal roadway travel miles by the most direct route?

**A-8** Normal roadway traveled miles by the most direct route.





# AGREEMENT

Between The

**UNION PACIFIC RAILROAD COMPANY**

And The

**BROTHERHOOD OF RAILWAY CARMEN**

**(Maintenance Operations)**

*MP Agreement  
not ID*

=====

The Surface Transportation Board (STB) approved the merger of the Southern Pacific Rail Corporation (Southern Pacific Transportation Company (EL and WL), St. Louis Southwestern Railway Company (SSW), SPCSL Corporation, and the Denver & Rio Grande Western Railroad Company (DRGW)) (SPRR) into the Union Pacific Railroad Company/Missouri Pacific Railroad Company (UPRR/MPRR) effective September 11, 1996, in Finance Docket No. 32760. The STB, in its approval of the aforesaid Finance Docket, has imposed the employee protection conditions set forth in New York Dock as modified at 360 ICC 60.

This Implementing Agreement is made by and between the UPRR and the Brotherhood of Railway Carmen (BRC) on behalf of employees at the locations identified below to consolidate the work and the territory traditionally serviced by such employees, as well as seniority rosters, at the following locations, if applicable.

Kansas City  
Pine Bluff  
Shreveport  
St. Louis/Dupo

Texarkana  
Tyler/Longview  
Topeka

Accordingly, in accordance with Article I, Section 4, of New York Dock Conditions,

## IT IS AGREED:

### Section 1.

(a) On or after the effective date of this Agreement, UPRR may commence the consolidation of the points identified above. Such consolidation of work shall include consolidation of work for territory traditionally serviced by employees at these points.

The consolidation at St. Louis/Dupo, at Kansas City, at Shreveport, at Texarkana, and at Tyler/Longview shall include dovetailing the seniority dates of all SPRR

(SSW) employees into the applicable Missouri Pacific Railroad Company (MPRR) seniority roster at each point.

At Pine Bluff, the MPRR employees assigned at Pine Bluff will be transferred and then dovetailed onto the SPRR (SSW) seniority roster by using MPRR employees seniority date on the McGehee carmen seniority roster and such seniority date will be removed from the McGehee carmen seniority roster. If the MPRR employees at Pine Bluff elect not to be transferred, then the employee's name and seniority date shall remain on the McGehee carmen seniority roster. However, such employees shall not be considered as being deprived of employment and shall not be eligible for any protective benefits contained in the New York Dock Conditions or in this Implementing Agreement. Thereafter, the two junior carmen actively working at McGehee will be transferred to Pine Bluff and will have their seniority date dovetailed on the Pine Bluff seniority roster and be eligible for New York Dock Conditions in the same manner as the two carmen (MPRR) that had been assigned at Pine Bluff. Then, Pine Bluff seniority roster will be reclassified as MPRR seniority roster.

After such consolidation of seniority rosters, the SPRR (SSW) seniority rosters at each point shall cease to exist. Thereafter, all employees at St. Louis/Dupo, at Kansas City, at Pine Bluff, at Shreveport, at Texarkana, and at Tyler/Longview shall be governed by the MPRR Collective Bargaining Agreement effective September 1, 1981, as amended. However, such employees shall not be considered as being deprived of employment and shall not be eligible for any protective benefits contained in the New York Dock Conditions or in this Implementing Agreement.

The consolidation at Topeka shall include dovetailing the seniority dates of all SPRR (SSW) employees into the applicable UPRR seniority roster at Topeka. After such consolidation of seniority rosters, the SPRR (SSW) seniority roster at Topeka shall cease to exist. Thereafter, all employees at Topeka shall be governed by the UPRR Collective Bargaining Agreement effective November 1, 1976, as amended.

(b) Employees in a furloughed status at the time the seniority rosters are combined will not be able to activate their seniority until regular-assigned position is bulletined due to resignation, transfer, retirement, or any of the current assigned employees or increase in force, etc. Seniority rights of these employees in a furloughed status as of the effective date of this Agreement and whose dovetailed seniority is greater than a junior employee holding a regular assignment at the time will not be subject to recall to service until such time that a permanent position becomes vacant which is not filled by an active employee holding a regular assignment as of the effective date of this Agreement. The furloughed employee's seniority shall be considered "activated" when they are assigned to a permanent position. This will not, however, preclude utilizing the furloughed employees on a temporary basis pending bulletin assignment or other temporary vacancies.

(c) For employees with seniority dates on both seniority rosters being consolidated at a point identified above and are "furloughed" from one of the rosters on the day of roster consolidation, such employees will be shown on the consolidated roster



with both seniority dates. Such employees will hold assignments utilizing their current seniority date until such time that their "furloughed" seniority date on the consolidated roster is activated pursuant to paragraph (b). If the "furloughed" seniority date is activated, their junior seniority date shall be removed from the seniority roster.

(d) In the event two or more employees from different seniority rosters have identical seniority dates, the employees shall be ranked first by service dates, then, if service dates are the same, by date of birth, the oldest employee to be designated the senior ranking. This shall not affect the respective ranking of employees with identical seniority dates on their former seniority roster.

## Section 2.

Subsequent to the consolidation of seniority roster as set forth in Section 1 above, the carman positions at the locations identified below may be abolished pursuant to this Agreement. Employees furloughed as a result of these abolishments must exercise seniority in accordance with the provisions of the MPRR Collective Bargaining Agreement effective September 1, 1981, as amended. An employee exercising seniority to a position other than established by this Implementing Agreement shall not be covered by the provisions of the New York Dock Conditions.

Kansas City	-	15
Pine Bluff	-	2
Shreveport	-	5

## Section 3.

(a) Except for Topeka, the Collective Bargaining Agreement between the Missouri Pacific Railroad Company and the Brotherhood of Railway Carmen as revised September 1, 1981, as amended, will become effective on the former St. Louis Southwestern Railway as of the effective date of this Agreement.

(b) Except for Topeka, all understandings, interpretations and agreements applicable to employees covered by the Missouri Pacific Railroad Company Collective Bargaining Agreement will apply to employees covered by the St. Louis Southwestern Railway Collective Bargaining Agreement effective October 1, 1977, as amended, as of the effective date of this Agreement.

(c) All understandings, interpretations and agreements previously in effect for employees covered by the St. Louis Southwestern Railway Collective Bargaining Agreement are hereby nullified and superseded as provided in paragraphs (a) and (b) hereof as of the effective date of this Agreement. Except as provided in this Implementing Agreement, the seniority rosters in effect on January 15, 1997, will continue in effect consistent with the provisions covering seniority rosters of the Missouri Pacific Railroad Company Collective Bargaining Agreement.

#### Section 4.

(a) Employees transferring from SPRR (SSW) to MPRR or from SPRR (SSW) to UPRR pursuant to this Agreement shall be credited with prior continuous service with the SPRR (SSW) for vacation, personal leave, entry rates and other present or future benefits which are granted on the basis of qualifying years of service in the same manner as though all such time had been spent in the service of the railroad that the employees transfer to.

(b)(1) The SPRR (SSW) employees transferred to MPRR will continue to be covered under Railroad Employees National Health and Welfare Plan.

(b)(2) Except as indicated below, the SPRR (SSW) employees transferred to UPRR at Topeka will continue to be covered under Railroad Employees National Health and Welfare Plan for a period not to exceed six (6) years or time equal to employee's service is less than six (6) years from the date of this Implementing Agreement at which time coverage will be transferred to Union Pacific Employees Health Systems (UPREHS), or its successor association, plan or entity then providing coverage for UPRR carmen.

During such period, the employee will be allowed if consistent with the rules and regulations of UPREHS, or its successor, a one-time irrevocable option to convert to UPREHS.

#### Section 5.

Except for employees at Topeka, all pending notices and proposals served under Section 6 of the Railway Labor Act, as amended, on behalf of employees changing Agreements as provided herein will no longer apply to such employees. These employees will be covered by the current notices pending for employees covered by the Missouri Pacific Railroad Company Collective Bargaining Agreement revised September 1, 1981, as amended. At Topeka, employees will be covered by the Union Pacific Railroad Company Collective Bargaining Agreement effective November 1, 1976, as amended.

#### Section 6.

(a) The employee protective benefits and conditions as set forth in the New York Dock Conditions, attached hereto as Attachment "A," shall be applicable. There shall be no duplication of benefits by an employee under this Agreement and any other agreement or protective arrangement. Active and regular-assigned employees at the applicable point failing to apply for a position available to them or failing to accept a position to which assigned pursuant to this Agreement shall not be considered deprived of employment and shall not be entitled to the protective benefits contained in the New York Dock Conditions.

(b) Any employee determined to be a "displaced" or "dismissed" employee as a result of this transaction, who is otherwise eligible for protective benefits and conditions under some other job security agreement, conditions or arrangements shall elect in writing within sixty (60) days of being affected between the protective benefits and conditions of



this Agreement and the protective benefits and conditions under such other arrangement (written notification is to be given Supervisor Protection Management, Omaha, with copy of such election to the employee's General Chairman). Should any employee fail to make an election of benefits during the period set forth in this paragraph (b), such employee shall be considered as electing the protective benefits and conditions of this Agreement.

An employee currently covered by the protective benefits and conditions of another agreement may continue coverage under said agreement and upon expiration of said coverage elect the protective benefits and conditions remaining, if any, under this agreement, as set forth in Section 3, Article I, of the New York Dock Conditions.

(c) Each "dismissed employee" shall provide UPRR's designated Manager with the following information for the preceding month in which he is entitled to benefits no later than the tenth (10th) day of each subsequent month on a standard form provided by UPRR:

- (1) The day(s) claimed by such employee under any unemployment insurance act.
- (2) The day(s) claimed by such employee worked in other employment, the name(s) and address(es) of the employer and the gross earnings made by the dismissed employee in such other employment.
- (3) The day(s) for which the employee was not available for service due to illness, injury or other reasons for which the employee could not perform service and the employee received sickness benefits.

(d) If the "dismissed employee" referred to herein has nothing to report account not being entitled to benefits under any unemployment insurance law, having no earnings from any other employment, and was available for work the entire month, such employee shall submit, within the time period provided for in paragraph (c) of this Section, the form annotated "Nothing to Report."

(e) The failure of any employee to provide the information as required in paragraphs (c) and (d) shall result in the withholding of all protective benefits during the month covered by such information pending receipt by UPRR's designated Supervisor Protection Management of such information from the employee. Except where an employee establishes undue hardship delayed the filing of a claim, no claim for protective benefits shall be honored beyond sixty (60) days from the time specified in paragraph (c) of this Section.

#### Section 7.

For convenience, reference to gender, if any, in this Implementing Agreement and attachments are made in the masculine gender. It is understood and agreed by the parties to this Agreement that references to the masculine gender include both the masculine gender and the feminine gender.

Section 8.

A copy of this Implementing Agreement with attachments will be posted on bulletin boards accessible to employees at each applicable point with sufficient number of copies to be made available to furnish individual copy to employees upon request.

Section 9.

(a) This Agreement shall constitute the required Agreement as stipulated in Article I, Section 4, New York Dock Conditions.

(b) Any dispute arising out of this Implementing Agreement and the attached Letters of Agreement and/or Understandings will be handled by the appropriate General Chairman with the highest Labor Relations Officer designated to receive such claims and grievances for UPRR.

Section 10.

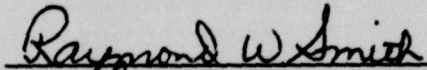
The provisions of this Implementing Agreement have been designed to address a particular situation. Therefore, the provisions of this Implementing Agreement and the attached Letters of Agreement and/or Understandings are without precedent or prejudice to the position of either party and shall not be referred to in any other case.

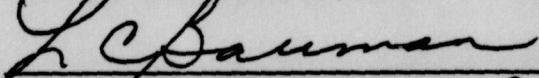
This Agreement shall become effective January 16, 1997.

Signed this 26th day of November, 1996.

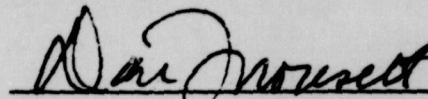
**FOR BROTHERHOOD OF  
RAILWAY CARMEN:**

  
GENERAL CHAIRMAN, BRC

  
GENERAL CHAIRMAN, BRC

  
GENERAL CHAIRMAN, BRC -MP

**FOR UNION PACIFIC RAILROAD  
COMPANY:**

  
DIRECTOR LABOR RELATIONS

**APPROVED:**

  
GENERAL VICE PRESIDENT, BRC



NEW YORK DOCK CONDITIONS

Labor protective conditions to be imposed in railroad transactions pursuant to 49 U.S.C. 11343 et seq. (formerly sections 5(2) and 5(3) of the Interstate Commerce Act), except for trackage rights and lease proposals which are being considered elsewhere, are as follows:

## ARTICLE I

1. Definitions.--(a) "Transaction" means any action taken pursuant to authorizations of this Commission on which these provisions have been imposed.

(b) "Displaced employee" means an employee of the railroad who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) "Dismissed employee" means an employee of the railroad who, as a result of a transaction is deprived of employment with the railroad because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction.

(d) "Protective period" means the period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of the railroad prior to the date of his displacement or his dismissal. For purposes of this appendix, an employee's length of service shall be determined in accordance with the provisions of section 7(b) of the Washington Job Protection Agreement of May 1936.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the railroad's employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or

applicable statutes.

3. Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements; provided, that if an employee otherwise is eligible for protection under both this Appendix and some other job security or other protective conditions or arrangements, he shall elect between the benefits under this Appendix and similar benefits under such other arrangement and, for so long as he continues to receive such benefits under the provisions which he so elects, he shall not be entitled to the same type of benefit under the provisions which he does not so elect; provided further, that the benefits under this Appendix, or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits; and, provided further, that after expiration of the period for which such employee is entitled to protection under the arrangement which he so elects, he may then be entitled to protection under the other arrangement for the remainder, if any, of this protective period under that arrangement.

4. Notice and Agreement or Decision - (a) Each railroad contemplating a transaction which is subject to these conditions and may cause the dismissal or displacement of any employees, or rearrangement of forces, shall give at least ninety (90) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of the railroad and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be affected by such transaction, including an estimate of the number of employees of each class affected by the intended changes. Prior to consummation the parties shall negotiate in the following manner.

Within five (5) days from the date of receipt of notice, at the request of either the railroad or representatives of such interested employees, a place shall be selected to hold negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this appendix, and these negotiations shall commence immediately thereafter and continue for at least thirty (30) days. Each transaction which may result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all



employees involved on a basis accepted as appropriate for application in the particular case and any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of thirty (30) days there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the request for arbitration the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(b) No change in operations, services, facilities, or equipment shall occur until after an agreement is reached or the decision of a referee has been rendered.

