

STB

FD-32760

10/28/03

D

209229

BAKER & MILLER PLLC

ATTORNEYS AND COUNSELLORS

SUITE 1000
915 15TH STREET, N.W.
WASHINGTON, D.C. 20005-2318

TELEPHONE: (202) 637-9499
FACSIMILE: (202) 637-9394

October 28, 2003

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

RE: **Change of Address**

Dear Secretary Williams:

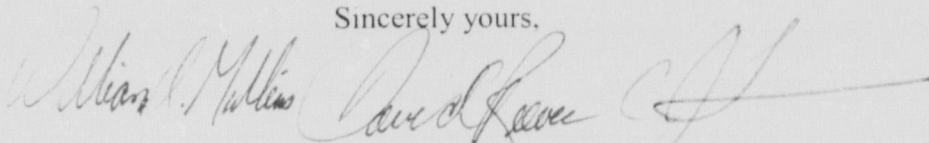
Effective **Thursday, October 30, 2003**, the offices of Baker & Miller PLLC will relocate to the following address:

Baker & Miller PLLC
2401 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20037
TEL: (202) 637-9499
FAX: (202) 637-9394

Please update the Surface Transportation Board's ("STB") records to reflect the above change of address for all active proceedings included on the enclosed list in which William A. Mullins, David C. Reeves and/or Christine J. Sommer have appeared. Copies of all STB notices, decisions, pleadings or other correspondence related to these proceedings dated October 30, 2003 and thereafter should be sent to the attention of Messrs. Mullins, Reeves or Ms. Sommer at Baker & Miller PLLC at their new address.

All known parties of record in the proceedings listed on the enclosure have been sent a copy of this change of address notification.

Sincerely yours,



William A. Mullins / David C. Reeves / Christine J. Sommer

Enclosure

✓ 209 228
209 229
209230
209231
209232
209233
209234
209235
209236
209237
209238
209239
209240
209241
209242
209243
209244



ENTERED
Office of Proceedings

OCT 28 2003

Part of
Public Record

Change of Address Notification

Effective Thursday, October 30, 2003

Baker & Miller PLLC

2401 Pennsylvania Avenue, NW

Suite 300

Washington, DC 20037

TEL: (202) 637-9499 / FAX: (202) 637-9394

William A. Mullins / David C. Reeves / Christine J. Sommer

Docket No. or Finance Docket No.	Name of Proceeding at the STB
Docket No. AB-308 (Sub-No. 3X)	Central Michigan Railway Company-Abandonment Petition-In Saginaw, MI
Docket No. AB-468 (Sub-No. 5X)	Paducah & Louisville Railway, Inc.-Abandonment Exemption-In McCracken County, KY
Docket No. AB-468 (Sub-No. 6X)	Paducah & Louisville Railway, Inc.-Abandonment Exemption-In Hopkins County, KY
F.D. No. 34397	Keokuk Junction Railway Co.-Alternative Rail Service-Line Of Toledo, Peoria And Western Railway Corporation
F.D. No. 34342	Kansas City Southern-Control-The Kansas City Southern Railway Company, Gateway Eastern Railway Company, And The Texas Mexican Railway Company
F.D. No. 34335	Keokuk Junction Railway Company-Feeder Railroad Development Application-Line Of Toledo, Peoria & Western Railway Corporation Between Fort L. J. Harpe And Hollis, IL
F.D. No. 34178	Dakota, Minnesota & Eastern Railroad Corporation And Cedar American Rail Holdings, Inc.-Control-Iowa, Chicago & Eastern Railroad Company
F.D. No. 34177	Iowa, Chicago & Eastern Railroad Company-Acquisition And Operation Exemption-Lines Of I&M Rail Link, LLC
F.D. No. 34015	Waterloo Railway Company-Acquisition Exemption-Bangor and Aroostook Railroad Company and Van Buren Bridge Company
F.D. No. 34014	Canadian National Railway Company-Trackage Rights Exemption-Bangor and Aroostook Railroad Company and Van Buren Bridge Company
F.D. No. 33740 and F.D. No. 33740 (Sub-No. 1)	The Burlington Northern and Santa Fe Railway Company-Petition For Declaration Or Prescription Of Crossing, Trackage Or Joint Use Rights and For Determination Of Compensation and Other Terms
F.D. No. 33388	CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company-Control and Operating Leases/Agreements-Conrail Inc. and Consolidated Rail Corporation
F.D. No. 33388 (Sub-No. 91)	CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company-Control and Operating Leases/Agreements-Conrail Inc. and Consolidated Rail Corporation (General Oversight)
F.D. No. 32760	Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company-Control and Merger-Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company
F.D. No. 32760 (Sub-No. 21)	Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company-Control and Merger-Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company-Oversight
F.D. No. 32760 (Sub-Nos. 26 - 32)	Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company-Control and Merger-Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company

STB

FD-32760

06/10/03

D

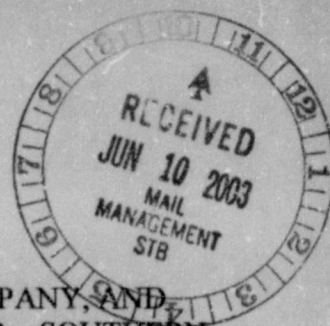
208052

1 OF 16

28852

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



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

(ARBITRATION REVIEW)

PETITION OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS
UNION PACIFIC RAILROAD – CENTRAL REGION
FOR REVIEW OF A NEW YORK DOCK ARBITRATION OPINION AND AWARD

FILED

JUN 10 2003

SURFACE
TRANSPORTATION BOARD

CHARLES R. RIGHTNOWAR
320 Brookes Drive, Suite 115
Hazelwood, MO 63042
(314) 895-5858
(314) 895-0104 (fax)

ENTERED
Office of Proceedings

JUN 13 2003

Part of
Public Record

General Chairman
Brotherhood of Locomotive Engineers
Union Pacific Railroad – Central Region

FEE RECEIVED

ENTERED
Office of Proceedings

JUN 13 2003

Part of
Public Record

JUN 10 2003

SURFACE
TRANSPORTATION BOARD

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION.....	3
II. STATEMENT OF FACTS GIVING RISE TO SETTING ASIDE AWARD NO. 1.....	4
III. CONCLUSION.....	7
CERTIFICATE OF SERVICE.....	8

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

(ARBITRATION REVIEW)

PETITION OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS
UNION PACIFIC RAILROAD – CENTRAL REGION
FOR REVIEW OF A NEW YORK DOCK ARBITRATION OPINION AND AWARD

I.

INTRODUCTION

Union Pacific Railroad – Central Region General Committee General Committee of
Adjustments of the Brotherhood of Locomotive Engineers (“BLE”), being duly designated and
authorized collective bargaining representative for the craft of locomotive engineers on the
Union Pacific Railroad – Central Region, herewith appeals Award No. 1, New York Dock Board
of Arbitration (John B. LaRocco, Chairman), and Arbitration Opinion and Award, dated May 19,
2003, regarding application of the Kansas City Hub Merger Implementation Agreement.

A copy of the Opinion and Award is attached hereto as Appendix A. The submission
filed by the Carrier before Chairman LaRocco is attached hereto as Appendix B. The submission
filed by the undersigned, representing the BLE General Committee of Adjustment for the Union
Pacific Railroad – Central Region, before Chairman LaRocco, is attached hereto as Appendix C.

II.

STATEMENT OF FACTS GIVING RISE TO SETTING ASIDE THE AWARD AS TO AWARD NO. 1

Arbitrator John B. LaRocco correctly found that Engineers exercising the "in lieu of" provisions of the Kansas City Hub Merger Implementing Agreement (See, Appendix C, Exhibit D at pp. 23-24, 51, 82-83; See, also, Appendix C, Exhibit K at p. 3) need not sell their homes at the pre-merger Jefferson City area location:

This Committee observes that engineers need not sell their homes in Jefferson City. They are not barred from owning multiple parcels of real property, including parcels in both Kansas City and Jefferson City. This Committee merely emphasizes that to be eligible for the *in lieu of* relocation benefits, the engineer must actually move from Jefferson City to Kansas City with the present intent to maintain a permanent residence at Kansas City for a minimum, seniority permitting, of two years. If an engineer from Jefferson City relocates to Kansas City and then maintains his principal place of residence in Kansas City, the engineer may continue to own whatever real estate the engineer so desires in the Jefferson City area, including the home in which he resided prior to the relocation.

(Award No. 1, Appendix A at p. 13, emphasis original)

However, Arbitrator LaRocco erred in finding that the Claimant in Award No. 1, M. O. Coats, did not qualify for the "in lieu of" relocation benefits where Claimant Coats retained a residence in the Jefferson City area, at New Bloomfield, Missouri, and received mail and telephone calls at that location, in direct conflict with the above-quoted finding. If Claimant Coats was entitled to retain property at Jefferson City, Missouri, then it follows that he was entitled to receive mail and telephone calls at that location, especially since Jefferson City would only shift from being Claimant's "home" terminal to his "away-from-home" terminal, where Claimant would continue to operate a train from Jefferson City every other day. Moreover, Claimant Coats received mail from the Carrier at his apartment at Independence, Missouri (a

Kansas City suburb) (See, Award No. 1, Appendix A at p. 7). If Claimant Coats had a right to own property at both his "home" terminal and his "away-from-home" terminal, there is no prohibition as to Claimant's receipt of mail at both locations.

Further, the fact that Claimant received his call to work at the Kansas City area location by cell phone, when his freight train was due to work east from that Kansas City location every other day, seven (7) days a week, approximately 174 miles from New Bloomfield, Missouri, well beyond commuting distance (especially in winter months), is no evidence that Claimant was not in his apartment in Independence, Missouri, at the time of receipt of call to work.

Under the Lace Curtain standard, the Board may overturn "an arbitral award when it is shown that the award is irrational or fails to draw its essence from the clear and precise provisions of the negotiated agreement or it exceeds the authority reposed in arbitrators by those conditions." This Award fails to meet this standard, and, as such, should be overturned.

Conduct by the parties under the Agreement as to other employees is evidence of the intent of the parties, as it construes the provisions of the Agreement by such conduct. An Engineer that had accepted a relocation allowance on the Claimant's territory, changing his work location from Jefferson City, Missouri to Kansas City, Missouri, D. R. Snyder (Appendix C, Exhibit G), moved to an apartment in Independence, Missouri, shown in the CMS records as Apartment 4B, 9530 E. Winner Rd., Independence, Missouri 64053 – 1651 (Appendix C, Exhibit W, at p. 5). Since this time, D. R. Snyder has moved to a new apartment, shown in the CMS records as Apartment 11, 17007 E. 24 Highway, Independence, Missouri 64056 (Appendix C, Exhibit X, at p. 1). D. R. Snyder has never been required to pay his relocation allowance.

By letter dated May 31, 2000, Engineer T. E. Bryan was sent a letter from Andrea Gansen, advising that his relocation from Bloomington, Illinois, to Fort Meyers Beach, Florida,

required repayment of his relocation allowance in the amount of \$21,600.00, with a similar "agreement" for repayment attached (Appendix C, Exhibit Y, at p. 1-2). Engineer Bryan advised that his wife lived in the Florida residence, and that he lived at a residence in Tremont, Illinois, so as to qualify for the relocation allowance (Appendix C, Exhibit Y, at p. 3). Andrea Gansen advised Engineer Bryan, by letter dated June 20, 2000:

I am in receipt of your letter postmarked June 12, 2000, referencing my May 31 letter to you regarding the relocation payment made to you under the provisions of the St. Louis Hub Implementation Agreement.