5. Displacement allowances - (a) So long after a displaced employee's displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid

during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period), and provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases.

If a displaced employee's compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

(b) If a displaced employee fails to exercise his seniority rights to secure another position available to him which does not require a change in his place of residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position he elects to decline.

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for justifiable cause.

6. Dismissal allowances. - (a) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the transaction. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(b) The dismissal allowance of any dismissed employee who returns to service with the railroad shall cease while he is so



reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of section 5.

(c) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the railroad shall agree upon a procedure by which the railroad shall be currently informed of the earnings of such employee in employment other than with the railroad, and the benefits received.

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

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

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

9. Moving expenses. - Any employee retained in the service of the railroad or who is later restored to service after being

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

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

11. Arbitration of disputes. - (a) In the event the railroad and its employees or their authorized representative cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except section 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman. If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the



committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding, upon the parties.

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

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

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

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

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

(1) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the railroad for any loss suffered in the sale of his home for

All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

## ARTICLE II

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

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

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

## ARTICLE III

Subject to this appendix, as if employees of railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by railroad and employees of any other enterprise within the definition of common carrier by railroad in section 1(3) of part I of the Interstate Commerce Act, as amended, in which railroad has an interest, to which railroad provides facilities, or with which railroad contracts for use of facilities, or the facilities of which railroad otherwise uses; except that the provisions of this appendix shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier; provided that said carriers shall establish one convenient central location for each terminal or other enterprise for receipt of one such application which will be effective as to all said carriers and railroad shall notify such employees of this requirement and of the location for receipt of



less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

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

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

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

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

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

the application. Such employees shall not be entitled to any of the benefits of this appendix in the case of failure, without good cause, to accept comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this appendix, with any carrier for which application for employment has been made in accordance with this section.

#### ARTICLE IV

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

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

#### ARTICLE V

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

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



November 26, 1996

NYD-164

MR L C BAUMAN  
GENERAL CHAIRMAN BRC  
P O BOX 654  
NO LITTLE ROCK AR 72115

MR J C STURDIVANT  
GENERAL CHAIRMAN BRC  
1001 E SIXTH AVE  
PINE BLUFF AR 71601

Gentlemen:

This has reference to Implementing Agreement dated November 26, 1996, covering notice dated September 16, 1996, pertaining to the consolidation of St. Louis/Dupo, Kansas City, Pine Bluff, Shreveport, Texarkana, and Tyler/Longview.

As a result of our discussion, it was decided a minimum of lump-sum separation allowances would be offered to carmen in active service at the following locations: St. Louis (2-SP), Kansas City (8) (4-SP, 4-UP), Pine Bluff (4-SP), and Shreveport (4) (2-SP, 2-UP). The separation allowance shall be calculated on the basis contained in Section 9 of the Washington Job Agreement, however, the minimum lump-sum separation allowance will be Twenty Thousand Dollars (\$20,000.00). Only active, regular-assigned employees working as carmen at Kansas City, Pine Bluff, and Shreveport on the date the separation notice is posted shall be eligible for the lump-sum separation allowance. The separation allowance option shall be offered in seniority order at each point.

Notices will be posted at each point for five (5) calendar days offering the lump-sum separation allowance and employees desirous of being considered for the lump-sum separation allowance must submit an irrevocable application in writing to the manager who signed the notice and Local Chairman at the point within the five (5) calendar days from the date of notice offering the lump-sum separation allowance.

Employees approved for a lump-sum separation allowance shall authorize from their separation allowance a one-time deduction of seventeen (17) months' membership dues except for employees with less than five (5) years' service. Membership dues to be deducted for employees with less than five (5) years' service shall be as follows:

**Length of Service**

1 yr. but less than 2  
2 yrs. but less than 3  
3 yrs. but less than 5

**Membership Dues**

7 months  
9 months  
13 months

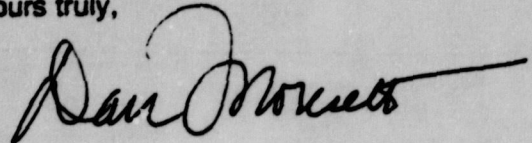
In view of the concern you have expressed for employees that are near retirement age, an employee who is or shall become eligible for retirement under the Railroad Retirement Act within a period of twenty-four (24) months may elect to have their separation allowance paid in equal monthly installments not to exceed twenty-four (24) months or upon attaining age 62, whichever first occurs. If an employee elects the monthly installments, the employee's separation allowance shall be reduced by the cost the Company shall incur in retaining the employee on the payroll; such as, health and welfare benefits, dental insurance, all contributions to Railroad Retirement Tax that exceed the tax that would have been incurred for a lump-sum allowance, etc.

NYD-164 #1

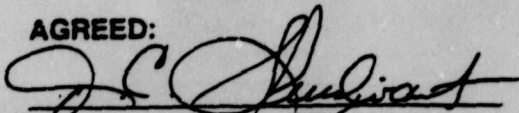
An employee electing the monthly installments shall be relieved from duty, but considered in active service until attaining retirement eligibility at which time their service and seniority shall be terminated. Separation compensation paid in these monthly installments shall be considered the same as regular compensation insofar as taxation and hospital dues deductions are concerned. This separation compensation shall not be considered as qualifying payments for the purpose of applying the National Vacation Agreement; any of the provisions contained in any National Agreements providing for any wage increases and lump-sum adjustments or any other additional benefits; nor shall this extended time allow such employees any other compensation benefits under any Collective Bargaining Agreement or other Agreements.

This Agreement has been designed to address a particular situation and is without prejudice to the position of either party with respect to the offer of separation pay. Moreover, this Agreement shall not be cited as a precedent nor be referred to in connection with any future transfers of work.

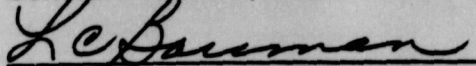
Yours truly,



AGREED:

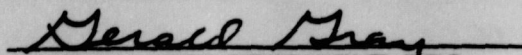


General Chairman, BRC



General Chairman, BRC-MP

APPROVED:



GENERAL VICE PRESIDENT, BRC

NYD-164 #1



November 26, 1996

NYD-164

MR L C BAUMAN  
GENERAL CHAIRMAN BRC  
P O BOX 654  
NO LITTLE ROCK AR 72115

MR J C STURDIVANT  
GENERAL CHAIRMAN BRC  
1001 E SIXTH AVE  
PINE BLUFF AR 71601

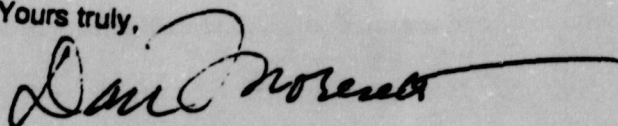
Gentlemen:

This has reference to our discussion this date concerning Agreement entered into in connection with the consolidation of the St. Louis Southwestern Railway Company (SSW) Collective Bargaining Agreement effective October 1, 1977, with the Missouri Pacific Railroad Company Collective Bargaining Agreement effective September 1, 1981.

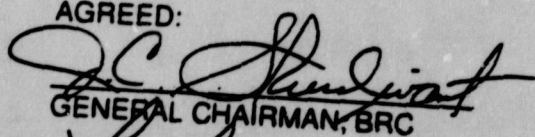
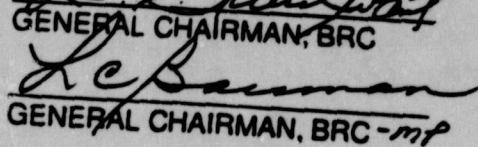
In line with our discussion with putting maintenance operations employees under the Missouri Pacific Railroad Company Collective Bargaining Agreement dated September 1, 1981, it is further understood that only one (1) General Chairman would be designated to handle Section 6 notices pertaining to Missouri Pacific Railroad Company Collective Bargaining Agreement dated September 1, 1981.

If the above meets with your approval, will you please so indicate in the space provided below.

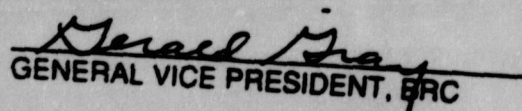
Yours truly,



AGREED:

  
GENERAL CHAIRMAN, BRC  
GENERAL CHAIRMAN, BRC -mp

APPROVED:

  
GENERAL VICE PRESIDENT, BRC

NYD-164 #2

November 26, 1996

NYD-164

MR L C BAUMAN  
GENERAL CHAIRMAN BRC  
P O BOX 654  
NO LITTLE ROCK AR 72115

MR J C STURDIVANT  
GENERAL CHAIRMAN BRC  
1001 E SIXTH AVE  
PINE BLUFF AR 71601

Gentlemen:

This has reference to Implementing Agreement dated November 26, 1996, covering notice dated September 16, 1996, pertaining to the consolidation of St. Louis/Dupo, Kansas City, Pine Bluff, Shreveport, Texarkana, and Longview.

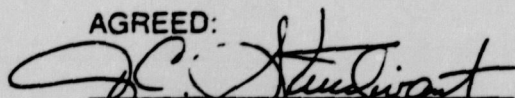
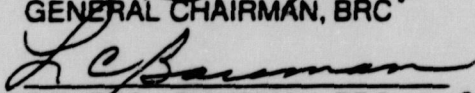
In line with our discussion concerning test period earnings for employees changing Collective Bargaining Agreements and who have their seniority date dovetailed onto a consolidated seniority roster, you were advised that as soon as calculations on the test period earnings are completed, a copy of the information would be furnished to you for the individuals involved. We anticipate that this information should be completed approximately sixty (60) days after the effective date of this Agreement.

It is further understood and agreed that in computing the test period earnings, the test period would be the twelve (12) months in which compensated service was performed commencing with the end of the month preceding the effective date of the Agreement.

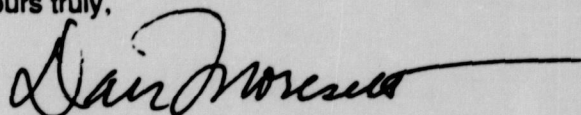
It is agreed that this Agreement shall not to be considered as a precedent, rather it is made on a not-to-be-cited basis. No reference to this Agreement shall be made with the context of negotiations, national or local, to which this Carrier or any other Carrier may be a party.

If you are agreeable to the terms of this Agreement, please indicate your approval in the sapce provided below.

AGREED:

  
GENERAL CHAIRMAN, BRC  
  
GENERAL CHAIRMAN, BRC *mp*

Yours truly,



APPROVED:

  
GENERAL VICE PRESIDENT, BRC

NYD-164 #3



**MERGER  
IMPLEMENTING AGREEMENT  
(Kansas City Hub)**

between the  
**UNION PACIFIC RAILROAD COMPANY**  
Southern Pacific Transportation Company  
and the

**UNITED TRANSPORTATION UNION**

**PREAMBLE**

The U.S. Department of Transportation, Surface Transportation Board ("STB") approved the merger of the Union Pacific Corporation ("UPC"), Union Pacific Railroad Company/Missouri Pacific Railroad Company (collectively referred to as "UP") and Southern Pacific Rail Corporation, Southern Pacific Transportation Company ("SPT"), St. Louis Southwestern Railway Company ("SSW"), SPCSL Corp., and the Denver & Rio Grande Western Railroad Company ("DRGW") (collectively referred to as "SP") in Finance Docket 32760. In approving this transaction, the STB imposed New York Dock labor protective conditions. Copy of the New York Dock conditions is attached as Attachment "A" to this Agreement.

On January 30, 1998, the Carriers served notice of their intent to merge and consolidate operations generally in the following territories:

Union Pacific:	Kansas City to Council Bluffs (not including Council Bluffs/Omaha Metro Complex)
	Kansas City to Des Moines (not including Des Moines)
	Kansas City to Coffeyville (not including Coffeyville)
	Kansas City to Parsons (not including Parsons)
	Kansas City to Marysville (not including Marysville but including Topeka)
	Kansas City to Jefferson City (not including Jefferson City)
	Kansas City Terminal

**Southern Pacific:**

**(SSW and SPCSL) Kansas City to Jefferson City (not including Jefferson City)**

**Kansas City to Chicago via Ft. Madison (not including Chicago)**

**Kansas City to Chicago via Quincy (not including Chicago)**

**Kansas City to Winfield via BNSF trackage rights (not including Winfield)**

**Kansas City to Wichita via BNSF trackage rights (not including Wichita)**

**Kansas City to Pratt via Hutchinson via BNSF trackage rights (not including Pratt)**

**Kansas City Terminal**

Pursuant to Section 4 of the New York Dock protective conditions, in order to achieve the benefits of operational changes made possible by the transaction and to modify collective agreements to the extent necessary to obtain those benefits.

**IT IS AGREED:**

### **ARTICLE I - WORK AND ROAD POOL CONSOLIDATIONS**

The following work/road pool consolidations and/or modifications will be made to existing runs:

**A. Zone 1 - Seniority District**

1. **Territory Covered:** Kansas City to Council Bluffs (not including Council Bluffs/Omaha Metro Complex)

Kansas City to Des Moines (not including Des Moines)

Kansas City to Chicago via Ft. Madison (not including Chicago)

Kansas City to Chicago via Quincy (not including Chicago)

The above includes all UP and SPCSL main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated.



Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight crews from operating into/out of such terminals/points or from performing work at such terminals/points pursuant to the designated collective bargaining agreement provisions.

2. The existing former UP Kansas City to Council Bluffs and Kansas City to Des Moines pool operations shall be preserved under this Agreement. The home terminal for this pool will be Kansas City. Council Bluffs and Des Moines are the respective away-from-home terminals. This pool shall be governed by the provisions of the ID Agreement dated March 31, 1992, including all side letters and addenda. Trainmen in this pool may be transported between destination terminals for the return trip to the home terminal, subject to the terms set forth in Side Letter No. 7.
  - a. Hours of Service relief of trains in this pool shall be protected as provided in the existing agreement rules covering such runs.
3. The existing former SPCSL Kansas City to Quincy and Kansas City to Ft. Madison pool operations shall be preserved as a separate pool operation under this agreement, but the home terminal of such runs will be changed to Kansas City. Quincy and Ft. Madison will be the respective away-from-home terminals. Trainmen may also be transported between destination terminals for the return trip to the home terminal, subject to the terms set forth in Side Letter No. 7. A sufficient number of trainmen at Quincy and Ft. Madison will be relocated to Kansas City to accomplish this change.
  - a. Should the Carrier elect not to use a pool crew on a straight-away move, Hours of Service relief of trains in this pool operating from Kansas City to Ft. Madison or Quincy shall be protected by the extra board at Ft. Madison/Quincy if the train has reached Marceline or beyond on the former ATSF line or Brookfield or beyond on the former BN line. If there is no extra board in existence or the extra board is exhausted, an away-from-home terminal crew may be used, and will thereafter be deadheaded home or placed first out for service on their rest. Such trains which have not reached Marceline or Brookfield shall be protected by a home terminal pool crew at Kansas City.
  - b. Should the Carrier elect not to use a pool crew on a straight-away move, Hours of Service relief of trains in this pool operating from Ft. Madison to Kansas City or Quincy to Kansas City shall be protected by the extra board at Kansas City if the train has reached Marceline or beyond on the former ATSF

line or Brookfield or beyond on the former BN line; otherwise, a rested away-from-home terminal crew at Ft. Madison or Quincy shall be used to provide such relief. If the extra board is exhausted, the first out pool crew at Kansas City may be used on a turnaround basis and, if so used, shall thereafter be placed first out for service on their rest.

4. The existing former SPCSL Quincy to Chicago and Ft. Madison to Chicago pool operations shall be preserved as a single, separate pool operation under this Agreement. The home terminal of this pool will be Ft. Madison. All trainmen holding assignments at Ft. Madison, including the extra board, will to the extent practicable receive a two hour thirty minute (2'30") call for service.
  - a. Trainmen called to operate from Quincy to Chicago shall report and go on duty at Ft. Madison for transport to Quincy to take charge of their train; trainmen operating Chicago to Quincy shall be transported back to Ft. Madison on a continuous time basis. In both instances, the transport between Ft. Madison and Quincy shall be automatically considered as deadhead in combination with service and paid on that basis.
  - b. Should the Carrier elect not to use a pool crew on a straight-away move, Hours of Service relief of trains in this pool operating from Ft. Madison/Quincy to Chicago shall be protected by a rested away-from-home terminal crew at Chicago if the train has reached Chillicothe or beyond on the former ATSF line or Kewanee or beyond on the former BN line. Away-from-home terminal crews so used shall thereafter be deadheaded home or placed first out for service on their rest. Should the Carrier elect not to use a pool crew on a straight-away move, Hours of Service relief of trains in this pool operating from Chicago to Ft. Madison/Quincy shall be protected by an extra board crew at Ft. Madison if the train has reached Chillicothe or beyond on the former ATSF line or Kewanee or beyond on the former BN line. If exhausted, a rested pool crew at Ft. Madison may be used on a turnaround basis and, if so used, shall thereafter be placed first out for service on their rest.
  - c. In the event business conditions result in trainmen at Ft. Madison (either in pool service, on the extra board, or otherwise) being unable to hold any assignment as trainmen at Ft. Madison, such trainmen required to exercise seniority to Kansas City (or senior trainmen who elect to relocate in their stead) shall be eligible for relocation benefits under Article VII of this Agreement. In order to prevent unnecessary relocations as a result of normal, temporary reductions in the pool, no



trainman shall be forced to relocate to Kansas City until the Carrier's Director of Labor Relations and the General Chairman have met to discuss the forced relocation to Kansas City and the circumstances surrounding same. After six (6) years from date of implementation of this Agreement, no future relocation benefits shall be applicable under such circumstances.

d. Notwithstanding the above provisions, if at any future date Carrier elects to discontinue its exercise of BNSF trackage rights between Kansas City and Chicago, all trainmen at Ft. Madison will be relocated to Kansas City and would under those circumstances be eligible for Article VII relocation benefits.

e. No Ft. Madison or Quincy trainmen may receive more than one (1) compensated relocation under this Implementing Agreement.

5. At Des Moines, Ft. Madison and Quincy, away-from-home terminal crews called to operate through freight service to Kansas City may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Des Moines, Ft. Madison or Quincy to their destination without claim or complaint from any other trainman. At Ft. Madison and Quincy, home terminal crews called to operate through freight service to Chicago may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Ft. Madison or Quincy to their destination without claim or complaint from any other trainman. When so used, the crew shall be paid an additional one-half (1/2) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than four (4) hours then he shall be paid on a minute basis at the basic pro rata through freight rate.

6. The terminal limits of Des Moines, Ft. Madison and Quincy are as follows:

a.	Des Moines: MP 70.37	-	Trenton Subdivision
	MP 79.2	-	Mason City Subdivision
	L.P. 224.76	-	Bondurant Spur
	MP 304.2	-	Perry Branch
	MP 4.26	-	Ankeny Branch

b.	Ft. Madison: MP 234.0	-	East
	MP 236.0	-	West

c. Quincy: MP 135.0 - West  
MP 138.0 - East

7. Trainmen of an adjacent hub may have certain rights to be defined, if any, in the Merger Implementing Agreement for that hub to receive their through freight trains up to twenty-five (25) miles on the far side of the terminal and run back through Des Moines.
8. All road switcher and yard assignments with an on/off duty location at Council Bluffs (Omaha Metro Complex), Des Moines or Chicago will be protected by trainmen from those seniority districts even if such assignments perform service within any territories contemplated by Article I.A.1. (Note: This provision does not disturb the current yard job allocation arrangement at Council Bluffs arising out of the UP/MP Merger Implementing Agreement). Local assignments, assigned freight service, and any other irregular assignments (work train, wreck train, etc.) will be protected by Zone 1 trainmen if such assignments are home terminalled at Council Bluffs (Omaha Metro Complex), Des Moines or Chicago and work exclusively within the territories identified by Article I.A.1. At Ft. Madison and Quincy, any such assignment home terminalled at such locations, including the extra board, may work either direction out of such terminal without seniority or other restrictions.
9. Trainmen protecting through freight service in the pools described above shall be provided lodging at the away-from-home terminals pursuant to existing agreements and the Carrier shall provide the transportation to trainmen between the on/off duty location and the designated lodging facility. All road trainmen may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate the on/off duty points for all trainmen, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulation.
10. All existing yard assignments at Atchison and St. Joseph shall be converted to road switcher assignments upon implementation of this Agreement. Notwithstanding any conflicting current agreement provisions, and on a non-precedent, non-referable basis, all road switcher assignments at these two locations shall be paid the 5-day yard rate of pay.

B. Zone 2 - Seniority District

1. Territory Covered: Kansas City to Marysville (not including Marysville, but including Topeka)



The above includes all UP main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. Except as provided herein, where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight crews from operating into/out of such terminals/points or from performing work at such terminals/points pursuant to the designated collective bargaining agreement provisions.

2. Existing Kansas City-Marysville pool operations shall be preserved under this Agreement. The home terminal for this pool will be Kansas City. Marysville will serve as the away-from-home terminal.
3. Trainmen performing service in the Kansas City to Marysville pool shall receive a two (2) hour call for duty at Kansas City.
4. Hours of Service relief of trains in this pool operating from Kansas City to Marysville which have reached Topeka or beyond shall be protected in the following order (it being understood Carrier always reserves the right to call a Kansas City pool crew to perform such service on a straightaway basis for crew balancing purposes):
  - a. By a rested, available crew assigned to the Jeffrey Energy Pool and then
  - b. By the first out, rested away-from-home terminal crew at Marysville, who will thereafter be deadheaded home or placed first out for service on their rest.

Hours of Service relief of trains in this pool operating from Marysville to Kansas City shall be protected by the extra board at Kansas City regardless of the location of such train should Carrier not elect to use a rested away-from-home terminal crew at Marysville for crew balancing purposes. If exhausted, as a last resort Carrier may call the first-out, rested home terminal pool crew at Kansas City, who will thereafter be placed first out for service on their rest.

5. At Marysville, away-from-home terminal trainmen called to operate through freight service to Kansas City may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Marysville to their destination without claim or complaint from any other trainman. When so used, the trainman shall be paid an additional one-half (½) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If time spent beyond the terminal under this provision is greater than four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.

6. At Marysville, home terminal UP 11th District trainmen called to operate through freight service to North Platte may receive the train for which called up to twenty-five (25) miles on the far side of the terminal and run back through Marysville to their destination without claim or complaint from any other trainman. When so used, the trainman shall be paid an additional one-half (1/2) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If time spent beyond the terminal under this provision is greater than four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.

7. The terminal limits of Marysville are as follows:

MP 142.3 to MP 155.7	-	Marysville Subdivision
MP 132.29	-	Beatrice Branch
MP .75	-	Bestwall Spur

However, the 25-mile zone provisions described in 5. and 6. above shall be measured from the old switching limits, i.e.,

MP 147.31 to MP 150.27	-	Marysville Subdivision
MP 132.29	-	Beatrice Branch
MP .75	-	Bestwall Spur

8. All road switcher/zone local and yard assignments with a home terminal at Marysville will be protected by trainmen from that seniority district. Local assignments and any other irregular assignments (work train, wreck train, etc.), will be protected by Zone 2 trainmen if such assignments are home terminated at Marysville and work exclusively within the territories defined by Article I.B.1.
9. Trainmen performing service in the Jeffrey Energy Pool shall remain home terminated at Marysville and hold seniority in the UP-Eastern District (9th District). The terms of the March 25, 1981 Jeffrey Energy Pool Agreement and other UP-UTU Eastern District Agreements pertaining to said pool are unaffected by this Merger Implementing Agreement, except as modified below, and such service shall not be under the jurisdiction of this hub agreement.
- a. Former UP 9th District Trainmen coming under the provisions of this Implementing Agreement and establishing Zone 2 prior rights seniority in the Kansas City Hub shall relinquish prior rights to the Jeffrey Energy Pool assignments. Additionally, former UP 9th District Trainmen performing service in Zone 2 will at time of roster canvassing, per Article VI.B.2., be asked to declare prior rights to assignments in the Jeffrey Energy Pool. If the trainman declares for such prior rights he will be allowed to occupy an assignment seniority permitting. If he



does not declare for prior rights in the pool he shall thereafter waive said prior rights to the Jeffrey Energy Pool. As vacancies occur which are not filled by former UP 9th District Trainmen, these assignments will attrite to the UP 11th District Trainmen at Marysville.

- b. Except as modified below, UP Ninth (9th) District trainmen home terminated at Marysville may continue to perform extra work or hours of service relief performed under the Jeffrey Energy Pool Agreement on a prior rights basis after the implementation of this Agreement. Vacancies occurring on assignments in the Jeffrey Energy Pool described above will be filled by UP 11th District trainmen in accordance with the governing vacancy procedures. Assignment of UP Eleventh (11th) District trainmen to this pool will be made in accordance with the UP-UTU Eastern Agreement agreements, rules and practices.
  - c. Effective with the implementation of this Agreement, UP Ninth (9th) District trainmen operating in district service between Marysville and Beatrice or interdivisional service between Marysville and Council Bluffs via Beatrice pursuant to the May 22, 1972 ID Agreement shall no longer participate in such runs. Thereafter, these runs will be manned by trainmen holding seniority in the UP-Eastern District Seniority District No. 11 to the extent that former UP Ninth (9th) District trainmen had rights to these runs.
10. Trainmen protecting through freight service in the pool described in Article I.B.2. above shall be provided lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide transportation to trainmen between the on/off duty location and the designated lodging facility. All road trainmen may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate on/off duty points for all trainmen, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulation.
11. All UP and SSW operations within the Topeka terminal limits shall be consolidated into a single operation. All rail lines, yard and/or sidings at Topeka will be considered as common to all trainmen working in, into and out of Topeka. All trainmen will be permitted to perform all permissible road/yard moves pursuant to the designated collective bargaining agreement provisions. Interchange rules are not applicable for intra-carrier moves within the terminal. Topeka will serve as station en route for all Kansas City Hub trainmen.

- a. UP 9th District trainmen occupying yard assignments at Topeka and local assignments home terminated at Topeka on the date of implementation of this Agreement may establish seniority in the Kansas City Hub and prior rights in Zone 2.
  - b. UP 9th District trainmen assigned to the extra board at Topeka on the date of implementation of this Agreement may establish seniority in the Kansas City Hub and prior rights in Zone 2. This extra board shall continue to protect vacancies in yard service at Topeka and other yard and road extra service at Topeka.
12. It is understood the territory comprising the former St. Joseph Branch between Upland and St. Joseph, should operations be conducted thereon in the future, are also considered part of Zone 2 of the Kansas City Hub.
- a. Locals and all other road service home terminated at Marysville which operate exclusively on the St. Joseph Branch via Upland shall be protected by trainmen from the UP-Eastern District Seniority District No. 11.
  - b. Locals and all other road service home terminated at Hiawatha or St. Joseph operating exclusively on the St. Joseph Branch to Marysville shall be protected by trainmen from the Kansas City Hub prior rights Zone 1.
  - c. Locals and all other road service (excluding pool freight service) home terminated at Kansas City operating onto the St. Joseph Branch shall be protected by trainmen from the Kansas City Hub prior rights Zone 1.

**C. Zone 3 - Seniority District**

1. Territory Covered: Kansas City to Jefferson City (not including Jefferson City)

The above includes all UP and SSW main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight crews from operating into/out of such terminals/points or from performing work at such terminals/points pursuant to the designated collective bargaining agreement provisions.



2. All former UP Kansas City to Jefferson City and former SSW Kansas City to Jefferson City pool operations shall be combined into one (1) pool with Kansas City as the home terminal. Jefferson City will serve as the away-from-home terminal.
3. Trainmen operating between Kansas City and Jefferson City may utilize any combination of UP or SSW trackage between such points.
  - a. The parties agreed in Side Letter No. 14 of the St. Louis Hub Agreement to allow former UP and SSW trainmen residing in Jefferson City or vicinity on the date notice was served to begin negotiations for the Kansas City Hub (notice dated January 30, 1998) to continue to maintain their residences at that location so long as pool freight service between Kansas City and Jefferson City and extra board work at Jefferson City continue to exist and such trainmen possess sufficient seniority to hold such assignments. Such trainmen will be allowed to continue to reside at Jefferson City on an attrition basis subject to the terms and conditions of this Merger Implementing Agreement (See Side Letter No. 8).
  - b. Should the Carrier elect not to use a pool crew on a straight-away move, Hours of Service relief of trains in this pool operating from Kansas City to Jefferson City shall be protected by the extra board at Jefferson City if the train has reached Booneville or beyond on the River Subdivision or Smithton or beyond on the Sedalia Subdivision. If the extra board is exhausted or not in existence, the first out rested pool crew at Jefferson City may be used, and will thereafter be placed first out for service on their rest. Should the Carrier elect not to use a pool crew on a straight-away move, Hours of Service relief of trains in this pool operating from Jefferson City to Kansas City shall be protected by the Zone 3 extra board at Kansas City if the train has reached Renick or beyond on the River Subdivision or Pleasant Hill or beyond on the Sedalia Subdivision. If the extra board is exhausted or not in existence, the first out rested pool crew at Kansas City may be used and will thereafter be placed first out for service on their rest.
4. At Jefferson City, away-from-home terminal trainmen called to operate through freight service to Kansas City may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Jefferson City without claim or complaint from any other trainman. When so used, the trainman shall be paid an additional one-half (½) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than

four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.