Thank you for your timely response. You have demonstrated that your new residence is in Tremont, Illinois and not Florida. After reviewing the unique circumstances of your situation, the Carrier will not pursue the recollection of the relocation money.

(Appendix C, Exhibit Y, at p. 4).

Engineer Bryan intended to work from his temporary residence in Tremont, Illinois, until his retirement, and move to Florida with his wife.

Engineer J. P. Severt, working on the same territory as the Claimant, was initially denied the relocation allowance from Jefferson City to Kansas City, wherein the Carrier stated, in part:

Your work records indicate you are permanently assigned to the RE125 pool at Jefferson City. Notwithstanding the fact you were not required to relocate to Kansas City, the documents you provided indicate you are leasing from relatives in Raytown, MO for a period of three months ending February 28, 2001. In addition the "Deed of Trust" you provided for a lot in Jefferson City is not signed and is not sufficient evidence of home ownership.

(Appendix C, Exhibit Z, at p. 2).

In spite of the above, the Carrier paid J. P. Severt, confirmed by computer check data, and Carrier correspondence, dated November 16, 2001 (Appendix C, Exhibit Z, at pp. 3-4).

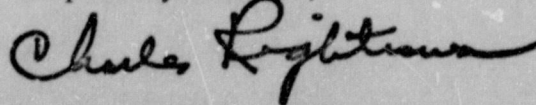
The treatment of the three (3) employees referenced above, by which conduct the Carrier properly construed the "in lieu of" provisions of the Hub Agreement, supports the claim filed by M. O. Coats, requiring that Award No. 1 be overturned.

III.

CONCLUSION

The Brotherhood of Locomotive Engineers, Union Pacific Railroad – Central Region, requests that this Board accept this Petition for review and decide the issues raised herein, reversing Award No. 1.

Respectfully submitted,

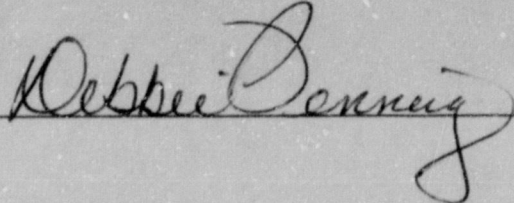


CHARLES R. RIGHTNOWAR
320 Brookes Drive, Suite 115
Hazelwood, MO 63042
(314) 895-5858
(314) 895-0104 (fax)

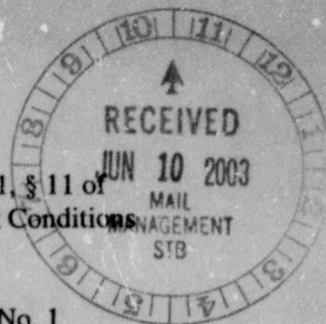
General Chairman
Brotherhood of Locomotive Engineers
Union Pacific Railroad – Central Region

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Petition to Review and accompanying appendices were served upon Applicant by mailing copies first class postag : prepaid, to R. D. Rock, Director of Labor Relations, Union Pacific Railroad Company, 1416 Dodge Street, Room 323, Omaha, Nebraska 68179-0323, and John B. LaRocco, Arbitrator, 2001 H Street, Sacramento, California, 95814-3109, on this 9th day of June 2003.



ARBITRATION COMMITTEE



In the Matter of the)
Arbitration Between:)

BROTHERHOOD OF LOCOMOTIVE)
ENGINEERS,)

Organization,)

and)

UNION PACIFIC RAILROAD COMPANY,)

Company.)
_____)

Pursuant to Article 1, § 11 of
the New York Dock Conditions

Case No. 1, Award No. 1
Engineer M. O. Coats

OPINION AND AWARD

Hearing Date: February 6, 2003
Hearing Location: Sacramento, California
Date of Award: May 19, 2003

MEMBERS OF THE COMMITTEE

Neutral and Sole Member: John B. LaRocco

ORGANIZATION'S QUESTIONS AT ISSUE

1. Whether the Carrier may unilaterally relocate the Claimant from Kansas City, Missouri, to Jefferson City, Missouri? If not, what is the remedy?
2. Whether the Carrier may stop payment of the Reverse Held-Away-From-Home Allowance at Jefferson City, Missouri? If not, what is the remedy?
3. Whether the Carrier may recollect Relocation Allowances paid to Claimant from Claimant's Test Period Average Earnings Allowances? If not, what is the remedy?
4. Whether the Carrier may cease Reverse Lodging Allowances and Benefits? If not, what is the remedy?
5. Without waiver of the Organization's position as to any of the above, should the Carrier prevail, *arguendo*, but incorrectly, what is the proper accounting of funds recollected? If funds have been recollected improperly, or to excess, what is the remedy?

CARRIER'S QUESTIONS AT ISSUE

1. Did M. O. Coats (Claimant) actually relocate from Jefferson City, Missouri to Kansas City, Missouri, pursuant to the Kansas City Hub Implementing Agreement?
2. Is New York Dock the proper forum for this case to be adjudicated?

APPENDIX "A"

OPINION OF THE COMMITTEE

I. INTRODUCTION

The United States Surface Transportation Board (STB) approved the application of the Union Pacific Railroad Company (former UP) to control and merge with the Southern Pacific Transportation Company (SPT) and its subsidiaries. [Finance Docket 32760] One of the SPT's subsidiaries was the St. Louis South Western Railway (SSW). As a condition of the merger, the STB imposed on the merged Carrier (UP) the employee protective conditions set forth in *New York Dock Railway-Control-Brooklyn Eastern District Terminal*, 360 I.C.C. 60, 84-90 (1979); affirmed, *New York Dock Railway v. United States*, 609 F.2d 83 (2nd Cir. 1979) ("New York Dock Conditions") pursuant to the relevant enabling statute.

Subsequent to the merger, the Brotherhood of Locomotive Engineers (BLE or Organization) and the UP (Carrier) negotiated a number of implementing agreements. This dispute centers on the proper interpretation and application of provisions contained in the Kansas City Hub Merger Implementing Agreement.

At the February 6, 2003 hearing, the Organization and Carrier waived the tripartite arbitration committee set forth in Article I, § 11(a) of the New York Dock Conditions. The parties stipulated that the undersigned act as the Neutral and Sole Member of this Committee. At the Neutral Member's request, the parties waived the 45-day time limitation, specified in Article I, Section 11(c) of the New York Dock Conditions, for issuing this decision.

II. BACKGROUND AND SUMMARY OF THE FACTS

Subsequent to the merger, the Carrier and the Organization negotiated a series of merger hub implementing agreements. These arrangements created centralized terminals, called hubs, with

spokes going out to many points which were previously terminals or outlying points on the pre-merged railroads.

The Organization and the Carrier signed the Kansas City Hub Merger Implementing Agreement on July 2, 1998. The implementing Agreement became effective on January 16, 1999.

Article VI(B) of the Kansas City Hub Merger Implementing Agreement reads:

Engineers 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 appropriate 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 engineer be permitted to receive more than one (1) "in lieu of" relocation allowance under this Implementing Agreement.
6. Engineers 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.

Claimant is a former SSW Engineer who resided and had his home terminal at Jefferson City, Missouri. Claimant is among the engineers listed on Attachment D to the Kansas City Hub Merger Implementing Agreement.

As an Attachment D Engineer, Claimant held certain valuable, superior and prior rights to work at Jefferson City so long as he indefinitely resided at Jefferson City. Pursuant to Side Letter No. 7 and other provisions of the Kansas City Hub Merger Implementing Agreement, engineers like Claimant, could voluntarily relocate to Kansas City and collect the *in lieu of* relocation benefits described in Article VII(B). Engineers performing service in the Kansas City pool were afforded reverse lodging expenses and home away from home terminal (HAHT) privileges at Jefferson City.

On or about March 31, 2000, Claimant submitted an application for *in lieu of* relocation benefits attesting that he was moving his residence from Jefferson City to Kansas City. On the application form, Claimant checked options two and three which provided:

Option 2: I am a homeowner and accept a \$20,000 allowance in lieu of New York Dock relocation benefits.

If I have accepted Option 1 or 2, I understand that I must submit "proof of actual relocation" in order to receive the "in lieu of" allowance.

Option 3: I am a homeowner and having sold my home, accept a \$10,000 allowance in addition to the \$20,000 allowance I shall receive under Option 2, for a total of a \$30,000 allowance.

Claimant also promised that, by completing the form, he would, if his seniority permitted, remain at Kansas City for at least two years.¹

The Carrier approved Claimant's relocation benefit application. It paid Claimant a \$30,000 relocation allowance in accord with Options 2 and 3 of Article VII(B).²

Claimant evidently sold his home located on Indian Meadow Road in Jefferson City on or about August 14, 1998, approximately a year and a half prior to the submission of his relocation benefit application. According to Side Letter No. 14 to the Kansas City Hub Merger Implementing Agreement, an engineer was still eligible for relocation benefits even if he sold his home prior to the actual implementation of the merger provided the residence sale occurred after the date (July 2, 1998) of the signing of the Kansas City Hub Merger Implementing Agreement. When he received relocation benefits, Claimant owned a residence on County Road 490 in New Bloomfield, Missouri, a town about 11 miles from Jefferson City.³

On April 5, 2000, Claimant signed a six-month lease for an apartment located on East 28th Terrace in Independence, Missouri, a city within the Kansas City metropolitan area. The lease term started on May 5, 2000. Claimant asserted that he occupied the apartment without commuting between Independence and New Bloomfield. Claimant submitted copies of paid utility bills from the City of Independence. Claimant vacated the apartment on October 31, 2000.

By correspondence dated June 2, 2000, the Carrier demanded that Claimant repay the \$30,000 relocation allowance on the grounds that an audit of Carrier records revealed that Claimant

¹ The two-year minimum relocation period is set forth in Article VII(B)(6) of the Kansas City Hub Merger Implementing Agreement.

² The Carrier paid Claimant a net amount.

³ The record does not reveal when Claimant purchased this property.

did not truly relocate from Jefferson City to Kansas City. The pertinent portion of the Carrier's June 2, 2000 letter reads:

Carrier records indicate that you did not relocate to Kansas City. Instead, you have relocated back to the Jefferson City vicinity. The relocation allowance was not intended to be paid for employees who were not truly relocating their residence to Kansas City. As you have failed to comply with the conditions under which you were granted the relocation allowance, I have enclosed a repayment agreement for you to repay the net amount of \$20,700.00 as you have failed to relocate in accordance with the agreement. Due to this, your payment of reverse held-away benefits will cease immediately.⁴

Claimant responded to the Carrier's demand for repayment of the relocation allowance by letter dated June 12, 2000, contending that the demand was an "error." Claimant wrote:

I would like to know which Carrier records indicate that I did not relocate to Kansas City per the provisions of the Kansas City Hub. I furnished your office with a signed lease on an apartment in Kansas City along with my relocation request. The lease is a valid document as per the provisions of the Kansas City Hub agreement. It was for a period of six months and renewable thereafter. I received payment denoted in your letter on April 27, 2000, and my lease period began on May 15, 2000.⁵

* * * *

It was my intent to totally relocate to Kansas City in the future. However, I could not complete this move totally within the prescribed two-year period denoted in the "in lieu of" section pertaining to relocation allowance due to the above.

On June 14, 2000, the Carrier sent a second letter to Claimant asserting that his telephone number on record with the Carrier had a 573 area code which is the area code for Jefferson City. The

⁴ The Director of Labor Relations, who wrote the demand letter, did not explain how the net amount was calculated but, presumably, the Carrier had withheld some funds for tax purposes.

⁵ The record is unclear whether the lease term began on May 5 or May 15 but the 10-day discrepancy is immaterial.