5. The terminal limits of Jefferson City shall be the same as the pre-existing terminal limits on the UP Sedalia Subdivision (MP 124.3 - MP 128).
6. Trainmen of the St. Louis Hub were granted rights to receive the train for which they were called up to twenty-five (25) miles on the far (west) side of the terminal limits of Jefferson City pursuant to Article I.A.4.b. of the UP-UTU St. Louis Hub Merger Implementing Agreement. This service may be performed without claim or complaint from any Kansas City Hub trainman.
7. Pursuant to Article I.A.4.d. of the UP-UTU St. Louis Hub Merger Implementing Agreement any road switcher and yard assignments with a home terminal of Jefferson City shall be under the jurisdiction of the UP-UTU St. Louis Hub Agreement regardless of whether or not they operate both directions out of the terminal. Those former UP/SSW trainmen residing at Jefferson City under the attrition arrangement described in Article I.C.3.a. hereof shall maintain rights to such assignments as set forth in Side Letter No. 8. Locals and other road assignments with an origin/termination at Jefferson City and which perform service exclusively east of Jefferson City shall be under the jurisdiction of the UP/UTU St. Louis Hub Agreement. Locals and other road assignments with an origin/termination at Jefferson City and which perform service exclusively west of Jefferson City on the UP Sedalia or UP River Subdivision shall be governed by the UP-UTU Kansas City Hub Merger Implementing Agreement. The above is not intended to supersede any national agreements, letters of understanding or arbitration awards which permit yard assignments to perform service on more than one (1) seniority district (i.e., hours of service relief within a 25-mile zone, servicing industrial customers, etc.)
8. Trainmen protecting through freight service in the pool described in Article I.C.2. above shall be provided lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide transportation to crews between the on/off duty location and the designated lodging facility. All road crews may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate on/off duty points for all crews, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulation.



D. Zone 4 - Seniority District

1. Territory Covered: Kansas City to Coffeyville (not including Coffeyville)

Kansas City to Parsons (not including Parsons)

The above includes all UP main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight crews from operating into/out of such terminals/points or from performing work at such terminals/points pursuant to the designated collective bargaining agreement provisions.

2. The existing UP Interdivisional Service between Kansas City and Coffeyville shall continue and shall be governed by the provisions of the ID Agreement dated August 15, 1985, including all side letters and addenda.
  - a. Hours of Service relief of trains in this pool shall be protected as provided in the existing agreement rules covering such runs.
3. At Coffeyville/Parsons, away-from-home terminal trainmen called to operate through freight service to Kansas City may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Coffeyville/Parsons to their destination without claim or complaint from any other trainman. When so used, the trainman shall be paid an additional one-half (1/2) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.
4. The terminal limits of Coffeyville/Parsons are as follows:
  - a. Coffeyville: MP 462.0 - North  
MP 661.0 - South

The north terminal limits of Coffeyville have been modified by this Implementing Agreement.

  - b. Parsons: MP 133.4 - North  
MP 138.0 - South
5. Trainmen of an adjacent hub may have certain rights to be defined, if any, in the Merger Implementing Agreements for these hubs to receive their through freight trains up to twenty-five (25) miles on the

far side of the terminal and run back through Coffeyville or Parsons to their destination without claim or complaint from any other trainman.

6. Trainmen protecting through freight service in the pool described in Article I.D.2. above shall be provide lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide transportation to trainmen between the on/off duty location and the designated lodging facility. All road trainmen may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate on/off duty points for all trainmen, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulation.
7. All road switcher and yard assignments home terminated at Coffeyville/Parsons will be protected by trainmen from those seniority districts even if such assignments perform service within any territories contemplated by Article I.D.1., so long as such assignments do not exceed a distance of fifty (50) miles into said territory. Locals and other road assignments home terminated at these locations which perform service exclusively within the territory covered by this Agreement shall be under the jurisdiction of this Agreement.

**E. Zone 5 - Seniority District**

1. Territory Covered: Kansas City to Wichita via BNSF trackage rights (not including Wichita)  
  
Kansas City to Winfield via BNSF trackage rights (not including Winfield)  
  
Kansas City to Pratt via Hutchinson via BNSF trackage rights (not including Pratt)

The above includes all SSW main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight crews from operating into/out of such terminals/points or from performing work at such terminals/points pursuant to the designated collective bargaining agreement provisions.



2. The existing but non-operational SSW Kansas City to Pratt (via Hutchinson) run shall be preserved under this Agreement and in the event such runs resume in the future they shall be governed by the provisions of the UP-UTU Kansas City Hub Agreement. The home terminal will be changed to Kansas City. Pratt will serve as the away-from-home terminal.
3. At Wichita, Winfield and Pratt, away-from-home terminal trainmen called to operate through freight service to Kansas City may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Wichita, Winfield or Pratt to their destination without claim or complaint from any other trainmen. When so used, the trainman shall be paid an additional one-half (1/2) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.
4. The terminal limits of Wichita, Winfield and Pratt are as follows:
  - a. Wichita:      MP 236.0      - Herington  
                     MP 476.0      - Wichita Branch  
                     MP 254.0      - OKT Subdivision
  - b. Winfield      MP 248.7      - East  
                     MP 250.8      - West
  - c. Pratt          MP 292.33      - East  
                     MP 300.16      - West
5. Trainmen of an adjacent hub may have certain rights to be defined, if any, in the Merger Implementing Agreements for these hubs to receive their through freight trains up to twenty-five (25) miles on the far side of the terminal and run back through Wichita, Winfield or Pratt to their destination without claim or complaint from any other trainman.
6. Trainmen protecting through freight service in the pools described in Article I.E. above shall be provided lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide transportation to trainmen between the on/off duty location and the designated lodging facility. All road trainmen may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate on/off duty points having appropriate facilities as currently required in the collective

STB FD 32760 (SUB36) 10-26-99 I 195938V3 10/15



bargaining agreement or by applicable governmental statute or regulation.

7. All road switcher and yard assignments home terminated at Wichita, Winfield and Pratt will be protected by trainmen from those seniority districts even if such assignments perform service within any territories contemplated by Article I.E.1. Locals and other road assignments home terminated at these locations which perform service exclusively within the territories covered by this Agreement shall be under the jurisdiction of this Agreement.
8. There shall be no prior rights conveyed by this Agreement to trainmen performing service in the territories contemplated by Article I.E. above. All assignments in this zone will be accessed from the Kansas City Hub common roster.

**F. Zone 6 - Seniority District**

1. Territory Covered: Kansas City Terminal
2. All UP, SSW and SPCSL operations within the new Kansas City Terminal limits shall be consolidated into a single operation. The terminal includes all UP/SSW/SPCSL main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. All UP/SSW/SPCSL road crews may receive or leave their trains at any location within the terminal and may perform work within the terminal pursuant to the applicable collective bargaining agreement, including national agreements. The Carrier will designate the on/off duty points for all yard crews, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulation.
3. All UP, SSW and SPCSL rail lines, yards and/or sidings within the Kansas City Terminal will be considered as common to all trainmen working in, into and out of Kansas City. Interchange rules are not applicable to intra-carrier moves within the terminal.
4. Terminal limits for the consolidated Kansas City terminal are as follows:

<u>UP</u>	<u>Mile Post</u>
Marysville Subdivision	6.59
Coffeyville Subdivision	284.22
Sedalia (River) Subdivision	276.32
Falls City Subdivision	288.37
Trenton Subdivision (former CNW)	500.3

### SPCSL

Brookfield Subdivision 221.5 (BNSF MP)  
Marceline Subdivision 444.2 (BNSF MP)  
SPCSL Terminal Limits are modified by this Agreement.

### SSW

Sedalia (River) Subdivision (via UP) 276.32  
BNSF Line to Topeka/Ottawa 9.0 (BNSF MP)  
UP Terminal limits are established as MP 9.0 on the BNSF  
Topeka/Ottawa Line

- F. In all of the zones, when local, work, wreck, HOS relief or other such unassigned road runs are called or assigned which operate exclusively within the territorial limits of one of the zones established in this Agreement, such service shall be protected by trainmen in such zone. If such run or assignment extends across territory encompassing more than one zone contemplated by this Agreement, it will be protected by trainmen in the zone in which such service is home terminalled. If new pool operations are implemented that run over two prior rights existing runs, then those holding prior rights to the existing runs shall hold rights to the new runs in the ratio of miles run. New pool operations not covered in this Implementing Agreement which established a new home terminal, between this Hub and another Hub, or between this Hub and a non-merged area will be handled per Article IX of the October 31, 1985 National Agreement.

## ARTICLE II - SENIORITY CONSOLIDATIONS

- A. To achieve the work efficiencies and allocation of forces that are necessary to make the Kansas City Hub operate efficiently as a unified system, a new seniority district will be formed and a master Trainmen Seniority Roster - (UP/UTU Kansas City Merged Roster #1) will be created for the employees holding seniority in the territories comprehended in the Kansas City Hub on the date of implementation of this Agreement. (Where the word "trainmen" is used in this Agreement, it refers to conductors/foremen and brakemen/yardmen collectively.) The new roster will be divided into five (5) zones as described in Article I.A., I.B., I.C. I.D. and I.F. above.

1. Switchmen/brakemen placed on these rosters will be dovetailed based upon the employee's current seniority date. If this process results in employees having identical dates, seniority will be determined by the age of the employees with the older employee placed first. If there are more than two (2) employees with the same seniority date, a random process jointly agreed upon by the Director of Labor Relations and the appropriate General Chairman(men), will be utilized to effect a resolution. It is understood this process may not



result in any employee running around another employee on his former roster.

2. Conductors placed on this roster shall reflect the exact UP and SSW/SPCSL relative standings as exists on the dovetailed brakeman roster; however, within such relative standing both former UP and SSW/SPCSL conductors shall rank in the same order that they did on their former properties.

B. Employees assigned to the master seniority roster described in A. above shall be afforded prior rights on one (1) of the five (5) zones outlined above. Where prior rights fall exclusively into one (1) zone, employees in such territory shall accrue prior rights in such zone. Where employees previously had prior rights in more than one of the zones outlined above, an election must be made, in seniority order, as to where the employee desires to be prior righted, subject to the roster sizing maximums established for each zone. Placement on these rosters and awarding of prior rights to the respective zones shall be based upon the terms of the Agreement of October 8, 1996, and on the following:

1. Zone 1 - This roster will consist of former UP trainmen with rights on Falls City Merged 2 (Roster Nos. 052311 and 052411), St. Joseph Union Terminal (Roster No. 057501) and Northern Kansas (Roster Nos. 055301 and 055401) and former SPCSL trainmen with rights on SPCSL (Roster Nos. 310301 and 310401).
  - a. The prior rights roster for Zone 1 will consist of a prior rights conductor and brakeman roster.
2. Zone 2 - This roster will consist of former UP trainmen with rights on UP Ninth District (Roster Nos. 068301, 068401, and 071501) and former SSW trainmen with rights on SSW Kansas City (Roster No. 312501).
  - a. The prior rights rosters for Zone 2 will consist of a prior rights conductor and brakeman roster and a prior rights yard (Topeka) roster.
3. Zone 3 - This roster will consist of former UP trainmen with rights on Jefferson City Merged 2 (Roster Nos. 056311 and 056411) and former SSW trainmen at Jefferson City (Roster Nos. 311301 and 311401).
  - a. The prior rights roster for Zone 3 will consist of a prior rights conductor and brakeman roster.

4. Zone 4 - The roster will consist of former UP trainmen with rights on UP Osawatomie (Roster Nos. 054311 and 054411) and Wichita (Roster Nos. 058311 and 058411).

a. The prior rights roster for Zone 4 will consist of a prior rights conductor and brakeman roster.

5. Zone 6 - This roster will consist of former UP trainmen with rights on UP Kansas City Yard Merged 2 (Roster No. 052511), CNW (053511) and Kansas Division (Roster No. 071510) and former SSW trainmen with rights on SSW Kansas City Yard (No. 312501).

a. The prior rights roster for Zone 6 will consist of a prior rights yardman (Kansas City) roster.

- C. Employees holding seniority on one (1) of the prior rights zones will be afforded common seniority on all the other zones in the Kansas City Hub. New employees hired after the date of this Agreement shall hold common seniority on all zones in the Kansas City Hub.
- D. Entitlement to assignment on each prior rights zone and to the master roster shall be by seniority order canvass of the employees holding seniority in the territory, subject to roster sizing limits. Prior to the roster formulation process, the Organization and the Carrier shall reach agreement upon the total number of employees assigned to the new Kansas City Hub master seniority roster.
- E. With the creation of the new seniority district described herein, all previous seniority outside the Kansas City Hub held by trainmen on the new roster shall be eliminated and all seniority inside the new hub held by trainmen outside the district shall be eliminated. All pre-existing prior rights, top and bottom, or any other such seniority arrangements in existence in the Kansas City Hub, if any, are of no further force or effect and the provisions of this Article shall prevail in lieu of thereof.
- F. All trainmen vacancies within the Kansas City Hub must be filled prior to any trainmen being reduced from the working list or prior to trainmen being permitted to exercise to any reserve boards. This provision is not intended to modify or supersede existing agreement provisions, if any, which prohibit forcing prior rights trainmen to vacancies outside the territory comprehending their prior rights.
- G. Trainmen who have been promoted to engine service and hold engine service seniority inside the Kansas City Hub shall be placed on the appropriate roster using their various trainmen seniority dates. Those engine service employees, who hold trainman seniority outside the Kansas City Hub will be canvassed during the roster formulation process for an election of



where they desire to hold their trainman seniority after implementation, i.e., within or outside the Kansas City Hub.