Carrier also charged that renting an apartment at Kansas City and commuting to and from New Bloomfield did not constitute a relocation.

In a letter dated June 17, 2000, Claimant denied that he was commuting between New Bloomfield and Kansas City. He also asserted that his telephone numbers were irrelevant to determining whether or not he had moved to Kansas City. Nonetheless, Claimant intimated that the telephone number was for a cellular telephone.

In a June 26, 2000 letter to Claimant, the Carrier alleged that the telephone number was a land line to Bloomfield Hills. The Carrier pointed out that Claimant had written at least one of his prior letters on letterhead containing both his New Bloomfield address and his Independence address. Moreover, the Carrier specified that the return address on Claimant's envelope was his New Bloomfield address. In the final paragraph of the June 26, 2000 letter, the Carrier wrote:

As delineated above, I must find that you violated the terms of your relocation agreement and the hub agreement. As a result, your job will remain headquartered at Jefferson City. Furthermore, you should note that this situation has its genesis in the New York Dock Conditions and the hub agreement. Therefore, should you wish to pursue this matter, the proper forum for resolution of this issue is New York Dock arbitration.

On July 19, 2000, Claimant again wrote a letter to the Carrier with letterhead bearing his New Bloomfield address, and immediately below, his Independence address. In the letter, Claimant stated that his primary telephone number was different than the number specified in the Carrier's June 14, 2000 correspondence. Claimant also declared that the Carrier could not prohibit him from continuing to have an address in Jefferson City as well as an address in the Kansas City area. Claimant charged that the Carrier was unilaterally attempting to move his home terminal from

Kansas City to Jefferson City in violation of several Agreements. In one paragraph of his July 19, 2000 letter, Claimant wrote:

As stated in previous correspondence to your office, I still represent Engineers on this property and maintain numerous files regarding this representation as well as an office and office equipment at 3017 County Road 490 New Bloomfield, MO. 65063. I receive correspondence, not only from your office but also the BLE and various BLE Representatives around the country at this address. Being able to maintain this office until such time as I can complete my move to the Kansas City area makes my job as BLE Representative much easier. That is why I am grateful that your office continues to send correspondence regarding these Union matters to said address. Until such time as I can complete my move to Kansas City (which you are making unduly difficult) I will continue to send and receive said BLE and Labor Relations correspondence from said address.

In an August 3, 2000 letter, the Carrier reiterated that Claimant's home telephone number in New Bloomfield was his telephone number of record with the Carrier. The Director of Labor Relations again asserted that the dispute between the Carrier and Claimant was governed by the New York Dock Conditions. More specifically, the Director of Labor Relations wrote:

This matter is clearly governed by the dispute resolution mechanisms of the New York Dock Conditions. The entirety of your relocation and allowance has its genesis in the Hub Agreement created due to the Surface Transportation Board's decision in Finance Docket 32760, which applied New York Dock Conditions to the Union Pacific/Southern Pacific merger.

Thereafter, the Carrier commenced a setoff against Claimant's test period earnings to recoup the monies that, according to the Carrier, it had improperly paid Claimant. In the Carrier's view, Claimant had never relocated from Jefferson City to Kansas City.

Claimant submitted into the record 401(k) plan statements that the Carrier mailed to him at his Independence address. Claimant also submitted the dates and times that the Carrier purportedly

deprived him of HAHT pay. Claimant seeks reimbursement of \$12,129.29 covering the period from June 4, 2000 through January 11, 2001.

On or about July 15, 2002, Claimant requested an accounting regarding the amounts that the Carrier had deducted from his test period average earnings for recollection of the *in lieu of* relocation allowance. On August 5, 2002, the Carrier sent Claimant a spread sheet showing an original balance due of \$28,245.40 as of June 2000 and a balance due of \$4,472.44 as of May 2002 with amounts it had recovered during the intervening months.

Claimant is presently assigned to Jefferson City and is evidently receiving away from home terminal time and pay when he is ensconced at Kansas City on pool turns.

III. THE POSITIONS OF THE PARTIES

A. The Organization's Position

The Carrier wrongly reclaimed *in lieu of* relocation benefits from Claimant even though he relocated from Jefferson City to Kansas City. Claimant tendered irrefutable evidence that he sold his home in Jefferson City. The Carrier improperly attempted to unilaterally relocate Claimant from Kansas City back to the Jefferson City which denigrates Claimant's right to make the voluntary move to Kansas City pursuant to the Kansas City Hub Merger Implementing Agreement.

Claimant actually relocated from Jefferson City to Kansas City. Claimant not only sold his Jefferson City home but he entered into an apartment lease at Independence, Missouri. Claimant occupied the apartment since he used and paid for utilities.

Claimant made a very important decision. He forewent valuable employment rights to move to the Kansas City Hub. Claimant would not lightly decide to leave Jefferson City. It logically

follows that Claimant must have wanted to genuinely move to Kansas City otherwise, he would not have surrendered the special rights afforded to Claimant and other Jefferson City engineers.

Employees are not barred from having multiple residences. Engineers may relocate to Kansas City and keep their homes in Jefferson City by selecting Option 2 of Article VII(B). The parties contemplated that engineers could maintain homes in Jefferson City and still relocate their residences to Kansas City. Thus, Claimant could own property in New Bloomfield while he resided in Independence.

The Organization submits that Claimant was the victim of disparate treatment. The Organization proffered evidence that another Jefferson City engineer received a relocation allowance for moving from Jefferson City to Kansas City even though the engineer did not purchase a home at Kansas City. The Organization presented another example of an engineer who moved to a new work location in Illinois and the Carrier allowed this engineer to keep his relocation allowance even though his wife resided in a Florida home. Last, the Organization identified a conductor who moved from Jefferson City to Kansas City. Although the Carrier initially denied the conductor an *in lieu of* relocation allowance, it eventually paid the benefit to the conductor because he signed a three-month lease for living at Kansas City, one-half the duration of Claimant's lease.

In response to the Carrier's argument that this dispute is not properly before a New York Dock Arbitration Committee, the Organization argues that the Carrier is estopped from asserting that this Committee lacks jurisdiction over the claim given the Director of Labor Relations' declarations in her letters to Claimant that the dispute was governed by the New York Dock Conditions. In addition, the Organization avers that the *in lieu of* relocation benefits grow out of the New York

Dock Conditions and are found in a merger implementing agreement. Any controversy about the benefits are within the jurisdiction of this Committee.

B. The Carrier's Position

The Carrier contends that an Arbitration Committee formed under the New York Dock Conditions is not the proper forum for adjudicating this dispute. The *in lieu of* relocation benefits in the Kansas City Hub Merger Implementing Agreement supersede the New York Dock provisions for moving expenses and real estate losses. Therefore, when an engineer elects the *in lieu of* relocation allowance, the option is a benefit outside the ambit of the New York Dock Conditions. Although the Carrier's Director of Labor Relations initially stated that the dispute might be subject to the New York Dock Conditions, later correspondence on the property shows that the Carrier properly took the position that a New York Dock Arbitration Committee cannot resolve disputes involving *in lieu of* relocation payments to engineers. In sum, this Committee lacks authority to decide this claim.

Claimant did not actually relocate from Jefferson City to Kansas City and so, he was not entitled to *in lieu of* relocation benefits. To be entitled to those benefits, Claimant must have permanently changed his place of residence. Claimant rented an apartment in the Kansas City area but he did not really relocate. After receiving the relocation allowance, Claimant quickly retreated to his home in New Bloomfield near Jefferson City. In his correspondence dated June 12, Claimant admitted that he had not relocated to Kansas City. Claimant only asserted, without any support, that he would relocate to Kansas City at some time in the future. By his own writings, Claimant conceded that he did not truly move his residence to Kansas City. Also, Claimant merely established

a mailing address at Independence. He still listed his New Bloomfield home telephone number, with area code 573, as his main telephone number, of record with the Carrier.

Since Claimant did not relocate from Jefferson City to Kansas City, the Carrier properly recouped the allowance by withholding monies from his test period average earnings. The Carrier accounted for these deductions in August, 2002. Moreover, the Carrier properly ceased paying Claimant's HAHT at Jefferson City because Claimant never moved from Jefferson City to Kansas City.

IV. DISCUSSION

The *in lieu of* relocation allowances are a direct substitute for the benefits that engineers are otherwise entitled to receive under the New York Dock Conditions. [*See Article I, Sections 9 and 12 of the New York Dock Conditions.*] Stated differently, the parties negotiated the *in lieu of* provisions predicated on the compulsion contained in the New York Dock Conditions, that engineers are entitled to protection from certain real estate losses and moving expenses. The *in lieu of* relocation benefits are a natural outgrowth of the benefits in the New York Dock Conditions. The *in lieu of* allowances are simply designed to streamline the administration of the moving and home benefits having their genesis in the New York Dock Conditions. [*Transportation Communications International Union and Kansas City Southern Railway, NYD § 11 Arb. (Muessig, 2000).*] Therefore, this Committee has jurisdiction over the instant dispute.

To conclusively effect a relocation from an employee's old work point to the employee's new work point, the employee must actually move from the old work point to the new work point and then evince the present intent to maintain the employee's principal and permanent place of residence at the new work location. [*Special Board of Adjustment: Allied Services Division,*

Transportation•Communications International Union and Union Pacific Railroad Company (Suntrup, 2000).] The Special Board of Adjustment enumerated several factors that are used to determine whether an employee truly relocates and intends to establish a permanent residence at the new work location including: where the family resides; registration of personal property; what ties the employee has to the community; what payments the employee makes to vendors in the community; and, whether the employee commutes to the new work location. In a philosophical sense, the Board aptly observed that home is where the employee's heart resides. Whether an employee has relocated and permanently resides at the employee's new work location must be decided on a case-by-case basis by examining the surrounding circumstances.

In this case, Claimant admitted, in two of his letters, that he did not actually relocate from Jefferson City to Kansas City. In his June 12, 2000 letter, Claimant wrote that he planned to relocate to Kansas City in the future. To be eligible for the relocation allowance, an engineer must physically move to Kansas City with the present intent to reside there permanently. Moreover, in the same letter, Claimant admitted that he did "... not complete this move" which is an acknowledgment that he never left Jefferson City. Indeed, Claimant's telephone number of record with the Carrier coincided with the area code for Jefferson City. Even though Claimant received some other items at his Independence address, Claimant left his New Bloomfield telephone number as the paramount number for reaching him which confirms his intent to keep his residence at New Bloomfield. Paying utilities at Independence is only a modicum of evidence of a relocation since renting an apartment entails some utility charges. Claimant did not submit other documents, such as a driver's license having the Independence address, which would be more probative towards proving a relocation than utility bills.

In his correspondence dated July 19, 2000, Claimant conceded that he kept an office, which is a very important attachment to the Jefferson City area, at his New Bloomfield address "... until such time as I can complete my move to the Kansas City area" Claimant's statement demonstrates that he had not yet moved to Kansas City even though he had received the relocation allowance. Moving his office to Kansas City would have showed substantial ties to his new work location. Conversely, by keeping the office in Jefferson City, Claimant manifested an intent to maintain his residence at Jefferson City.

In sum, based on Claimant's admission, as corroborated by Carrier records, this Committee finds that Claimant did not relocate from Jefferson City to Kansas City. Inasmuch as Claimant never moved, he could not possibly have had the intent to establish a primary and permanent residence at Independence.

This Committee observes that engineers need not sell their homes in Jefferson City. They are not barred from owning multiple parcels of real property, including parcels in both Kansas City and Jefferson City. This Committee merely emphasizes that to be eligible for the *in lieu of* relocation benefits, the engineer must actually move from Jefferson City to Kansas City with the present intent to maintain a permanent residence at Kansas City for a minimum, seniority permitting, of two years. If an engineer from Jefferson City relocates to Kansas City and then maintains his principal place of residence at Kansas City, the engineer may continue to own whatever real estate the engineer so desires in the Jefferson City area, including the home in which he resided prior to the relocation.

Next, the Committee concludes that Claimant was not the victim of disparate treatment. The examples raised by the Organization are distinguishable from Claimant's situation. The engineer who maintained a second home in Florida for his wife was a unique circumstance but nonetheless,

the engineer proved, with sufficient evidence, that he maintained his primary and permanent residence in Illinois. The other engineer and conductor who relocated from Jefferson City to Kansas City may or may not have been properly entitled to *in lieu of* relocation allowances.⁶ We merely find insufficient evidence in the record that the facts surrounding their relocations precisely mirrored Claimant's situation. Moreover, one or two isolated instances where the Carrier failed to recoup improperly paid relocation allowances does not constitute a past practice permitting all engineers to keep monies that were improperly paid to them.

While the issue of Claimant's continuing status is not directly before this Committee, we simply observe that the Carrier should realize that there may be ramifications flowing from the Carrier's decision to treat Claimant like he never relocated, i.e., Claimant remains as a Jefferson City engineer. The Committee is confident that the parties understand these potential ramifications.

On or about August 5, 2002, the Carrier provided Claimant with a spread sheet delineating certain deductions from his test period earnings and an original balance due of \$28,245.40. While the spread sheet shows a series of deductions, the Carrier did not state a source for its figures or adequately explain the interaction between the original payment, the net amount due and amounts originally withheld for taxes. Also, from Claimant's perspective, there may be tax consequences arising out of the recollection or changes in taxation for the year in which Claimant received the allowance. Since the Carrier recouped the improperly paid allowance without a repayment agreement, the Carrier must give a fuller accounting of the balance due, the amounts deducted and any known tax consequences including the sources and calculations underlying these figures.

⁶ The Committee does not express any opinion as to whether the Carrier properly paid them *in lieu of* relocation allowances.

Therefore, this Committee will direct the Carrier to provide Claimant with a full and complete accounting concerning the Carrier's recoupment of the relocation benefits.

AWARD AND ORDER

ORGANIZATION'S QUESTION AT ISSUE NO. 1

Whether the Carrier may unilaterally relocate the Claimant from Kansas City, Missouri, to Jefferson City, Missouri? If not, what is the remedy?

ANSWER TO THE ORGANIZATION'S QUESTION AT ISSUE NO. 1

The Carrier properly recouped the *in lieu of* relocation allowance from Claimant. It must provide Claimant with a full and complete accounting within 60 days of the date stated below.

* * * *

ORGANIZATION'S QUESTION AT ISSUE NO. 2

Whether the Carrier may stop payment of the Reverse Held-Away-From-Home Allowance at Jefferson City, Missouri? If not, what is the remedy?

ANSWER TO THE ORGANIZATION'S QUESTION AT ISSUE NO. 2

The Committee observes that the Carrier should realize that there may be ramifications from its decision to recoup the relocation allowance effectively keeping Claimant assigned at Jefferson City.

* * * *

ORGANIZATION'S QUESTION AT ISSUE NO. 3

Whether the Carrier may recollect Relocation Allowances paid to Claimant from Claimant's Test Period Average Earnings Allowances? If not, what is the remedy?

ANSWER TO THE ORGANIZATION'S QUESTION AT ISSUE NO. 3

The Carrier properly recouped the *in lieu of* relocation allowance from Claimant provided the Carrier provides Claimant with a full and complete accounting within 60 days of the date stated below.

* * * *

ORGANIZATION'S QUESTION AT ISSUE NO. 4

Whether the Carrier may cease Reverse Lodging Allowances and Benefits? If not, what is the remedy?

ANSWER TO THE ORGANIZATION'S QUESTION AT ISSUE NO. 4

The Committee observes that the Carrier should realize that there may be ramifications from its decision to recoup the relocation allowance effectively keeping Claimant assigned at Jefferson City.

* * * *

ORGANIZATION'S QUESTION AT ISSUE NO. 5

Without waiver of the Organization's position as to any of the above, should the Carrier prevail, *arguendo*, but incorrectly, what is the proper accounting of funds recollected? If funds have been recollected improperly, or to excess, what is the remedy?

ANSWER TO THE ORGANIZATION'S QUESTION AT ISSUE NO. 5

The Carrier properly recouped relocation benefits from Claimant. It must provide Claimant with a full and complete accounting within 60 days of the date stated below.

* * * *

CARRIER'S QUESTION AT ISSUE NO. 1

Did M. O. Coats (Claimant) actually relocate from Jefferson City, Missouri to Kansas City, Missouri, pursuant to the Kansas City Hub Implementing Agreement?

ANSWER TO THE CARRIER'S QUESTION AT ISSUE NO. 1

No. Claimant did not actually relocate to from Jefferson City to Kansas City pursuant to the requirements set forth in the Kansas City Hub Merger Implementing Agreement.

* * * *

CARRIER'S QUESTION AT ISSUE NO. 2

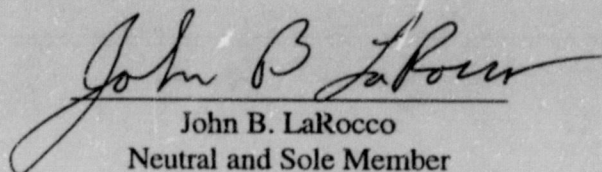
Is New York Dock the proper forum for this case to be adjudicated?

ANSWER TO THE CARRIER'S QUESTION AT ISSUE NO. 2

Yes. This New York Dock Arbitration Committee has jurisdiction to adjudicate this dispute.

This Committee retains jurisdiction over this dispute for a period of one year from the date stated below to resolve any dispute about the interpretation or application of its decision herein; provided, the parties may mutually agree to extend the Committee's retention of jurisdiction beyond the one year period.

Dated: May 19, 2003


John B. LaRocco
Neutral and Sole Member

Case No.: M. O. Coats
Carrier File: 110.61 - 326 - 20

NEW YORK DOCK

ARBITRATION

CARRIER'S SUBMISSION

IN THE MATTER OF ARBITRATION

between

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

and the

UNION PACIFIC RAILROAD COMPANY

STATEMENT OF CLAIM:

"Claim of Engineer M. O. Coats for in lieu of lump sum relocation benefits outlined in Article VII of the Kansas City Hub Implementing Agreement."



CARRIER'S STATEMENT OF FACTS:

This case involves a claim in behalf of Engineer M. O. Coats (Claimant) for relocation benefits, alleging he actually relocated from Jefferson City, Missouri to Kansas City, Missouri in connection with the Kansas City Hub Implementing Agreement.

Claimant submitted a "Hub Relocation Benefit Application" dated March 31, 2000 claiming Option 2 and 3:

"Option 2: I am a homeowner and accept a \$20,000 allowance in lieu of New York Dock relocation benefits.

"If I have accepted Option 1 or 2, I understand that I must submit 'proof of actual relocation' in order to receive the 'in lieu of' allowance.

"Option 3: I am a homeowner and having sold my home, accept a \$10,000 allowance in addition to the \$20,000 allowance I shall receive under Option 2, for a total of a \$30,000 allowance.

A copy of the Relocation Benefit Application and supporting documents including a Lease Agreement is attached hereto and marked **Carrier's Exhibit "A"**.

Shortly thereafter, Claimant was compensated the \$30,000.00 as claimed. Later, an audit was conducted wherein it was discovered Claimant was not residing in Kansas City but had actually relocated back in the vicinity of Jefferson City, Missouri.

By letter dated June 2, 2000, Asst. Director - Labor Relations, Andrea Gensen advised Claimant he had failed to meet the requirements for "in lieu of" relocation

benefits as set forth under the Kansas City Hub Implementing Agreement. Ms. Gensen stated in part:

"...Carrier records indicate that you did not relocate to Kansas City. Instead, you have relocated back to the Jefferson City vicinity. The relocation allowance was not intended to be paid for employees who were not truly relocated their residence to Kansas City..."

A copy of Ms. Gensen's June 2, 2000 letter is attached hereto and marked **Carrier's Exhibit "B"**.

By letter dated June 12, 2000, Claimant responded to Ms. Gensen's June 2nd letter stating in part:

"It was my intent to totally relocate to Kansas City in the future. However, I could not complete this move totally within the prescribed two-year period denoted in the 'in lieu of' section pertaining to relocation allowance due to the above." (emphasis added)

A copy of Claimant's letter of June 12, 2000 is attached hereto and marked **Carrier's Exhibit "C"**.

Ms. Gansen responded to Claimant on June 14, 2000 further explaining the relocation provisions under the Hub Agreement. Ms. Gensen stated in part:

"The Carrier records that indicate that you have not relocated to Kansas City include the fact that your home phone number remains in the 573 area code, which is for the Jefferson City area, not Kansas City nor Independence. The issue is not that you are renting at Kansas City rather than purchasing a house. Rental of a home or apartment is sufficient when all other aspects of residence are also present. However, given the fact that you still receive your phone calls at New Bloomfield, I cannot agree that you have fulfilled your obligation to make Kansas City your residence. In line with arbitral precedent, renting an apartment and

commuting to one's home in another location is not sufficient proof that a residence has been established in the new location. It has been demonstrated that you intend 3017 County Road 490, New Bloomfield as your principal place of residence. Therefore, you cannot be said to have changed your place of residence pursuant to the terms and conditions of the Kansas City Hub Agreement. For your review, I have enclosed an arbitration award that clearly supports the Carrier's position in this matter."

A copy of Ms. Gensen's June 14, 2000 letter is attached hereto and marked Carrier's Exhibit "D".

This claim has been handled on the property and has been declined by the highest designated officer to receive same and is now before this Board for adjudication.

Correspondence between the parties relative to this dispute are attached hereto and marked as Carrier's Exhibit "E" through "Z-8".

CARRIER'S STATEMENT OF ISSUES:

- (A) Did M. O. Coats (Claimant) actually relocate from Jefferson City, Missouri, to Kansas City, Missouri, pursuant to the Kansas City Hub Implementing Agreement?
- (B) Is New York Dock the proper forum for this case to be adjudicated?

POSITION OF THE CARRIER:

Claimant did not "actually relocate" from Jefferson City to Kansas City .

In order for Claimant to be entitled to relocation benefits he must meet the following conditions.

- (1) Relocate in order to hold a position as a result of the merger.
- (2) Have a reporting point further than his old reporting point and at least 30 miles between the current home and the new reporting point and at least 30 miles between reporting points.
- (3) Change his place of residence.

If Claimant's contention to (3) is correct, then he would be eligible for the relocation allowance in accordance with Article VII of the Kansas City Hub implementing Agreement.

Article VIII of the Kansas City Hub Implementing Agreement reads in part:

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

In addition Q & A.1, Section B reads:

- "Q.1. Who is required to relocate and is thus eligible for the allowance?
A.1. An engineer who can no longer hold a position at his location and must relocate to hold a position as a result of the merger. This excludes engineers who are borrow outs for forced to a location and release."*

A copy of the Kansas City Hub Agreement is attached hereto and marked Carrier's Exhibit "Z-9".

Claimant did not relocate to Kansas City, but conveniently rented an apartment in order to reap the \$30,000.00 relocation benefit. Once he received the relocation

allowance, he simply changed his residence to 3017 County Road 410, New Bloomfield, Missouri. New Bloomfield which is approximately 11 miles from Jefferson City, Missouri.

The clear and unambiguous language of the Agreement dictates that the relocation allowance is only afforded to employees who are required and actually relocate to the new reporting location.