### **ARTICLE III - EXTRA BOARDS**

- A. The following extra boards shall be established to protect vacancies and other extra board work into or out of the Kansas City Hub or in the vicinity thereof.
1. Atchison - One (1) Extra Board (combination conductor/brakeman) to protect all extra service at or in the vicinity of Atchison including St. Joseph, Falls City and Union. This board will also protect work formerly performed by the Nearman coal pool. This board may not be used to provide hours of service relief of pool freight trains operating between Kansas City and Council Bluffs except in emergency, nor may it be used to provide relief of assignments home terminated at Kansas City unless the governing extra board at Kansas City is exhausted pursuant to procedures on the property.
  2. Ft. Madison - One (1) Extra Board (combination conductor/brakeman) to protect all extra service at or in the vicinity of Ft. Madison and Quincy, including Hours of Service relief in both directions.
  3. Jefferson City - One (1) Extra Board (combination conductor/brakeman) to protect all Zone 3 vacancies headquartered at Jefferson City, including vacancies created by trainmen laying off while exercising "reverse lodging" privileges.
  4. Topeka - One (1) Extra Board (combination conductor/brakeman/switchman) to protect all road and yard extra service at or in the vicinity of Topeka.
  5. Kansas City - One (1) Extra Board (combination conductor/brakeman) to protect each of the following:
    - a. All other Zone 1 pool freight extra service and all other road service in Zone 1, except as otherwise provided herein. This board will be headquartered at Kansas City.
    - b. Zone 2 pool freight extra service and all other road service in Zone 2, except as otherwise provided herein. This board will be headquartered at Kansas City.
    - c. Zone 3 pool extra service and all other road service in Zone 3 except as otherwise provided herein. This board will be headquartered at Kansas City.

- d. Zone 4 pool extra service and all other road service in Zone 4 except as otherwise provided herein. This board will also protect extra service and all other road service in Zone 5 except as provided herein should such service be established. This board will be headquartered at Kansas City.

6. Kansas City Terminal

One (1) Extra Board (yard only) to protect all yard service in the Kansas City Terminal.

- B. If additional extra boards are established or abolished after the date of implementation of this Agreement, it shall be done pursuant to the terms of the designated collective bargaining agreement. When established, the Carrier shall designate the geographic area the extra board will cover.

**ARTICLE IV - APPLICABLE AGREEMENT**

- A. The Carrier has selected the Collective Bargaining Agreement currently in effect between the Union Pacific Railroad Company (Former MP Upper Lines) and the United Transportation Union - Conductors/Trainmen/Yardmen, last rewritten October 1, 1990, including all applicable national agreements and all other side letters and addenda which have been entered into between date of last reprint and the date of this Implementing Agreement. Firemen shall likewise be governed by the current UP Agreement (former Missouri Pacific Railroad Company and the United Transportation Union) rewritten December 1, 1982. Except as specifically provided herein, the system and national collective bargaining agreements, awards and interpretations shall prevail.
- B. Trainmen will be treated for vacation, entry rates and payment of arbitraries as though all their time on their original railroad had been performed on the merged railroad. Trainmen assigned to the Hub on the effective date of this Implementing Agreement (including those engaged in trainmen training on such date) shall have entry rate provisions waived. Trainmen hired after the effective date of the Agreement shall be subject to National Agreement rate progression provisions.
- C. Existing ID run provisions regarding overmile rate and meal allowances as contained in the current UP Kansas City to Falls City ID Agreement (Sections 3. and 4. thereof) shall apply to the through freight pools described in Articles I.A.3. (Kansas City-Ft. Madison/Quincy), I.A.4. (Ft. Madison-Chicago), and I.D.3. (Kansas City-Pratt) of this Implementing Agreement.



D. The following provisions of the former UP Eastern District Interdivisional Run Agreement dated May 22, 1972 will apply to any pre-October 31, 1985 Kansas City Hub trainmen performing service in the Kansas City to Marysville pool:

1. Part III - Paragraph (a) dealing with overtime.
2. Part VI - Section 2 dealing with eating en route.

E. Trainmen in the Kansas City - Coffeyville/Parsons pool who have a seniority date prior to October 31, 1985, shall begin overtime at the expiration of ten (10) hours on duty. When overtime, initial terminal delay and final terminal delay accrue on the same trip, pay will be calculated pursuant to National Agreement provisions. Employees hired after October 31, 1985, shall be paid overtime in accordance with the National Rules governing same and in the same manner as previously paid on the MPUL prior to the merger.

F. The following provisions shall apply to all trainmen who establish seniority in the Kansas City Hub under this Merger Implementing Agreement. It is understood these provisions shall not be applicable to trainmen establishing seniority in the Hub after the effective (signature) date of this Agreement:

Trainmen protecting through freight service who exceed twelve (12) hours on duty shall be paid for all time on duty in excess of 12 hours at the overtime rate of pay, if not already on overtime, regardless of the district miles of the run. When overtime, initial terminal delay and final terminal delay accrue on the same trip, pay will be calculated pursuant to National Agreement provisions.

G. Former SSW/SPCSL trainmen who are covered by this Implementing Agreement and who were formerly covered by an SSW/SPCSL Vacation Agreement shall be entitled to obtain the benefits of said SSW/SPCSL Vacation Agreement for the balance of the calendar year 1998, and for the calendar year 1999 if otherwise earned in 1998. Thereafter, vacation benefits shall be set forth by the UP(MPUL) Agreement on the merged territory.

H. Trainmen protecting pool freight operations on the territories covered by this Agreement shall receive continuous held away from home terminal pay (HAHT) for all time so held at the distant terminal after the expiration of sixteen (16) hours. All other provisions in existing agreement rules and practices pertaining to HAHT pay remain unchanged.

I. Except where specific terminal limits have been detailed in this Agreement, it is not intended to change existing terminal limits under applicable agreements.

- J. Actual miles will be paid for runs in the Kansas City Hub. Examples are illustrated in Attachment "B".

#### **ARTICLE V - FAMILIARIZATION**

- A. Trainmen will not be required to lose time or "ride the road" on their own time in order to qualify for the new operations. Trainmen will be provided with a sufficient number of familiarization trips in order to become familiar with the new territory. Issues concerning individual qualifications shall be handled with local Operating Officers. The parties recognize that different terrain and train tonnage impact the number of trips necessary, and the Operating Officer assigned to the merger will work with the Local Managers and Local Chairmen in implementing this Section. Issues concerning individual qualifications shall be handled with the local Operating Officer and Local Chairman. If not resolved at the local level, then the matter shall be referred to the General Chairman and Labor Relations for further handling.

#### **ARTICLE VI - IMPLEMENTATION**

- A. The Carrier will give at least thirty (30) days' written notice of its intent to implement this Agreement.
- B. 1. Concurrent with the service of its notice, the Carrier will post a description of Zones 1, 2, 3, 4, 5 and 6 described in Article I herein.
2. Ten (10) days after posting of the information described in B.1. above, the appropriate Labor Relations Personnel, CMS Personnel, General Chairmen and Local Chairmen will convene a workshop to implement assembly of the merged seniority rosters. At this workshop, the representatives of the Organization will participate with the Carrier in constructing consolidated seniority rosters as set forth in Article II of this Implementing Agreement.
3. Dependent upon the Carrier's manpower needs, the Carrier may develop a pool of representatives of the Organization, with the concurrence of the General Chairmen, which, in addition to assisting in the preparation of the rosters, will assist in answering trainmen's questions, including explanations of the seniority consolidation and implementing agreement issues, discussing merger integration issues with local Carrier officers and coordinating with respect to CMS issues relating to the transfer of trainmen from one zone to another or the assignment of trainmen to positions.
- C. The roster consolidation process shall be completed in five (5) days, after which the finalized agreed-to rosters will be posted for information and protest in accordance with the applicable agreements.



- D. Once rosters have been posted, those positions which have been created or consolidated will be bulletined for a period of seven (7) calendar days. Trainmen may bid on these bulletined assignments in accordance with applicable agreement rules. However, no later than ten (10) days after closing of the bulletins, assignments will be made.
- E. 1. After all assignments are made, trainmen assigned to positions which require them to relocate will be given the opportunity to relocate within the next thirty (30) day period. During this period, the affected trainmen may be allowed to continue to occupy their existing positions. If required to assume duties at the new location immediately upon implementation date and prior to having received their thirty (30) days to relocate, such trainmen will be paid normal and necessary expenses at the new location until relocated. Payment of expenses will not exceed thirty (30) calendar days.
2. The Carrier may, at its option, elect to phase-in the actual pool consolidations which are necessary in the implementation of this Agreement. Trainmen will be given ten (10) days' notice of when their specific relocation/reassignment is to occur.

## **ARTICLE VII - PROTECTIVE BENEFITS AND OBLIGATIONS**

- A. All trainmen and firemen who are listed on the prior rights Kansas City Hub merged rosters shall be considered adversely affected by this transaction and consolidation and will be subject to the New York Dock protective conditions which were imposed by the STB. It is understood there shall not be any duplication or compounding of benefits under this Agreement and/or any other agreement or protective arrangement.
1. Carrier will calculate and furnish TPA's for such employees to the Organization as soon as possible after implementation of the terms of this Agreement. The time frame used for calculating the TPA's in accordance with New York Dock will be the twelve (12) month period immediately preceding date of implementation.
2. In consideration of blanket certification of all employees covered by this Agreement for wage protection, the provisions of New York Dock protective conditions relating to "average monthly time paid for" are waived under this Implementing Agreement.
3. Test period averages for designated union officers will be adjusted to reflect lost earnings while conducting business with the Carrier.
4. National Termination of Seniority provisions shall not be applicable to trainmen hired prior to the effective date of this Agreement.

B. Trainmen required to relocate under this Agreement will be governed by the relocation provisions of New York Dock. In lieu of New York Dock provisions, an employee required to relocate may elect one of the following options:

1. Non-homeowners may elect to receive an "in lieu of" allowance in the amount of \$10,000 upon providing proof of actual relocation.
2. Homeowners may elect to receive an "in lieu of" allowance in the amount of \$20,000 upon providing proof of actual relocation.
3. Homeowners in Item 2 above who provide proof of a bona fide sale of their home at fair value at the location from which relocated shall be eligible to receive an additional allowance of \$10,000.
  - a) This option shall expire within five (5) years from date of application for the allowance under Item 2 above.
  - b) Proof of sale must be in the form of sale documents, deeds, and filings of these documents with the appropriate agency.

**NOTE:** All requests for relocation allowances must be submitted on the prescribed form.

4. With the exception of Item 3 above, no claim for an "in lieu of" relocation allowance will be accepted after two (2) years from date of implementation of this Agreement.
5. Under no circumstances shall an employee be permitted to receive more than one (1) "in lieu of" relocation allowance under this Implementing Agreement.
6. Trainmen receiving an "in lieu of" relocation allowance pursuant to this Implementing Agreement will be required to remain at the new location, seniority permitting, for a period of two (2) years.



## **ARTICLE VIII - CREW CONSIST**

- A. Except as provided below, the crew consist provisions of the selected collective bargaining agreement shall apply to employees in the Kansas City Hub.
- B. Trainmen who come under the coverage of the UP (MPUL) Crew Consist Agreement shall be considered eligible to share in the post-merger productivity fund if their seniority date on their former carrier would have qualified them for such status had they worked under the UP (MPUL) Agreement since their entry into train service.
- C. Trainmen holding seniority in the Kansas City Hub on or before January 30, 1998 (the date on which the merger notice for the Kansas City Hub was served by the Carrier) shall be eligible to hold a reserve board position, seniority permitting, in accordance with the provisions of the above-referenced crew consist agreement. This provision does not apply to employees borrowed out into the Hub.
  - a. Reserve board rates for those former SPCSL and SSW employees acquiring eligibility for reserve board status under this section shall establish their reserve board rate by utilizing their "interim protection" TPA's (See Side Letter No. 12) and applying a factor of 0.90 thereto. In other words, such rate will be 90% of the TPA described in Side Letter No. 12. Reserve board rates for former UPED trainmen shall be the same rate they were paid under their former crew consist agreement.
  - b. Separate reserve boards shall exist (a total of five) for eligible employees in Zones 1, 2, 3, 4 and 6.
- D. The provisions of the UP (MPUL) Crew Consist Agreement which provide that employees with a seniority date on or before December 16, 1991, may not be forced to protect service outside the territory comprehending their prior rights are unchanged by this Agreement. It is understood that such provisions shall be interpreted to apply to the prior rights zones established under this Implementing Agreement rather than to specific territories within such zones.
- E. As to the handling of the various productivity funds (where in existence), the following procedures will be followed:
  - 1. Productivity funds will be frozen as of the effective date of implementation of the Merger Implementing Agreement. Monies in those funds will be distributed in accordance with the governing Productivity Fund Agreements.

2. A new Productivity Fund shall be created on implementation day that will cover those trainmen in the Kansas City Hub and the funds that cover trainmen outside the hub shall continue for the trainmen who remain outside the hub. The Kansas City Hub trainmen shall have no interest or share in payments made to those funds outside the hub after implementation date.
  3. Upon completion of the fiscal year during which the procedures outlined in 1. and 2. above occur, the productivity fund for the new Kansas City Hub shall be consolidated back in to the system fund as it was on the UP prior to the implementation of this Agreement.
- F. Nothing in the Merger Implementing Agreement or this Article will change the manner in which Productivity Fund payments are made under applicable crew consist agreements.

#### **ARTICLE IX - FIREMEN**

- A. This Agreement covers firemen. Pre-October 31, 1985 firemen will only have the right to exercise their fireman's seniority if unable to work an engineer's assignment within the Kansas City Hub. If unable to hold such a position, a Pre-October 31, 1985 fireman would be permitted to exercise their fireman's seniority in accordance with the provisions contained in the current UP Firemen Agreement.
- B. Post October 31, 1985 firemen shall continue to be restricted to mandatory fireman assignments and if unable to work an engineer's assignment within the Kansas City Hub, they will be required to exercise their train service seniority.
- C. The seniority rosters for firemen will be a straight seniority dovetail roster maintaining existing prior rights.
- D. It is the Carrier's intent to execute a standby agreement with the Organization which represents firemen on the former SSW. Upon execution of that Agreement, said firemen on the former SSW will be fully covered by this Implementing Agreement as though the Organization representing them had been signatory hereto.

#### **ARTICLE X - HEALTH AND WELFARE**

Employees of the former UP who are working under the collective bargaining agreement designated in Article IV.A. of this Implementing Agreement belong to the Union Pacific Hospital Association. Former SSW/SPCSL employees are presently covered under United Health Care (former Travelers GA-23000) benefits. Said former SSW/SPCSL employees will have ninety (90) days to make an election as to keeping their old Health



and Welfare coverage or coming under the health and welfare coverage provided by the designated CBA. Any employee who fails to exercise said option shall be considered as having elected to retain existing coverage. Employees hired after the date of implementation will be covered under the plan provided for in the surviving CBA. Copy of the form to be used to exercise the option described above is attached as Attachment "C" to this Agreement.

#### **ARTICLE XI - SAVINGS CLAUSES**

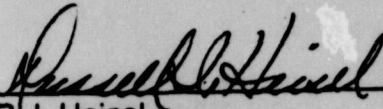
- A. The provisions of the applicable Schedule Agreement will apply unless specifically modified herein.
- B. Nothing in this Agreement will preclude the use of any trainmen to perform work permitted by other applicable agreements within the new seniority districts described herein, i.e., yardmen performing Hours of Service Law relief within the road/yard zone, ID trainmen performing service and deadheads between terminals, road switchers handling trains within their zones, etc.
- C. The provisions of this Agreement shall be applied to all employees covered by said Agreement without regard to race, creed, color, age, sex, national origin, or physical handicap, except in those cases where a bona fide occupational qualification exists. The masculine terminology herein is for the purpose of convenience only and does not intend to convey sex preference.

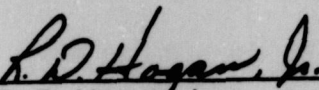
#### **ARTICLE XII - EFFECTIVE DATE**

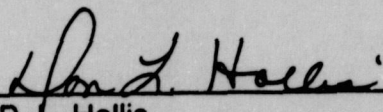
This Agreement implements the merger of the Union Pacific and Southern Pacific railroad operations in the area covered by Notice dated January 30, 1998.

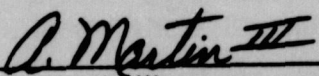
Signed at Tulsa, Oklahoma, this 30th day of July, 1998.

**FOR THE UNITED  
TRANSPORTATION UNION:**

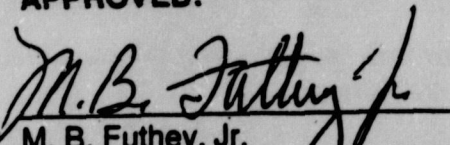
  
R. I. Heisel  
General Chairman, UTU

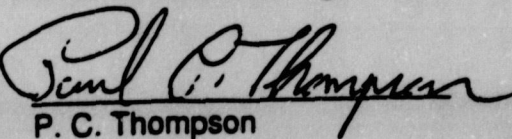
  
R. D. Hogan, Jr.  
General Chairman, UTU

  
D. L. Hollis  
General Chairman, UTU

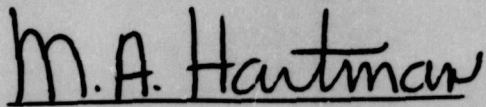
  
A. Martin III  
General Chairman, UTU


**APPROVED:**

  
M. B. Futhey, Jr.  
Vice President, UTU

  
P. C. Thompson  
Vice President, UTU

**FOR THE CARRIER:**

  
M. A. Hartman  
General Director-Labor Relations  
Union Pacific Railroad Co.

  
J. M. Raaz  
Asst. VP-Labor Relations  
Union Pacific Railroad Co.



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 1

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the United Transportation Union.

During our negotiations we discussed Agreement provisions involving life insurance and disability insurance between Southern Pacific Lines and your Organization as follows:

UTU - C&T: Articles 4 and 6 of the Agreement dated May 1, 1996

UTU - S: Articles 2 and 8 of the Agreement dated May 21, 1996

SPCSL: Articles 4 and 5 of the Agreement dated May 3, 1996

It was your position that coverages provided by the former agreement should be preserved for the former SSW/SPCSL employees covered by this implementing Agreement.

This will confirm that Carrier agreed that these insurance premiums would be maintained at current levels and would be grand fathered to those former SSW/SPCSL employees who are covered by this Implementing Agreement and who are presently covered under those plans. These insurance premiums will be maintained at current levels for such employees for a six (6) year period commencing January 1, 1998, unless extended or modified pursuant to the Railway Labor Act.

It is understood this Agreement is made without prejudice to the positions of either party regarding whether or not such benefits are subject to preservation under New York Dock and it will not be cited by any party in any other negotiations or proceedings.

Side Letter No. 1  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

*M. A. Hartman*

M. A. Hartman  
General Director - Labor Relations

**AGREED:**

*R. I. Heisel*

R. I. Heisel  
General Chairman, UTU

*R. D. Hogan, Jr.*

R. D. Hogan, Jr.  
General Chairman, UTU

*D. L. Hollis*

D. L. Hollis  
General Chairman, UTU

*A. Martin III*

A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 2

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between Union Pacific Railroad Company, Southern Pacific Lines and the United Transportation Union.

The parties hereto realize that the merger of the former properties into a unified system is a complex undertaking and with the changes in operations and seniority territories, employees covered by this Agreement will be required to perform service on unfamiliar territory.

Familiarization will be a large undertaking, and it is to the benefit of both parties that this process begin as soon as possible so that implementation can occur in a more orderly and rapid manner. Therefore, it is understood that Carrier may begin qualifying trainmen on unfamiliar territory, to the extent it is feasible based upon operational and manpower constraints, between time of execution of this Implementing Agreement and date of implementation thereof.

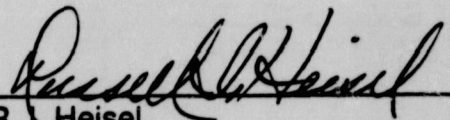
It is understood that familiarization will be accomplished in accordance with Article V - Familiarization of this Agreement. Employees making familiarization trips which involve greater mileages than their existing (pre-merger) runs will be paid actual mileage to the new objective terminal as contemplated in Article I of this Agreement. Local UTU officers will work with local Carrier officers to implement this Side Letter in the most effective manner.

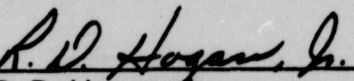
If the foregoing adequately and accurately describes our agreement in this regard, please so indicate by signing in the space provided for that purposes below.

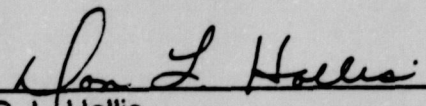
Yours truly,  
*M. A. Hartman*  
M. A. Hartman  
General Director-Labor Relations

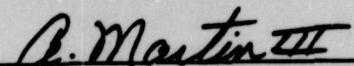
Side Letter No. 2  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

**AGREED:**

  
\_\_\_\_\_  
R. I. Heisel  
General Chairman, UTU

  
\_\_\_\_\_  
R. D. Hogan, Jr.  
General Chairman, UTU

  
\_\_\_\_\_  
D. L. Hollis  
General Chairman, UTU

  
\_\_\_\_\_  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 3

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This has reference to the Merger Implementing Agreement entered into this date.

During our negotiations we discussed the issue of conductor promotion, and specifically the need to complete the conductor promotion classes on all the territories within the Kansas City Hub on an expedited basis so that the merged conductor rosters can be finalized.

In this regard it was agreed that the parties will mutually commit to an expedited process of scheduling/conducting conductor promotion classes throughout the Kansas City Hub so that all remaining trainmen have had the opportunity to participate in such program on or before January 1, 1999. Trainmen promoted to conductor during this window of opportunity shall be given a seniority date as conductor in accordance with the terms of the pre-existing agreement under which they were working prior to this Implementing Agreement.

If the foregoing adequately and accurately describes our agreement in this regard, please so indicate by signing in the space provided for that purpose below.

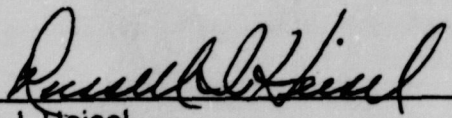
Yours truly,

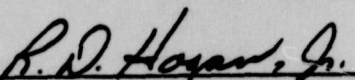
*M. A. Hartman*

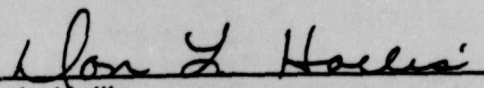
M. A. Hartman  
General Director - Labor Relations

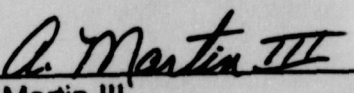
Side Letter No. 3  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

**AGREED:**

  
\_\_\_\_\_  
R. I. Heisel  
General Chairman, UTU

  
\_\_\_\_\_  
R. D. Hogan, Jr.  
General Chairman, UTU

  
\_\_\_\_\_  
D. L. Hollis  
General Chairman, UTU

  
\_\_\_\_\_  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 4

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This has reference to the Merger Implementing Agreement entered into this date.

During our negotiations there was considerable discussion surrounding the operational changes resulting from a merger of UP/SSW/SPCSL operations. Specifically, it was your observation that the merged operation would require an increased amount of transporting of crews, and your Organization has concerns regarding the quality of the vehicles presently used for transporting crews, as well as the drivers of said vehicles.

It was Carrier's position that there are existing procedures available to resolve any complaints regarding deficiencies in crew transportation and, as such, this was not a proper topic for inclusion in a Merger Implementing Agreement.

Without prejudice to the positions of the respective parties as set forth above, the Carrier believes it is in the best interests of all parties that routine, unannounced safety audits of crew transportation contractors be conducted, and that a process be established for prompt investigation and, if necessary, resolution of complaints of specific instances of deficiencies in this area. In this regard, this will confirm my advice given you during our negotiations that Carrier agreed it would direct its designated manager to contact a Local Chairman to be designated by your Organization for the purpose of scheduling and conducting field safety audits of transportation contractors in the hub. These safety audits will include, but not be limited to, inspection of vehicles, unannounced rides, interviewing crews, and meeting drivers. These safety audits will be performed no less frequently than quarterly.

If issues are raised by the safety audits which cannot be resolved to the satisfaction of your Organization, they may be referred to the appropriate Labor Relations Officer by the General Chairman for discussion in conference at the earliest possible date to seek a resolution. The conference will include the appropriate General Manager or his designate.

Respectfully,

*M. A. Hartman*

M. A. Hartman  
General Director-Labor Relations

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 5

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

During our execution of this Agreement, it was understood that the parties may discover errors or omissions relating to mile post designations, crew district mileages, etc. It is not the intent of either party to hold the other party to such items simply because there was simply not time to verify them for accuracy.

If the foregoing adequately and accurately describes our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

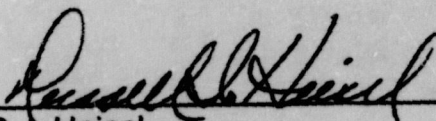
*M. A. Hartman*

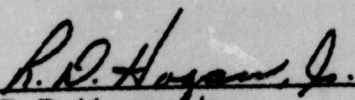
M. A. Hartman  
General Director-Labor Relations

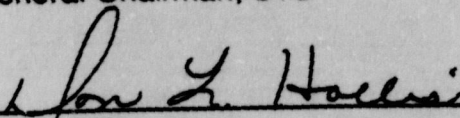


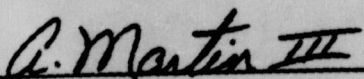
Side Letter No. 5  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

**AGREED:**

  
\_\_\_\_\_  
R. I. Heisel  
General Chairman, UTU

  
\_\_\_\_\_  
R. D. Hogan, Jr.  
General Chairman, UTU

  
\_\_\_\_\_  
D. L. Hollis  
General Chairman, UTU

  
\_\_\_\_\_  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 6

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

During our discussions regarding vacations, the Carrier's attention was directed to the fact that certain former Rock Island trainmen on the SSW are entitled to use their former Rock Island seniority date for purposes of determining length of vacation. This letter will confirm Carrier's commitment to preserve and honor said arrangement.

Yours truly,

*M. A. Hartman*

M. A. Hartman  
General Director-Labor Relations



**UNION PACIFIC RAILROAD COMPANY**

1416 DODGE STREET  
OMAHA NEBRASKA 68179



**Side Letter No. 7**

**July 30, 1998**

**MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701**

**MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771**

**MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807**

**MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181**

**Gentlemen:**

This refers to the Merger Implementing Agreement for the Kansas City Hub, and specifically to Article I.A.3. regarding repositioning trainmen from one away-from-home terminal to another. Such handling will be subject to the following conditions:

1. Trainmen may be deadheaded prior to the tie-up after the initial trip.

**Example:** A trainman runs from Kansas City to Ft. Madison. He can be deadheaded from Ft. Madison to Quincy for tie-up at Quincy from his original trip from Kansas City.

2. Trainmen may also be deadheaded after tie-up and rest after the initial trip.

**Example:** A trainman runs from Kansas City to Ft. Madison and ties up. After rest, he can be deadheaded from Ft. Madison to Quincy for a trip from Quincy to Kansas City.

- a. This handling can only occur when there are no rested trainmen at Quincy to protect the service from Quincy to Kansas City, i.e., it is not permissible to deadhead a trainman to a different away-from-home terminal for additional rest, but only for a return trip to the home terminal.

3. Trainmen will not be deadheaded by train between one away-from-home terminal to another away-from-home terminal. Other forms of transportation will be used.

4. Trainmen hired prior to implementation of this Agreement will be paid highway miles for the deadhead portion of the trip and trainmen hired subsequent to the implementation will be paid actual time for the deadhead portion of the trip.

Side Letter No. 7  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

5. Once deadheaded between the two away-from-home terminals a trainman will not be deadheaded back except in an emergency situation such as a flood or a major derailment.
6. It is not the intent of this Agreement to "double deadhead" trainmen. If double deadheaded, then the trainman will be paid district miles for the second deadhead. A "double deadhead" in this instance is when a trainman is deadheaded from one away-from-home terminal to another away-from-home terminal and then deadheaded back to the home terminal.
7. Trainmen arriving at the away-from-home terminal by train and instructed to deadhead to another away-from-home terminal will remain on terminal time (if applicable) until they are in the vehicle to transport them to the other away-from-home terminal.
8. It is understood the provisions set forth above shall also apply to the Kansas City-Council Bluffs/Des Moines pool, and these provisions shall supersede pre-existing agreements and/or practices regarding transporting crews between Council Bluffs and Des Moines. Nothing in this Side Letter may be construed to permit transporting away-from-home terminal crews between Council Bluffs/Des Moines and Ft. Madison/Quincy.