Claimant's statement, *"It was my intent to totally relocate to Kansas City in the future"*, fully supports the Carrier's position that Claimant did not relocate.¹

The Organization argues that Claimant is not required to rent or purchase a residence at his new reporting location. This is a feeble attempt to lend credence to this claim. By letter dated August 10, 2000, BLE General Chairman Rightnowar states:

"Since M. O. Coats has accepted the relocation allowance, his primary residence is at his home terminal, Kansas City, whether or not he rents or purchases a residence at that location."

"The Carrier has no right to reimbursement of the relocation allowance, nor does the Carrier have the right to stop payment on reverse held away from home terminal arbitrary payments."

A copy of Mr. Rightnowar's August 10, 2000 letter is attached hereto and marked **Carrier's Exhibit "J"**.

¹ **Carrier's Exhibit "C"**

During the Kansas City Hub negotiations, the issue of moving Jefferson City Engineers to Kansas City was a major concern for the Employees. Accordingly, the Carrier understood the Employees' concerns and agreed to eliminate Jefferson City through attrition. Each Engineer was given the option of remaining in Jefferson City or relocating to Kansas City. Engineers electing not to relocate to Kansas City would retain Jefferson City as their Home Terminal.²

If the framers of the Kansas City Hub Agreement had intended to pay engineers \$10,000 to \$30,000 for moving their home terminal from Jefferson City to Kansas City without requiring the employee to relocate they would have written it as such. Instead, the Agreement provides for a relocation allowance if required to relocate.³

This issue of what does a relocation mean has been addressed in numerous arbitration awards. In Special Board of Arbitration - NYD-217 Interpretation Case 1 between Union Pacific Railroad and Allied Services Division Transportation Communication Union, Arbitrator Edward L. Suntrup wrote:

"But, according to the Carrier, the question then becomes the following: What does a change of residence mean?"

"To answer this question the Carrier references arbitral precedent in this industry as follows:

"Award 220 of Special Agreement Board off the former CN&W concluded, in 1992, the change of residence can be determined by whether such change was 'temporary' or 'permanent', and by looking at the '...intention of the

² Side Letter 7, found on page 39 of Carrier's Exhibit "Z-9".

³ Article VII.B, found on page 23 of Carrier's Exhibit "Z-9".

transferred employee...'. That Award concluded, in citing also earlier Award 210 of that same Board, that if there is sufficient evidence that the change in residence was temporary, then moving benefits should not be paid.

"Award 18 of PLB 3399 off the SP also addresses the question of change of residence. It concludes, after citing the '...reputable authority...' of earlier Award 219 of PLB 1186, and of PLB 3096, that '...temporary commuting arrangements...' do not qualify as a change of residence. According to Award 18 of PLB 3389, '...renting a motel room for a few weeks...' would not '...support a claim for a transfer allowance...' under the Agreement at bar in that case.

"Along these same lines, Award 17 of PLB 4561, which was issued in 1992 and which was also off the UP, concluded that several rental checks are insufficient proof of a... 'change of residence...'. In Award 16 of that same Board the referee concluded that proof of purchase of a residence (assuming it was a bona fide transaction) is sufficient to show a change of residence and is sufficient for the Claimant, in this latter case, to have been eligible for relocation benefits.

"Award 7 of PLB 3096 held, in denying relocation benefits in that case, that '...a person establishes a residence when she or he takes all the overt measures that express an intent to establish a permanent home...' and that renting an apartment and commuting to one's home in another location is not sufficient proof that a residence has been established in the new location.

"Award 1 of PLB 4792, also off the ICG as was Award 7 of PLB 3096 cited in the immediate foregoing, concluded that if an employee physically moves to a new location, but '...with intent to maintain their principal place of residence at the original home...', such employee cannot be said to have changed their place of residence. This same Board also denied relocation benefits in Award 2 because the employee could not show that he ever intended to change his place of residence.

"In conclusion, after citing these Awards, the Carrier argues as follows:

'NYD-217 requires an employee to change their place of residence in order to be eligible for the moving benefits found therein. Merely 'pretending' to change one's place of residence does not grant the relocation benefits provided by the Agreement. If it had been the intent of the parties to allow moving benefits for these employees who temporarily change their place of residence, there would have been no

need to give homeowners a higher level of benefits than those benefits granted to renters. Homeowners certainly would not have incurred greater expenses in moving to a location for several months than renters.. It is the Carrier's position that each of the seven (7) Claimants in this case failed to demonstrate that they changed their place of residence... (after they exercised seniority to Hearne, Texas from their prior work points)'."

A copy of Special Board of Arbitration Case 1 is attached hereto and marked Carrier's Exhibit "Z-10".

The unifying principle that emerges from the above award is that, employees not permanently relocating to their new reporting location are not eligible for relocation provisions of New York Dock or "in lieu" of New York Dock relocation allowance.

**A BOARD ESTABLISHED UNDER THE PROVISIONS OF NEW YORK DOCK
IS NOT THE PROPER FORUM FOR THIS CASE TO BE ADJUDICATED**

Over the objection of the Carrier, the Organization pursued this claim to arbitration based on the fact that the STB imposed the New York Dock Conditions adopted by the ICC in Finance Docket No. 28220, 360.ICC60.

However, the facts of this claim and the specific language of the Kansas City Implementing Agreement does not support the conclusion.

Article VIII, Section B of the Kansas City Hub specifies how relocation will be handled. The language clearly states that "*engineers required to relocate under this Agreement will be governed by the relocation provisions of New York Dock.*" Based on

this language, New York Dock Condition prevail. However, the next sentence read as follows;

"In lieu of New York Dock provisions, an employee required to relocate may elect one of the following options..."
(emphasis added)

The Agreement allows employees to select New York Dock relocation benefits, if they desire. The Agreement also permitted engineers to accept an option outside the provisions of New York Dock. Once this "in lieu of" allowance was elected, the other condition involving New York Dock did not apply.

The Carrier's position is consistent with other BLE General Committees of Adjustment throughout the System. Attached for this Board's review (**Carrier's Exhibit "Z-11"**) is an E-mail from BLE General Chairman Dan W. Hannah advising that relocation disputes would be listed to SBA 180. Referee Dana Eischen agreed to take the cases under the "in lieu of" provision of the Hub Agreement. Their relocation language is identical to the language found in the Kansas City Hub Implementing Agreement.

Additionally, the Carrier's position is found in the position of former BLE International President Edward Dubroshi's letter to the Director of Arbitration Service, Roland Watkins, involving a non-New York Dock dispute.

In his letter of February 23, 2000, Mr. Dubroshi stated:

"The parties should not be allowed to conduct what should be negotiations under Section 6 of the Railway Labor Act as an orchestrated 'dispute' under the guise of New York Dock."

A copy of BLE President Dubroshi's February 23, 2000 letter is attached hereto and marked as **Carrier's Exhibit "Z-12"**.

It is apparent the Organization is erratic in what is New York Dock and what is not. However, the expressed statements of the former BLE International President and the action of other BLE General Committees, clearly show this is not a New York Dock dispute.

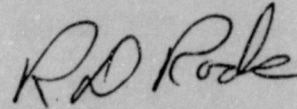
It is the Carrier's position this claim is improperly before this Board and should be dismissed.

CONCLUSION:

Based on the foregoing, the claim presented should be denied. Claimant did not relocate to Kansas City thus he did not meet the terms and conditions for "*in lieu*" of New York Dock Relocation as interpreted in conformity with the eight (8) Awards cited herein inevitably leads to denial of the instant case. Moreover, this claim is based on "*in lieu*" of New York Dock relocation provisions, therefore this is not the proper forum for this case to be adjudicated. In summary, there is no basis for payment of the claim presented.

All of the above, in substance, has been discussed with the Organization during the handling of this dispute on the property.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R.D. Rock". The signature is fluid and cursive, with the first name "R.D." and the last name "Rock" clearly distinguishable.

R. D. Rock
Director - Labor Relations
1416 Dodge St. - Room 332
Omaha NE 68179

January 20, 2003

APR 17 2000

J.W. SCHADE

HUB RELOCATION BENEFITS APPLICATION

(Kansas City Hub)
(Applicant Insert Name of Appropriate Hub)

\$30,000

4/17/00

Please accept this as my application for relocation benefits as set forth in the above referenced Article VII (B) Merger Implementing Agreement. I understand that my election herein is in lieu of actual relocation benefits provided under New York Dock. This election must be exercised within two (2) years from the date of implementation of this Agreement. (Except that Option 3 shall expire within five (5) years from implementation). Please check one of the following three options:

- ☐ Option 1: I am a non-owner and accept a \$10,000 allowance in lieu of New York Dock relocation benefits
- ☒ Option 2: I am a homeowner and accept a \$20,000 allowance in lieu of New York Dock relocation benefits.

If I have accepted Option 1 or 2, I understand that I must submit "proof of actual relocation" in order to receive the "in lieu of" allowance.

- ☒ Option 3: I am a homeowner and having sold my home, accept a \$10,000 allowance in addition to the \$20,000 allowance I shall receive under Option 2, for a total of a \$30,000 allowance.

If I have accepted Option 3, I understand that I must not only submit "proof of actual relocation" but in addition I must provide "proof of a bona fide sale" of my home at fair value in the form of sale documents, deeds, and filings of these documents with the appropriate agency in order to receive the "in lieu of" allowance.

In addition, I understand that in accepting any of the three options above, I will be required to remain at the new location, seniority permitting, for a period of two (2) years. Please fax or send this completed form to J. E. Cvetas, Manager-Labor Relations Program Administration, 1416 Dodge Street, Room 332, Omaha, NE 68179; fax (402)271-2463. Mr. Cvetas can also be reached by phone at (402)271-4577.

NAME Michael O. Coats SSN 490-56-9764

SIGNATURE Michael O. Coats

CRAFT Locomotive Engineer

DATE 3/31/00

OLD WORK LOCATION Jefferson City NEW WORK LOCATION Kansas City MCJ-024

AUREAPPLSAB(1)

CARRIER'S EXHIBIT

PAGE 1 OF 19

LABOR RELATIONS
UNION PACIFIC RAILROAD
1416 DODGE ST., RM. 323
OMAHA, NEBRASKA 68179

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Mike Coats, Vice General Chairman

Local Chairman, Division 609

3017 County Road 490

New Bloomfield, MO 65063

(573) 295-4811

Fax (573) 295-4942

REC'D

APR 18 2000

Labor Relations

April 5, 2000

Andrea Gansen, Director
Labor Relations, Union Pacific Railroad
1416 Dodge Street
Omaha, Nebraska 68179

Reference: Relocation allowance for Michael O. Coats (490-56-9764) pursuant to the Kansas City Hub Agreement.

Andrea,

It has come to my attention that you might need something more supportive for the sale of my residence than just a Deed Of Trust. Find enclosed settlement papers denoting price, etc. for the sale of my residence. Thanks again for your attention to my request.

Sincerely,

Michael Coats

Michael Coats

2338078

CARRIER'S EXHIBIT A

PAGE 2 OF 19

A. SETTLEMENT STATEMENT

U.S. Department of Housing
and Urban Development

OMB No. 2502-0265 (Exp. 02-28-97)

B. Type of Loan

1. ☐ FHA 2. ☐ FmHA 3. ☒ Conv. Unins.
4. ☐ VA 5. ☐ Conv. Ins.