If the foregoing adequately and accurately sets forth agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

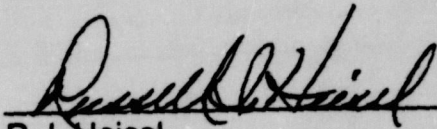
*M. A. Hartman*

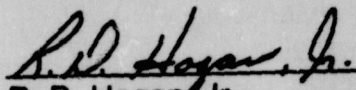
M. A. Hartman  
General Director-Labor Relations

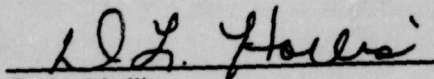


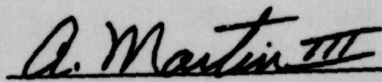
Side Letter No. 7  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 3

**AGREED:**

  
R. I. Heisel  
General Chairman, UTU

  
R. D. Hogan, Jr.  
General Chairman, UTU

  
D. L. Hollis  
General Chairman, UTU

  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

**UNION PACIFIC RAILROAD COMPANY**

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 8

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

Im Side Letter No. 14 of the St. Louis Hub Merger Implementing Agreement and referenced in Article I.C.3.a. of Kansas City Hub Merger Implementing Agreement, the parties agreed to allow former UP and SSW trainmen residing at or in the vicinity of Jefferson City to continue to maintain their residences at that location subject to the language of Side Letter No. 14.

The Carrier intends to have Kansas City as the home terminal for all trainmen performing service in the Kansas City to Jefferson City pool. The presence of former UP and SSW trainmen at Jefferson City will be eliminated by attrition. When a former UP or SSW trainman, residing at or in the vicinity of Jefferson City, vacates his pool assignment through retirement, resignation, normal course of seniority, voluntary relocation, etc., such position will not longer be maintained at Jefferson City but will be readvertised as having Kansas City as the designated home terminal. When former UP or SSW trainmen, residing at or in the vicinity of Jefferson City, vacate their road switcher assignment through retirement, resignation, normal course of seniority, voluntary relocation, etc., such position will no longer be maintained in the Kansas City Hub, but will be readvertised as a St. Louis Hub assignment.

Initially, upon implementation of this Agreement, the home terminal for the Kansas City to Jefferson City pool will be Jefferson City. Trainmen residing at or in the vicinity of Kansas City who perform service in this pool will be afforded reverse lodging and HAHT privileges at Jefferson City and layoff privileges at Kansas City.

An extra board will be maintained at Jefferson City to protect assignments working west in Kansas City Hub Zone 3. If there are unfilled positions on such extra board or unfilled positions on local/road switcher assignments working out of Jefferson City west, the junior trainman in the Kansas City to Jefferson City pool, residing at or in the vicinity of Jefferson City, will be required to cover such position or assignment. Nothing in this Side Letter is intended to convey the Jefferson City-West Extra Board the exclusive right to protect all assignments in Zone 3.



Side Letter No. 8  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

When 51% or more of the trainmen performing service in the Kansas City to Jefferson City pool reside at or in the vicinity of Kansas City, the home terminal for the pool will become Kansas City. Trainmen who continue to reside at or in the vicinity of Jefferson City will be afforded reverse lodging and HAHT privileges at Kansas City and layoff privileges at Jefferson City.

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

*M. A. Hartman*

M. A. Hartman  
General Director-Labor Relations

**AGREED:**

*R. I. Heisel*  
\_\_\_\_\_  
R. I. Heisel  
General Chairman, UTU

*R. D. Hogan, Jr.*  
\_\_\_\_\_  
R. D. Hogan, Jr.  
General Chairman, UTU

*D. L. Hollis*  
\_\_\_\_\_  
D. L. Hollis  
General Chairman, UTU

*A. Martin III*  
\_\_\_\_\_  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

**UNION PACIFIC RAILROAD COMPANY**

1416 DODGE STREET  
OMAHA NEBRASKA 68179



**Side Letter No. 9**

**July 30, 1998**

**MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701**

**MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771**

**MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807**

**MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181**

**Gentlemen:**

**This has reference to the Merger Implementing Agreement entered into this date. With regard to Article II.F. the following shall apply:**

- 1. Trainmen presently working in the Kansas City Hub who elect not to stay and participate in the formulation of the new rosters for the Kansas City Hub will forfeit all existing seniority they may hold in any portion of the Kansas City Hub.**
- 2. Trainmen presently working outside the Kansas City Hub who hold existing seniority in any portion of the Kansas City Hub who elect not to participate in the formulation for new rosters for the Kansas City Hub will forfeit all existing seniority in any portion of the Kansas City Hub.**
- 3. Trainmen participating in the roster formulation process for the Kansas City Hub who presently hold trainmen's seniority outside the Kansas City Hub will be handled as follows:**
  - a. All trainman seniority outside the Kansas City Hub will be held in abeyance and may not be utilized for any purposes except as outlined below.**
  - b. When subsequent implementing agreements are concluded in other hubs which encompass the seniority described in a. above, which has been held in abeyance, such seniority may be exercised in the roster formulation process for such hub(s) subject to the following limitations:**
    - (1) The exercise of such option shall be considered a seniority move and shall be at the employee's own expense.**



Side Letter No. 9  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

- (2) A trainman utilizing this provision to select a different hub will forfeit all seniority in the Kansas City Hub.
- (3) Trainmen making application for a relocation allowance in this hub will be considered as forfeiting the options set forth in this Side Letter.
- 4. The rights set forth in (b) above may only be exercised to the extent that there is an unfilled need for trainmen at such hub at the time rosters for such hub are formulated. Carrier reserves the right to limit the number of such requests made based upon manpower requirements and the number accepted will be in seniority order. In the event such move will create a shortage of trainmen within the Kansas City Hub the Carrier may hold such applicant for a reasonable amount of time to allow for a replacement.
- 5. If applications are declined under (4) above, they will be considered in the future on a seniority order basis prior to the Carrier posting a bulletin or advertisement for new trainmen trainees.
- 6. Trainmen accepting the option set forth in (5) above will be placed at the bottom of the common roster at the new hub with a new seniority date.

If the foregoing adequately and accurately describes our agreement in this regard, please so indicate by signing in the space provided for that purpose below.

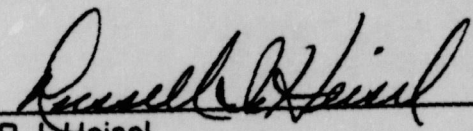
Yours truly,

*M. A. Hartman*

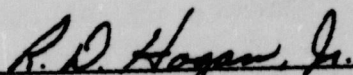
M. A. Hartman  
General Director-Labor Relations

Side Letter No. 9  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 3

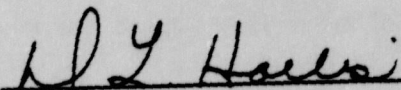
**AGREED:**



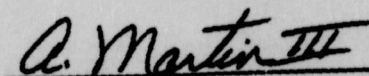
R. I. Heisel  
General Chairman, UTU



R. D. Hogan, Jr.  
General Chairman, UTU



D. L. Hollis  
General Chairman, UTU



A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 10

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This has reference to the Merger Implementing Agreement entered into this date.

The following was agreed to in the application of Article VII.A.3. regarding calculation of TPA's.

1. In the case of any full time Union Officer holding seniority in this hub who may return to active service, the TPA for such employee shall be determined by calculating the average of the TPA's of the two full time employees above and below the said Union Officer on the roster in the same class of service and using that average for purposes of applying protective benefits.
2. The General Chairman will furnish Carrier with a list of the monies paid to part time union officers by their Committee for the performance of union business, and such amounts will be added to TPA earnings for the test period for purposes of applying protective benefits.
3. Employees who held reserve board positions during the test period shall be treated in the same manner described in 1. above.
4. All compensation for services performed during the test period, even though some portion of it may have been directed to a 401-K account on a pre-tax basis or otherwise, shall be included in calculating said TPA.

If the foregoing adequately and accurately describes our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

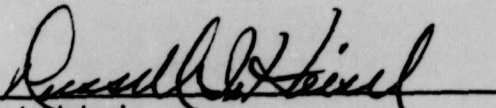
Yours truly,

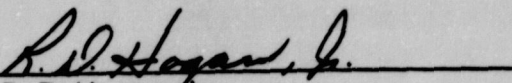
*M. A. Hartman*

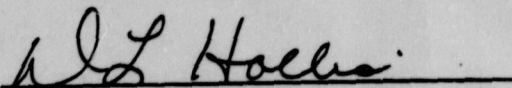
M. A. Hartman  
General Director-Labor Relations

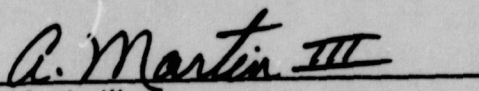
Side Letter No. 10  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

**AGREED:**

  
R. I. Heisel  
General Chairman, UTU

  
R. D. Hogan, Jr.  
General Chairman, UTU

  
D. L. Hollis  
General Chairman, UTU

  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 11

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines, and the United Transportation Union.

In our discussions regarding Article IV, this will confirm Carrier's commitment to provide copies of the designated collective bargaining agreement referenced therein to all former UP/SSW/SPCSL trainmen comprehended by this Implementing Agreement at the earliest possible date, but no later than by date of implementation of this Agreement. It is understood the reference to UP trainmen applies only to those who were not previously covered by the designated collective bargaining agreement.

Yours truly,

*M.A. Hartman*

M. A. Hartman  
General Director-Labor Relations

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 12

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Article VII.A.1. thereof.

During our discussions regarding the time frame for calculating TPA's, the representatives of the former SSW and SPCSL expressed the view that since all of the trainmen represented by them had already received TPA's in connection with "interim protection" related to TCS cutovers, they would prefer to simply adopt those existing TPA's for purposes of application of protection under this Merger Implementing Agreement. So long as said "interim" TPA's did not include extraordinary items or monies not includable in the TPA under a strict application of New York Dock Protective Conditions, Carrier is agreeable to this handling.

If the foregoing accurately describes our Agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

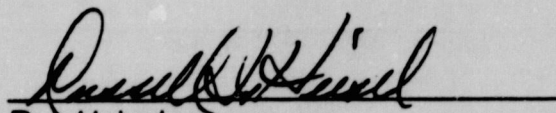
*M. A. Hartman*

M. A. Hartman  
General Director-Labor Relations

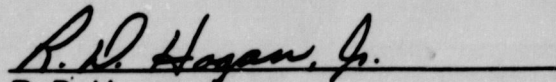


Side Letter No. 12  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

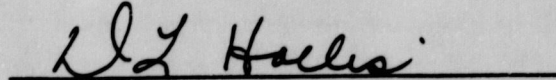
**AGREED:**



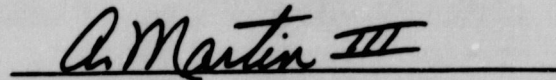
R. I. Heisel  
General Chairman, UTU



R. D. Hogan, Jr.  
General Chairman, UTU



D. L. Hollis  
General Chairman, UTU



A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 13

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This has reference to our negotiations covering the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the United Transportation Union. During these negotiations the Organization expressed concern that trainmen who expire on the Hours of Service Law would not be transported in a timely manner to the destination terminal.

This will confirm the advice given to you, i.e., that when a crew ties up on the Hours of Service before reaching the objective terminal, the Carrier will make every reasonable effort to relieve subject crew and transport them to the tie up point expeditiously. The Carrier recognized the interests of the railroad and its employees are best served when a train reaches the final terminal within the hours of service. In the event this does not occur, the Carrier is committed to relieving that crew and providing transportation as soon as practical. It is understood that this commitment contemplates transportation in the form of passenger vehicle, and crews shall not be transported to the tie-up point after Hours of Service tie-ups by means of train except in case of emergency or extraordinary circumstances which make providing a vehicle impossible.

In the event the Organization feels that this commitment is not being observed at a particular location, the General Chairman shall promptly contact the Director of Labor Relations in writing stating the reasons or circumstances thereof. Within ten (10) days after being contacted the Director of Labor Relations will schedule a conference between the parties to discuss the matter and seek a resolution. The conference will include the appropriate General Manager or his designate.

Yours truly,

*M.A. Hartman*

M. A. Hartman  
General Director - Labor Relations



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 14

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

In discussing the relocation benefits in Article VII.B. of the agreement, we discussed the situation where an employee may desire to sell his home prior to the actual implementation of the merger. Carrier committed to you that such employee would be entitled to treatment as a "homeowner" for relocation benefits purposes provided:

1. Upon actual implementation of the Merger Implementing Agreement the employee meets the requisite test of having been "required to relocate",
2. The sale of the residence occurred at the same location where the employee was working immediately prior to implementation, and
3. The sale of the residence occurred after the date of this Agreement.

It is understood that no employee may qualify for "homeowner" relocation benefits if they did not own their home (or were under a purchase agreement) on the date of service of the notice for the Kansas City Hub, i.e., January 30, 1998.

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

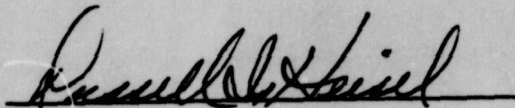
Yours truly,

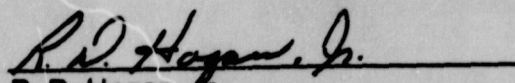
*M. A. Hartman*

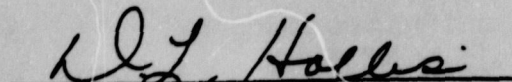
M. A. Hartman  
General Director - Labor Relations

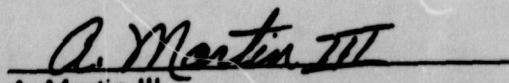
Side Letter No. 14  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

**AGREED:**

  
R. I. Heisel  
General Chairman, UTU

  
R. D. Hogan, Jr.  
General Chairman, UTU

  
D. L. Hollis  
General Chairman, UTU

  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU



UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 15

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

During our negotiations of this Hub, the Carrier requested a modification of certain existing rules. To address that issue we agreed to the following:

1. Article 1(B) of the designated collective bargaining agreement remain in full force and effect except as specifically described below. The following exceptions are applicable only in the Kansas City Hub.
  - a. Freight pool and extra board trainmen filling regular assigned trainman vacancies standing first out on the board at time of call and after taking charge of the train will not be considered runaround when another freight pool or extra board trainman called subsequent to the first out trainman departs from a separate location ahead of the first out trainman. Separate location is defined to mean yards, tracks, or exchange points, which would require a crew van to accomplish the trainman exchange.

**NOTE:** Freight pool and extra board trainmen called to deadhead will continue to be exchanged with other freight pool trainmen on duty in order to comply with the first-in/first-out provisions of Article 1(B), except it will not be necessary to exchange crew when the working crew is called to handle a train from the one yard and the deadhead crew is called to deadhead from another yard. This exception applies to all pools operating out of the Kansas City Hub.