6. File Number

BRYAN, ERIC J

7. Loan Number

0110461733

8. Mortgage Insurance Case Number

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. Name and Address of Borrower

ERIC J BRYAN
LESLIE M BRYAN

242 INDIAN MEADOW
JEFFERSON CITY, MO 65101

E. Name and Address of Seller

F. Name and Address of Lender

CENTRAL TRUST BANK

131 EAST MILLER STREET
JEFFERSON CITY, MO 65101

G. Property Location

242 INDIAN MEADOW
JEFFERSON CITY, MO 65101

H. Settlement Agent

The Central Trust Bank

I. Settlement Date

131 East Miller Street
Jefferson City, MO 65101

09/02/98

J. Summary of Borrower's Transaction

100. Gross Amount Due From Borrower

101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	1,983.16
104.	
105. Existing Liens	78,128.65

Adjustments for items paid by seller in advance

106. City/town taxes	to
107. County taxes	to
108. Assessments	to
109. P/O CITY NATIONAL	
110. \$66109.48	
111. P/O COMMERCIAL CREDIT	
112. \$12019.17	

120. Gross Amount Due From Borrower

80,111.81

K. Summary of Seller's Transaction

400. Gross Amount Due To Seller

401. Contract sales price	
402. Personal property	
403.	
404.	
405.	

Adjustments for items paid by seller in advance

406. City/town taxes	to
407. County taxes	to
408. Assessments	to
409.	
410.	
411.	
412.	

420. Gross Amount Due To Seller

200. Amounts Paid By Or in Behalf Of Borrower

201. Deposit or earnest money	
202. Principal amount of new loan(s)	77,400.00
203. Existing loan(s) taken subject to	
204. Other Financing	
205. Other Equity	
206. Costs Paid by Seller	
207.	
208.	
209.	

Adjustments for items unpaid by seller

210. City/town taxes	to
211. County taxes	to
212. Assessments	to
213.	
214.	
215.	
216.	
217.	
218.	

500. Reductions in Amount Due To Seller

501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	

Adjustments for items unpaid by seller

510. City/town taxes	to
511. County taxes	to
512. Assessments	to
513.	
514.	
515.	
516.	
517.	
518.	

CARRIER'S EXHIBIT

PAGE 3 OF 19

GENERAL WARRANT DEED

This Indenture, Made on the 8th day of January A.D. 1977
by and between JOHN BACKUES AND SHELBA BACKUES, HUSBAND AND WIFE

of the County of COLE in the State of Missouri, part les of the First Part and
MICHAEL O. COATS, A MARRIED PERSON

Grantees mailing address 242 INDIAN MEADOW JEFFERSON CITY, MISSOURI 65101

of the county of COLE in the State of Missouri, part y of the Second Part

WITNESSETH, That said part les of the First Part in consideration of the sum of
ONE DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION

to them paid by the said part y of the Second part, the receipt of which hereby acknowledged by
theses presents, GRANT, BARGAIN, AND SELL, CONVEY AND CONFIRM unto the said part y of the
Second Part his heirs and assigns, the following described lots, tracts or parcels of land lying, being and situate
in the County of Cole, State of Missouri to wit:

LOT NO. 1, BACKUES SUBDIVISION, IN THE CITY OF JEFFERSON, MISSOURI, PER
PLAT OF RECORD IN PLAT BOOK 11, PAGE 578, COLE COUNTY RECORDER'S OFFICE
SUBJECT TO RESTRICTIONS AND EASEMENTS OF RECORD.

PARCEL NO. _____

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, privileges, appurtenances
and immunities thereto belonging or in any wise appertaining, unto the said part y of the Second Part and unto
his heirs and assigns FOREVER, the said FIRST PARTIES
hereby covenanting that they are lawfully seized of an indefeasible estate in fee in the premises herein
conveyed; that they have good right to convey the same; that the said premises are free and clear of any
encumbrances done or suffered by them or those under whom they claim and that
they will warrant and defend the title to said premises unto said part y of the Second Part, and unto
his heirs and assigns FOREVER, against the lawful claims and demands of all persons whomsoever

IN WITNESS WHEREOF, the said parties of the First Part have hereunto set their hands
and seals the day and year first above written.

JOHN BACKUES

SHELBA BACKUES

CARRIER'S EXHIBIT A

PAGE 4 OF 19

STATE OF MISSOURI }
County of ColeOn this 25th day of January, 1993, before me personally appearedJOHN BACKUS AND SHELBA BACKUS, HUSBAND AND WIFE

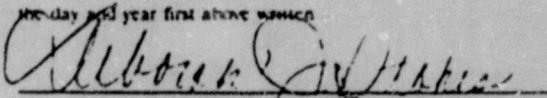
to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal

at my office in COLE COUNTY, MISSOURI

the day and year first above written

(NOTARY SEAL)

Deborah J. Stokes, Notary Public
Notary PublicMy commission expires 7-17, 1996STATE OF MISSOURI }
County of Cole

On this _____ day of _____, 19____, before me personally appeared

to me known to be the person _____ described in and who executed the foregoing instrument and acknowledged that _____ executed the same as _____ free act and deed. And the said _____

further declares _____ to be single and unmarried.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal

at my office in _____

the day and year first above written.

(NOTARY SEAL)

Notary Public

My commission expires _____, 19____

(Names must be typed or printed under all signatures)

FOR THE RECORDER

00295

STATE OF MISSOURI
COUNTY OF COLE
RECORDED#1200126
ETBJAN 21 PM 2 55
BOOK 345 PAGE 311
DE NEWSAM, RECORDER
Debra Nash
TREASURERCARRIER'S EXHIBIT APAGE 5 OF 19

GENERAL WARRANTY DEED

This Indenture, Made on the 14 day of Aug A.D. 1998
by and between Michael O. Coats, a single person

of the County of Cole in the State of Missouri, part Y of the First Part, and

Eric J. Bryan and Leslie M. Bryan, husband and wife

Grantees mailing address 242 Indian Meadow, Jefferson City, MO 65101

of the County of Cole in the State of Missouri, part ies of the Second Part.

WITNESSETH, That the said part Y of the First Part in consideration of the sum of

Ten Dollars and other valuable considerations ~~NECESSARY~~

to him paid by the said part ies of the Second part, the receipt of which is hereby acknowledged,

do by these presents, GRANT, BARGAIN, AND SELL, CONVEY AND CONFIRM unto the said

part ies of the Second Part, their heirs and assigns, the following described lots, tracts or parcels of

land lying, being and situate in the County of Cole, State of Missouri to wit

Lot No. 1, Buckues Subdivision, in the City of Jefferson, Missouri, per plat of record in Plat Book 11, page 578, Cole County Recorder's Office.

012107

STATE OF MISSOURI
COUNTY OF COLE
RECORDED ON

\$21.00
CTB

'98 AUG 17 PM 2 45
BOOK 400 PAGE 698
LARRY D. RADEMAN
RECORDER
Debra Nash
Debra Nash Deputy

PARCEL NO. _____

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereto belonging or in anywise appertaining, unto the said part ies

of the Second Part and unto their heirs and assigns FOREVER, the said

party of the first part hereby covenanting that he is lawfully

seized of an indefeasible estate in fee in the premises herein conveyed; that he

has good right to convey the same; that the said premises are free and clear of any incumbrances done or

suffered by him or those under whom he claims and that he will

warrant and defend the title to said premises unto the said part ies of the Second Part, and unto

heirs and assigns FOREVER, against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, the said part Y of the First Part has his hereunto set his hand and seal _____ the day and year first above written.

X Michael O. Coats
Michael O. Coats

CARRIER'S EXHIBIT A

PAGE 6 OF 19

STATE OF MISSOURI

County of Cole

On this _____ day of _____, 19____, before me personally appeared

and _____

his wife, to be known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal

at my office in _____
the day and year first above written.

(NOTARY SEAL)

Notary Public

My commission expires _____ 19____

STATE OF MISSOURI

County of Cole

On this 14 day of Aug, 1998, before me personally appeared

Michael O. Coats, a single person

to me known to be the person _____ described in and who executed the foregoing instrument and acknowledged

that he executed the same as his free act and deed. And the said

Michael O. Coats

further declares himself to be single and unmarried.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal

at my office in Jefferson City, MO
the day and year first above written.

(NOTARY SEAL)

Thomas S. Shimmens

Thomas S. Shimmens

Notary Public

My commission expires 1/4/2001 19____

(Names must be typed or printed under all signatures)

FOR THE RECORDER

CARRIER'S EXHIBIT A

PAGE 7 OF 19

Article VII B

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 appropriate 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 engineer be permitted to receive more than one (1) "in lieu of" relocation allowance under this Implementing Agreement.
6. Engineers 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 - SAVINGS CLAUSES

- A. The provisions of the applicable Schedule Agreement will apply unless specifically modified herein.
- B. It is the Carrier's intent to execute a standby agreement with the Organization which represents engineers on the former St. Joseph Union Terminal. Upon execution of that Agreement, said engineers will be fully covered by this Implementing Agreement as though the Organization representing them had been signatory hereto.
- C. Nothing in this Agreement will preclude the use of any engineers to perform work permitted by other applicable agreements within the new seniority districts described herein, i.e., yard engineers performing Hours of Service Law relief within the road/yard zone, pool and/or ID engineers performing

CARRIER'S EXHIBIT A

-24- PAGE 8 OF 19 Rev. 7/2/98

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

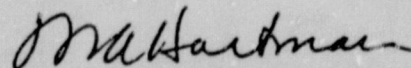
This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

In discussing the relocation benefits in Article VII 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 engineer meets the requisite test of having been "required to relocate",
2. The sale of the residence occurred at the same location where claimant was working immediately prior to implementation, and
3. The sale of the residence occurred after the date of this Agreement.

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

0J11 12:28 09/096 U7358 I650151 .ON NS291 BY TCS FROM H791863 (=MC) 0TE1381

CMS EMPLOYEE ADDRESS UPDATE

NAME: MO COATS

CURRENT ADDRESS: STREET 16008 E 28TH TERR. APT. 2207
CITY INDEPENDENCE
STATE MO ZIP CODE 64055 - 0000

ENTER DATA IN THE FIELDS THAT NEED TO BE CHANGED AND PRESS ENTER.
IF NO CHANGES REQUIRED, ENTER "Y" IN THE RETURN TO MAIN MENU OR PRESS
THE CLEAR KEY TO CLEAR THE SCREEN. (REMEMBER TO LOGOFF).

NEW ADDRESS: STREET
CITY
STATE ZIP CODE --

YOUR RECORDS WERE UPDATED WITH THE NEW ADDRESS ENTERED AS DISPLAYED IN THE
UPDATED ADDRESS FIELD ABOVE. ALL COMPANY CORRESPONDENCE WILL NOW BE SENT
TO THE ADDRESS ABOVE. IF THE ADDRESS IS INCORRECT, ENTER THE CORRECT DATA
IN THE FIELDS BELOW AND PRESS ENTER. WHEN FINISHED, KEY A "Y" AT RETURN.

PRINTER LATA: I650151
EOM

RETURN TO MAIN MENU ? N

CARRIER'S EXHIBIT A PAGE 10 OF 19

APARTMENT LEASE

Dated: 4-5-2000

THIS LEASE, entered into by and between the undersigned THE MANSION, (agent for) Owner, as Lessor, and the undersigned, MICHAEL COATS, as collectively, Lessee.

The Apartment shall be occupied solely for residential purposes by lessee and the following persons: NONE

Unless otherwise agreed to in advance in writing by Lessor, no other persons may occupy the Apartment.