Side Letter No. 15  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

- b. Freight pool and extra board trainmen filling regular assigned trainman vacancies standing first out on the board at time of call when required to relieve a train on the far side of the terminal under the "25-mile zone" provisions of this Agreement will be considered as having departed the terminal when such crew departs in the conveyance to said train.
  - c. Because of recent experience with start up of new hub operations and to alleviate additional confusion during the initial three (3) pay periods after Kansas City Hub implementation, the terminal runaround rule will be suspended. No departure runarounds will be claimed during that period. Subsequent to those three (3) pay periods, all the provisions of Article 2(B) and the provisions of this Memorandum Letter of Agreement will be in full force and effect.
2. A pool freight crew arriving at the far terminal out of position will, upon arrival at the far terminal, be placed in the same relative position on the board as the crew held at the home terminal. If the crew cannot be returned to the proper position because the crew has not received the necessary Hours of Service rest, the crew will, upon arrival at the home terminal, be placed in the same relative position on the board as the crew held at the home terminal at the start of the previous trip.

This Side Letter of Agreement is made with the understanding it is without prejudice to the positions of the respective parties and it will not be cited by any party in any other negotiation or proceeding.

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

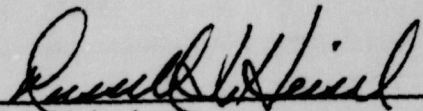
*M. A. Hartman*

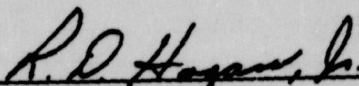
M. A. Hartman  
General Director - Labor Relations

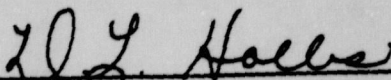


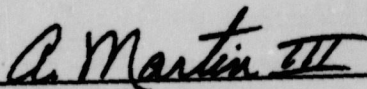
Side Letter No. 15  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 3

**AGREED:**

  
\_\_\_\_\_  
R. I. Heisel  
General Chairman, UTU

  
\_\_\_\_\_  
R. D. Hogan, Jr.  
General Chairman, UTU

  
\_\_\_\_\_  
D. L. Hollis  
General Chairman, UTU

  
\_\_\_\_\_  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA NEBRASKA 68179



Side Letter No. 16

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Article IV.D.

During our negotiations we discussed the unique pre-merger agreement under which the SPCSL trainmen work, and particularly the fact that their pay rules have no mileage component. This would make it difficult, if not impossible, to determine the cumulative mileage qualifications which govern, in addition to years of continuous service, in determining vacation eligibility.

This will confirm that for purposes of calculating vacation eligibility under the UP Agreement post-merger, such former SPCSL trainmen shall be considered as having met the requisite annual mileage qualifications in each year of service under such SPCSL agreements had such mileage qualification criteria been in effect on such property. In other words, it is intended that SPCSL employees will be given full credit for all vacation qualifications earned on that property the same as if they had been performed under the selected CBA for the Hub.

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

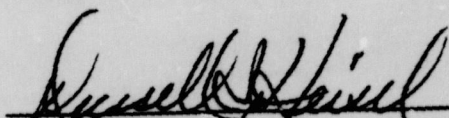
A handwritten signature in dark ink, appearing to read "M. A. Hartman". The signature is written in a cursive, slightly stylized script.

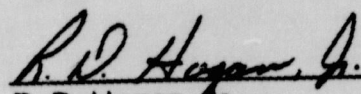
M. A. Hartman  
General Director - Labor Relations

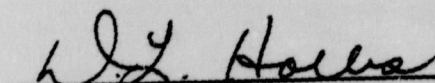


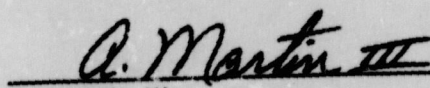
Side Letter No. 16  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

**AGREED:**

  
\_\_\_\_\_  
R. I. Heisel  
General Chairman, UTU

  
\_\_\_\_\_  
R. D. Hogan, Jr.  
General Chairman, UTU

  
\_\_\_\_\_  
D. L. Hollis  
General Chairman, UTU

  
\_\_\_\_\_  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA NEBRASKA 68179



Side Letter No. 17

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Article IV.

Since the "fiscal year" for administration of personal leave days on the former UP-Eastern District is August 1 to August 1, an issue arose regarding employees from that former schedule coming under the CBA designated for this hub, wherein personal leave days are administered on a calendar year basis. This issue shall be settled by paying all trainmen/yardmen who convert to the MPUL collective bargaining agreement an amount equal to 100% of the unused personal leave days remaining from their previous agreement on January 1, 1999, including carry-over days (if any), at the rate of last service performed. Effective January 1, 1999, all such employees shall have converted to the personal leave provision of the MPUL CBA.

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

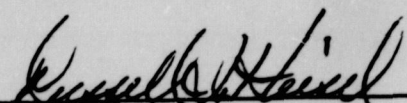
*M. A. Hartman*

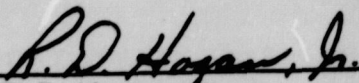
M. A. Hartman  
General Director - Labor Relations

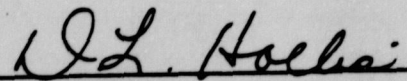


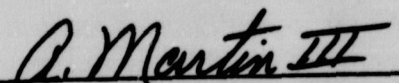
Side Letter No. 17  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

**AGREED:**

  
\_\_\_\_\_  
R. I. Heisel  
General Chairman, UTU

  
\_\_\_\_\_  
R. D. Hogan, Jr.  
General Chairman, UTU

  
\_\_\_\_\_  
D. L. Hollis  
General Chairman, UTU

  
\_\_\_\_\_  
A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 18

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Article VI.

During our negotiations we discussed problems which were encountered in implementing previous hubs and focused on ways to insure that we do not repeat those problems. It is clear that at the roster formulation workshop there needs to be more General Chairman/Labor Relations involvement in that process, and we mutually agreed to make a greater effort in this regard when the implementation process begins for this hub.

We also agreed that prior to the commencement of the implementation timetable the General Chairmen and General Director of Labor Relations will meet for a planning session to better prepare for implementation. Included in the items to be discussed at this planning session would be:

1. Review of what populations of employees are eligible to be canvassed.
2. Method of better/more detailed record keeping of employees canvassed and what their election was.
3. Process for dealing with employees on vacation or otherwise unavailable during the canvassing workshop.
4. Potential for an advance notice to effected employees to prepare them for the actual canvassing call.

All parties agreed that this process should greatly enhance the implementation of this Agreement and minimize problems which we experienced in other hubs.



Side Letter No. 18  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

*M. A. Hartman*

M. A. Hartman  
General Director - Labor Relations

**AGREED:**

*R. I. Heisel*

R. I. Heisel  
General Chairman, UTU

*R. D. Hogan, Jr.*

R. D. Hogan, Jr.  
General Chairman, UTU

*D. L. Hollis*

D. L. Hollis  
General Chairman, UTU

*A. Martin III*

A. Martin III  
General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



Side Letter No. 19

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

Upon implementation of this Agreement, and after all assignments have been made in connection therewith, those former SPCSL trainmen who remained at Ft. Madison or continued working between Ft. Madison and Chicago (including Chicago) and who did not relocate to Kansas City will receive a one (1) time in-lieu relocation payment in the gross amount of \$3,500.00. Acceptance of this payment constitutes a waiver of all claims or grievances in connection with the elimination of Quincy as a home terminal for pool operations.

The parties hereto acknowledge this arrangement is made without prejudice or precedent and on a not-to-be cited basis.

The terms of this Side Letter are unrelated to and independent of the provisions set forth in Articles I.A.4.c. and I.A.4.d., and shall not have the effect of reducing or negating such provisions.

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,

A handwritten signature in dark ink, appearing to read "M. A. Hartman". The signature is fluid and cursive.

M. A. Hartman  
General Director-Labor Relations



Side Letter No. 19

July 30, 1998

Mr. R. I. Heisel

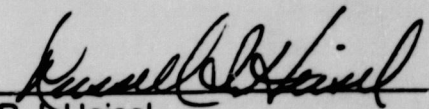
Mr. R. D. Hogan

Mr. D. L. Hollis

Mr. A. Martin III

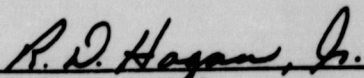
Page 2

**AGREED:**



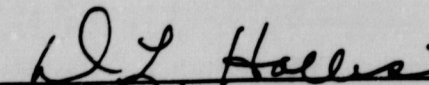
R. I. Heisel

General Chairman, UTU



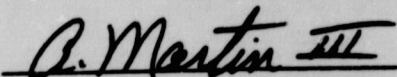
R. D. Hogan, Jr.

General Chairman, UTU



D. L. Hollis

General Chairman, UTU



A. Martin III

General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA NEBRASKA 68179



Side Letter No. 20

July 30, 1998

MR R I HEISEL  
GENERAL CHAIRMAN UTU  
1301½ MORRISSEY DR #4  
BLOOMINGTON IL 61701

MR DON L HOLLIS  
ASSOC. GEN CHAIRMAN UTU  
P O BOX 580  
LINDALE TX 75771

MR R D HOGAN  
GENERAL CHAIRMAN UTU  
1721 ELFINDALE DR #309  
SPRINGFIELD MO 65807

MR A MARTIN III  
GENERAL CHAIRMAN UTU  
2933 SW WOODSIDE DR #F  
TOPEKA KS 66614-4181

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date.

Article VIII-Crew Consist of the Agreement provides as follows with respect to former SSW trainmen coming under the coverage of the designated collective bargaining agreement:

*"B. Trainmen who come under the coverage of the UP (MPUL) Crew Consist Agreement shall be considered eligible to share in the post-merger productivity fund if their seniority date on their former carrier would have qualified them for such status had they worked under the UP (MPUL) Agreement since their entry into train service."*

Practically speaking, the above language means that former SSW trainmen with a seniority date of October 1, 1987 or earlier will, effective with implementation of this Agreement, begin participation in the productivity fund under the former MPUL crew consist agreement. This means that such former SSW trainmen must be given certain options with regard to how their New York Dock labor protection is handled.

As you are aware, SSW trainmen did not have productivity fund arrangements; rather, since 1988 they received "up front" payments of \$20.00 or \$24.00 (conductor-only) per trip. On December 1, 1992, these allowances were rolled into the basic daily rates. These payments after 1992 are easily identifiable in SP payroll records for each individual employee for the period constituting their TPA.



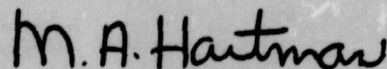
Side Letter No. 20  
July 30, 1998  
Mr. R. I. Heisel  
Mr. R. D. Hogan  
Mr. D. L. Hollis  
Mr. A. Martin III  
Page 2

Since those pre-October 1, 1987 SSW trainmen coming under the provisions of the crew consist productivity fund have the "up-front" SSW crew consist payments built into their TPAs, we must either reduce these amounts from calculation of their TPAs, or use productivity fund disbursements received under your consist agreement as an offset against protection. In our discussions of this matter, the parties agreed to a procedure whereby the specific employees involved are given an option letter which gives them the choice of:

- (1) Retain the higher TPA with up-front crew consist monies included and for the period of time under that guarantee, waive participation in the productivity fund, or
- (2) Accept a recalculated TPA with up-front crew consist monies removed, and participate fully in the productivity fund with no use of such disbursements as an offset against protection.

If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,



M. A. Hartman  
General Director-Labor Relations

Side Letter No. 20

July 30, 1998

Mr. R. I. Heisel

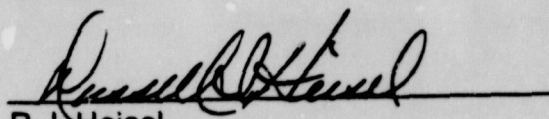
Mr. R. D. Hogan

Mr. D. L. Hollis

Mr. A. Martin III

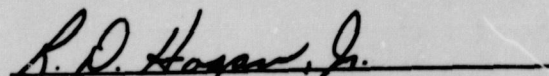
Page 3

**AGREED:**



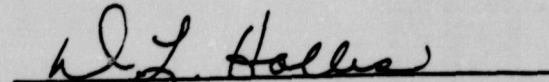
R. I. Heisel

General Chairman, UTU



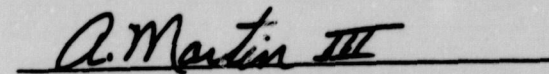
R. D. Hogan, Jr.

General Chairman, UTU



D. L. Hollis

General Chairman, UTU



A. Martin III

General Chairman, UTU

cc: M. B. Futhey, Jr.  
Vice President, UTU

P. C. Thompson  
Vice President, UTU



## **QUESTIONS AND ANSWERS - KANSAS CITY HUB**

### **ARTICLE I - WORK AND ROAD POOL CONSOLIDATION**

- Q.1.** What is the impact of joint terminal operations, such as Kansas City, for example, being "consolidated into a single operation"?
- A.1.** In a consolidated terminal, all UP/SSW/SPCSL road crews can receive/leave their trains at any location within the boundaries of the new Kansas City Terminal and may perform work anywhere within those boundaries pursuant to the applicable collective bargaining agreement. The Carrier will designate the on/off duty points for road crews. All UP/SSW/SPCSL rail lines, yards, and/or sidings within the Kansas City Terminal are considered as common to all crews working in, into and out of Kansas City and all UP/SSW/SPCSL road crews may perform all permissible road/yard moves pursuant to the applicable collective bargaining agreements. It is not the intent of this agreement to modify or supersede the application of existing road/yard rules contained in the National Agreements.
- Q.2.** How is a crew, which received their train twenty-five (25) miles on the far side of the terminal as contemplated by Article I compensated?
- A.2.** When so used, the crew shall be paid an additional one-half (½) basic day for this service in addition to the district miles of the run. If the time spent beyond the terminal is greater than four (4) hours, they shall be paid on a minute basis at the basic pro rata through freight rate. Miles within the zone are not added to the district miles of the run. Time spent within the zone does not factor into the computation of overtime; however, if the time spent within the zone produces road overtime earnings in excess of the minimum four (4) hour payment the higher overtime earnings would apply.
- Q.3.** If a crew in the twenty-five (25) mile zone is delayed in bringing the train into the origin terminal so that it does not have time to go to the destination terminal, what will happen to the crew?
- A.3.** If the crew has operated back through the origin terminal, they will be transported to the destination terminal, unless emergency conditions prevent such, and be paid district miles and a minimum of four (4) hours at the pro rata rate.
- Q.4.** In regards to Question 3 above. What happens if a crew in the twenty-five (25) mile zone is delayed and does not depart the origin terminal a second time?
- A.4.** If the origin terminal is the home terminal, the crew will be released at the origin terminal, paid a basic day, and a minimum of four (4) hours at the pro rata rate. If the origin terminal is the away terminal, the crew will be paid under the twenty-five mile provisions for the work in the zone and deadheaded in combination deadhead/service to the destination terminal.