LEASE TERM		MOVE-IN DATE	PRO-RATE (IF APPLICABLE)		APT. #	APT. TYPE	
FROM	TO		DUE DATE	AMOUNT			
5-15-2000	11-30-2000	5-15-2000	5-15	\$286.17	#2207	1-S	WASHINGTON
SECURITY DEPOSIT AMOUNT		ADDITIONAL DEPOSITS		MONTHLY RENT AMOUNT	COST OF RELET		
\$200.00		-0-		\$505.00	#429.25		

#2207

WITNESSETH: Lessor does hereby lease, demise and let the premises described as Apartment Number 16003 E. 28th Terrace located at Independence Missouri, together with the fixtures, carpeting and appliances therein (referred to herein as the "Apartment"), unto Lessee, for a term beginning May 15 ~~2000~~ and ending November 30 ~~2000~~, unless sooner terminated or extended as hereinafter provided.

IN CONSIDERATION WHEREOF, and of the covenants herein expressed and in reliance on statements made on the rental application by Lessee, it is covenanted and agreed as follows:

- 1. RENT.** Lessee agrees to pay Lessor as rent for the Apartment a monthly rent of \$ 505.00, in advance each month during the term of this Lease. All rental payments shall be made by Lessee to Lessor at the office of the Lessor specified at the end of this Lease, or at any other location designated by Lessor in writing. Lessee agrees to pay a prorated rental from commencement date to the first of the next month, \$ 286.17.

If actual commencement of occupancy of the Apartment is delayed because of construction or redecoration of the Apartment by Lessor, Lessor shall not be liable for damages by reason of such delay, but the rent will be abated per diem and prorated during such period of delay and such delay will not affect any of the other terms of this Lease, and Lessee shall pay pro-rata rent upon move-in. Cash payments for rent or other obligations shall not be acceptable without Lessor's prior written permission. All payments shall be made by personal check, money order or cashier's check.

Rent is due on or before the first day of each month without any grace period. Rent not paid before the 2nd of the month, and owner has not received written notice of intent to vacate, resident agrees to pay initial late charges of \$ 30.00 plus an addition of \$ 2.00 per day thereafter until paid in full. Daily late charges shall not exceed 30 days for any single month's rent. Lessee will pay \$ 25.00 charge for each returned check plus initial and daily late charges from the late date until acceptable payment is received in full. Lessor shall have the option at any time to require all rent and other sums payable in the form of money order or cashier's check. Cash will not be accepted without Lessor's prior written permission.

Any payments required to be made by Lessee under this Lease in addition to rent shall be deemed to be accrued additional rent, secured hereunder and payable to Lessor on demand. Lessee's covenant to pay rent and additional rent is and shall be independent of each and every other covenant of this Lease, and without right of set-off or deduction. In the event Lessee becomes indebted to Lessor for a non-rent obligation, Lessor may, in Lessor's sole discretion, apply any subsequent payment received from Lessee to the non-rent obligation.

CARRIER'S EXHIBIT A
PAGE 11 OF 19

4. **UTILITIES.** Lessor shall pay for the following (if checked): ☐ gas, ☐ electricity, ☐ telephone, ☐ water, ☒ sewer services, ☒ trash, ☐ cable TV. Lessor may elect to forfeit or terminate this Lease if Lessee fails or refuses to pay the charges for utility services as assessed or incurred. Under no circumstances shall Lessee cause or allow electrical service to be disconnected until the expiration of the lease term and any extension thereof.

5. **CONDITION OF PREMISES.** Lessee has inspected the Apartment and is satisfied with the physical condition thereof, and Lessee's taking possession of the Apartment shall be conclusive evidence that the same was in good condition and repair and complied with all building and occupancy laws. Lessee agrees that no representations as to the condition or repair of the Apartment have been made except as herein contained and that no promises to decorate, alter, repair or improve the Apartment prior to or during the term have been made, unless expressly set forth in writing by Lessor. Lessor and Lessee stipulate that a move-in inspection was conducted prior to occupancy by Lessee, that Lessor and Lessee were present at said inspection and that Lessor and Lessee signed the inspection. Within 48 hours after move-in Lessee shall note any additional defects on the inspection report and deliver a copy of the report to Lessor. Failure to notify Lessor of additional defects shall be deemed acceptance by Lessee of the condition of the premises subject to the initial inspection report. Lessor and Lessee shall return a copy of the move-in inspection report, as amended, if applicable. Lessee shall furnish replacement lightbulbs.

6. **CARE OF PREMISES.** Lessee shall take good care of the Apartment and its fixtures, furniture, and furnishings, and shall suffer no waste, and shall report promptly in writing to the manager when any equipment or fixture or portion of the Apartment is out of repair. Lessee shall be responsible for ordinary maintenance and repair of the Apartment, and for upkeep and maintenance of any patios, balconies or other areas reserved for the private use of Lessee. All plate and other glass now in the Apartment is at the risk of the Lessee, and if broken is to be replaced by and at the expense of Lessee. No alterations, additions or improvements in the Apartment or the building or grounds in the complex of which the Apartment is a part may be made by Lessee without the prior written consent of Lessor. All alterations, additions and improvements put in at the expense of Lessee shall become the property of Lessor and shall remain upon and be surrendered with the Apartment as part hereof at the termination of this Lease. If Lessor consents to any work, Lessee shall indemnify and hold Lessor harmless, against any and all claims, costs, damages, liabilities, and expenses (including attorney's fees) which may be brought or imposed against or incurred by Lessor in connection with such work. All mechanic's liens filed by reason of such work shall be discharged by Lessee, at his expense, within ten (10) days after filing.

Lessee shall be responsible and liable for any and all injury or damage done to the Apartment or to the building or complex in which the same is located or to the lawns, grounds, trees, shrubbery, sidewalks, and complex surrounding the building, or to any and all property of Lessor or other tenants caused by Lessee's acts or omissions, or by those of Lessee's family, servants, agents, guests, permittees, invitees, other persons or pets whom Lessee permits to be in, on or about the Apartment, building or complex, including injury or damage due to the operation, maintenance, or control of heating and cooling equipment, appliances, fixtures, and Lessee shall also be liable for damages due to the failure to maintain heat therein to prevent damage to the Apartment. The extent and amount of damages to be charged to the Lessee shall be determined by the Lessor and shall be payable on demand by Lessor. Should Lessor pay, or be required to pay, or have expense for any act or omission by virtue of Lessee's tenancy, or caused by, through or under Lessee, his family, servants, agents, guests, permittees, invitees, or others, then the same shall be paid by Lessee as accrued additional rent.

Upon vacating the Apartment, the Lessee shall so advise Lessor, surrender all keys therefore and return the Apartment undamaged, in good condition and clean, and have all furnishings, walls, carpeting, drapes, appliances, cabinets and floors therein clean and in good working order and all debris removed therefrom and thereabout. In the event Lessee does not leave the Apartment in the condition herein above described, any cost or expense Lessor may have, plus 15% overhead to put leased premises or furnished items used herein by Lessee in said condition, shall be paid by Lessee as accrued additional rent.

7. **RULES OR POLICIES.** Lessee, Lessee's guests and occupants shall comply with written apartment rules (including community policies) which shall be considered part of this lease. Lessor may make reasonable and lawful changes to written rules distributed and applicable to all units in the apartment community. Changes are effective immediately. Lessee agrees that the conduct of Lessee and Lessee's guests and occupants shall not be disorderly, boisterous, or unlawful; and shall not disturb the rights, comforts, or conveniences of other persons in or near the apartment community. Lessee shall be liable to Lessor for damages caused by Lessee or Lessee's guests or occupants. Sidewalks, steps, entrance halls, walkways and stairs shall not be obstructed or used for any purpose other than ingress or egress. The apartment and other areas which are reserved for Lessee's private use shall be kept clean and sanitary by Lessee. Lessor may regulate use of patios, balconies and porches. Garbage shall be disposed of only in appropriate receptacles. Any swimming pools, hot tubs, laundry rooms and other improvements...

CARRIER'S EXHIBIT A

PAGE 12 OF 19

REPAIRS AND MALFUNCTIONS. Lessee agrees to request all repairs and services to Lessor's designated representative. Lessee may not make repairs except by Lessor's written approval. Lessor shall have the right to temporarily turn off equipment and interrupt utilities to avoid damage to property or to perform repairs or maintenance which requires such interruption. In case of malfunction of utilities or damage by fire, water or similar cause, Lessee shall notify Lessor's representative immediately. In case of malfunction of air conditioning, heating or other equipment, Lessee shall notify Lessor's representative as soon as possible. Lessor shall act with diligence in making repairs and reconnections; and the lease shall continue and the rent shall not abate during such periods. If fire or catastrophic damages to the premises are substantial in the reasonable judgement of Lessor, Lessor may terminate this lease within a reasonable time by giving notice to Lessee. If the lease is so terminated, rent shall be prorated and the balance refunded along with all deposit(s), less lawful deductions.

RECREATIONAL FACILITIES. Lessee acknowledges that Lessee may use such recreational, laundry and other common facilities as may be provided by Lessor in and about the Apartment, at the sole discretion of Lessor. Lessee, so long as Lessee is not in default under this Lease, may use such facilities subject to the current Rules and Regulations as Lessor may from time to time promulgate. Recreational, laundry and/or other common facilities shall be used only by Lessee unless otherwise permitted, in writing, by Lessor. Any use thereof by Lessee, his family, guests, servants or others permitted by Lessee to be upon such facilities as aforesaid shall be at the sole risk of said Lessee.

The failure of Lessor to provide any operative recreational, laundry or other common facilities, due to fire, flood, accident, strike, weather conditions, subcontractor's failures or any other cause whatsoever including delays in the construction thereof or incident to the making of repairs, alterations, or improvements thereto, shall neither constitute a breach or default under this Lease, nor shall it affect any obligation or undertaking by Lessee, nor shall Lessor be held liable on such account.

Lessee agrees to sign Lessor's agreement regarding recreational facilities as a condition of Lessee's use of the facilities.

3. STORAGE. Lessor shall not be liable to Lessee or others for damage to property stored by Lessee, with or without Lessor's consent, in any storage space, locker or area provided in or about the leased premises, which damage may be caused by bursting pipes, sewer backup, leaking water, actions of third parties or other cause. Any property placed therein or thereabout by Lessee, or anyone under or through him, with or without the consent of Lessor, may be moved or removed by Lessor at any time in the event of an emergency without liability to Lessor.

14. ABANDONMENT OF PERSONAL PROPERTY. The Apartment is deemed abandoned if (1) Lessee appears to have moved out in Lessor's reasonable judgement because of substantial removal of clothes, furniture or personal belongings from the unit, and (2) either the move-out date has passed or no one has been in the dwelling unit for five (5) consecutive days while the rent is due and unpaid. Lessor may remove and dispose of such property as Lessor sees fit at Lessee's sole risk and cost without recourse by Lessee or any other person against Lessor, its agents, representatives or designees. Lessee, upon demand, shall pay to Lessor any and all expenses incurred by Lessor for the removal, disposal and/or storage of any such property.

15. SMOKE DETECTORS. Owner will provide smoke detectors, as mandated by state statute. Ownership maintains responsibility for testing smoke detectors prior to residency. After resident obtains possession of the apartment, he/she is responsible for replacing the smoke detector batteries unless the unit is electronically wired.

16. DEFAULT. Lessee hereby agrees that should Lessee fail to pay rent as due hereunder, or should Lessee, Lessee's guest or occupant violate any term, condition, covenant or agreement of this Lease, or violate the Rules and Regulations of Lessor then in effect, or abandon the apartment, then in any such event, Lessor may forfeit and cancel this Lease forthwith upon one (1) day's written notice to Lessee. Lessor may thereafter re-enter the Apartment pursuant to the provisions hereof. Such action shall in no way affect any obligation or undertaking hereunder by Lessee, nor shall receipt of rent after default or broken condition be a waiver of Lessor's right to declare a forfeiture hereunder. If this Lease is so forfeited or cancelled, or if Lessee moves, vacates, surrenders or abandons the Apartment while this Lease is in effect, Lessor may relet same for and on account of Lessee at any readily obtainable rental or terms. The proceeds of same shall first go to Lessor's expense or costs to get the Apartment ready to rent or lease, plus Lessor's leasing expenses, then to all other expenses incurred by Lessor as a result of such forfeiture, cancellation, move, vacation, surrender or abandonment of same. Since time, effort, and expenses of finding and processing a replacement are uncertain and difficult to ascertain (particularly those relating to inconvenience, paperwork, advertising, showing apartment, air conditioning and utilities for showing, checking prospects, office overhead, marketing costs, and locator service fees), it is agreed that such costs-of-reletting shall be 85% of the first full month's rent, such amount being reasonable under the

CARRIER'S EXHIBIT A

PAGE 13 OF 19

- 22. DEPOSIT RETURN.** After lawful deductions have been made, the balance of all security deposits and an itemized accounting of any deductions will be mailed to Lessee no later than 30 days after tenant has surrendered possession of premises except where otherwise provided by statute. "Surrender" shall occur on the occurrence of any one of the following events: (a) when all keys have been turned in, (b) when move-out date has expired and all Lessees and occupants have vacated, or (c) when it reasonably appears that all Lessees and occupants have permanently moved out.
- 23. MULTIPLE LESSEES OR OCCUPANTS.** Each Lessee (and each Lessee's share of the total security deposit) is liable for all obligations and sums due under the lease. Violation of the Lease by any Lessee, guest or occupant shall be considered a violation by all Lessees. Requests and notices from Lessor's representative to any Lessee constitutes notice to all Lessees and occupants. The balance of all security deposits may be refunded in one check jointly payable to all Lessees; and such joint refund check and/or itemization of deductions may be mailed to one resident only. Unless otherwise agreed in writing by Lessor and Lessees, security deposit(s) will not be refunded until all residents and occupants have surrendered possession of the apartment.
- 24. TERMINATION WITHOUT CAUSE BY LESSOR.** Lessee hereby acknowledges that Lessor reserves the right to terminate this Lease without cause, upon at least thirty (30) days prior written notice to Lessee.
- 25. ATTORNEY'S FEES.** Lessee shall pay Lessor as accrued additional rent, all Lessor's costs, expenses, and attorney's fees pertaining to the enforcement of the covenants and agreements of this Lease, whether or not suit is filed; said attorney's fees shall be one-third (1/3) of any sums found to be due to Lessor by Lessee, or a reasonable sum if no sums are due to Lessor by Lessee; however, in no event shall attorney's fees be less than \$300.00.
- 26. MISREPRESENTATION ON APPLICATION.** In the event resident shall make any misrepresentation in the Application for Apartment Lease, Lessor may treat same as a default under this lease.
- 27. QUIET ENJOYMENT.** Lessor covenants that if and as long as Lessee pays the rent, and performs all of the covenants and provisions hereof, Lessee shall quietly enjoy the leased premises, but Lessor shall not be responsible nor have any duty to remedy the acts or actions of other residents, their guests and occupants.
- 28. RENT PAYMENT-RESERVATION OF RIGHTS.** No payment by Lessee or receipt by Lessor of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check nor any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Lessor's acceptance of such check shall be under protest and with an explicit reservation of rights pursuant to Chapter 400 R.S. Mo.
- 29. NOTICES.** All notices and demands authorized or required to be given to Lessee by this lease or statute shall be served upon Lessee personally, or left with anyone at the premises over the age of fifteen (15) years, or by regular mail addressed to him at the leased premises, or posted on the front door of the premises. The date of mailing shall be the date of giving notice. Any notice by Lessee to Lessor shall be served in person or by registered or certified mail, addressed to lessor at the address designated at the end of this Lease, or at such other address designated by the Lessor in writing.
- 30. ASSIGNMENT, SUBLETTING AND RELETTING.** Lessee hereby agrees that Lessee shall not assign or sublease or permit others to occupy the premises, nor advertise same or place notices therefore, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Each prospective Assignee or Sublessee shall be required by Lessor to any assignment or subletting of the Apartment shall not constitute a waiver or release of Lessee or of any Assignee or Sublessee, immediate or remote, from any of the obligations or covenants to be kept and performed by Lessee shall be bound by all terms and conditions hereunder.
- 31. PARKING.** Lessor reserves the right to regulate or prohibit the use of all types of vehicle parking at or upon the Apartment or the building or the complex of which the Apartment forms a part, or private streets therein, and to specify use thereof. Unauthorized parking may be terminated by Lessor at any time by removing parked vehicles or property at the expense of anyone claiming or owning same, after notice of said removal shall have been attached to the windshield and rear window of said vehicle for a period of seven (7) consecutive days. It is agreed that neither Lessee nor anyone for, through or under

CARRIER'S EXHIBIT A

PAGE 14 OF 19

35. SMOKE DETECTOR/FIRE EXTINGUISHER EQUIPMENT CONDITION. Resident will inspect the smoke detector(s) and fire extinguisher(s) (applicable only if required by the municipality fire code) and report in writing to the management office any problems, defects, or malfunctions of said equipment. Failure to report, in writing, any problems, defects, or malfunctions will result in Resident's acknowledgement that equipment is in good working order and no action will be required by the Owner.

36. EQUIPMENT REPAIR AND/OR REPLACEMENT AFTER MOVE-IN. Resident agrees that it is their responsibility to regularly test the smoke detector(s). If there is a problem, defect, malfunction, or failure of the smoke detector(s) (including battery replacement), Resident agrees to notify Owner immediately in writing. The Owner will, within seven (7) days of receipt of such written notification, repair or replace the smoke detector(s), assuming the availability of labor and materials.

If the apartment is equipped with a fire extinguisher, Resident also agrees to notify the Owner, in writing, if the fire extinguisher has been used and needs to be recharged. The Owner will, within seven (7) days of receipt of such written notification, recharge or replace the fire extinguisher(s). Resident understands that the Owner will test the fire extinguisher(s) annually and replace or recharge as necessary.

In the event the existing smoke detector(s) or fire extinguisher(s) becomes damaged by Resident or Resident's guests, Resident agrees to reimburse the Owner for the cost of a new smoke detector and/or fire extinguisher, and the cost of installation.

37. OWNER'S DISCLAIMER. Owner is not the operator, manufacturer, distributor, retailer or supplier of the smoke detector(s) and/or fire extinguisher; Resident assumes full and complete responsibility for all hazards and risks attributable to, and/or connected with or in any way related to the operation, malfunction or failure of the smoke detector(s) and/or fire extinguisher, regardless of whether the malfunction or failure is attributable to, connected with, or in any way related to the use, operation, manufacture, distribution, repair, servicing or installation of the smoke detector(s) and/or fire extinguisher.

The Owner or its agents make no representations, warranties, or promises, whether oral or implied, or otherwise, to Resident regarding the smoke detector(s) and/or fire extinguisher, or the alleged performance of the same. Owner neither makes nor adopts any warranty of any nature regarding the smoke detector(s) and/or fire extinguisher, and expressly disclaims all warranties of fitness for a particular purpose of habitability, or any and all other expressed or implied warranties.

Resident agrees that the Owner shall not be liable for any damages or losses to person or property caused by (1) Resident's failure to regularly test the smoke detector(s); (2) Resident's failure to notify Owner of any problem, defect, malfunction, or failure of the smoke detector(s) and/or fire extinguisher; and/or (3) False alarms produced by the smoke detector(s).

38. GENERAL. No oral promises, representations or agreements have been made by Lessor or any Lessor's representative. This lease is the entire agreement between the parties. Lessor's representatives including management and leasing personnel, employees, and other agents have no authority to waive, amend or terminate this lease or any part of it and no authority to make promises, representations or agreements which impose duties of security or other obligations on Lessor or Lessor's representatives unless done in writing. ALL OF LESSEE'S STATEMENTS IN THE RENTAL APPLICATION WERE RELIED UPON BY LESSOR IN EXECUTING THIS LEASE, AND ANY MISINFORMATION THEREIN SHALL BE CONSIDERED CAUSE FOR TERMINATION BY LESSOR OF LESSEE'S RIGHT OF OCCUPANCY. Lessee may not withhold rent or offset against rent. All obligations under the lease are to be performed in the county where the apartment is located. Unless otherwise stated in this lease, all sums owed by resident are due upon demand. No waiver shall be deemed a lease modification or waiver of any subsequent violation, default or time or place of performance. Omission of initials on any page does not invalidate this lease. Any clause declared invalid by law shall not invalidate the remainder of the lease.

CARRIER'S EXHIBIT A

PAGE 15 OF 19

A. SETTLEMENT STATEMENT

U.S. Department of Housing
and Urban Development

OMB No. 2503-0266 (Exp. 02-28-97)

B. Type of Loan		6. File Number	7. Loan Number	8. Mortgage Insurance Case Number
1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FmHA 3. <input checked="" type="checkbox"/> Conv. Unins.		BRYAN, ERIC J	0110461733	
4. <input type="checkbox"/> VA 5. <input type="checkbox"/> Conv. Ins.				
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.s.s.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.				
D. Name and Address of Borrower		E. Name and Address of Seller		F. Name and Address of Lender
ERIC J BRYAN LESLIE M BRYAN 242 INDIAN MEADOW JEFFERSON CITY, MO 65101				CENTRAL TRUST BANK 131 EAST MILLER STREET JEFFERSON CITY, MO 65101
G. Property Location		H. Settlement Agent		
242 INDIAN MEADOW JEFFERSON CITY, MO 65101		The Central Trust Bank		
		I. Place of Settlement		J. Settlement Date
		131 East Miller Street Jefferson City, MO 65101		09/02/96

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract sales price		401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	1,883.18	403.	
104.		404.	
105. Existing Liens	78,128.85	405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109. P/O CITY NATIONAL		409.	
110. \$68109.48		410.	
111. P/O COMMERCIAL CREDIT		411.	
112. \$12010.17		412.	
120. Gross Amount Due From Borrower	80,111.81	430. Gross Amount Due To Seller	
200. Amounts Paid By Or In Behalf Of Borrower		500. Reductions in Amount Due To Seller	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	77,400.00	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. Other Financing		504. Payoff of first mortgage loan	
205. Other Equity		505. Payoff of second mortgage loan	
206. Costs Paid by Seller		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518. CARRIER'S EXHIBIT	
219.		519.	
220. Total Paid By/For Borrower	77,400.00	520. Total Reduction Amount Due Seller	

108. Assessments		408. Assessments	to
109. P/O CITY NATIONAL		409.	
110. \$86109.48		410.	
111. P/O COMMERCIAL CREDIT		411.	
112. \$12018.17		412.	
120. Gross Amount Due From Borrower	80,111.81	420. Gross Amount Due To Seller	
200. Amounts Paid By Or In Behalf Of Borrower		500. Reductions in Amount Due To Seller	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	77,400.00	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. Other Financing		504. Payoff of first mortgage loan	
205. Other Equity		505. Payoff of second mortgage loan	
206. Costs Paid by Seller		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes	to	510. City/town taxes	to
211. County taxes	to	511. County taxes	to
212. Assessments	to	512. Assessments	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	77,400.00	520. Total Reduction Amount Due Seller	
300. Cash At Settlement From/To Borrower		530. Cash At Settlement To/From Seller	
301. Gross Amount due from borrower (line 120)	80,111.81	531. Gross amount due to seller (line 420)	
302. Less amounts paid by/for borrower (line 220)	(77,400.00)	532. Less reductions in amt. due seller (line 520)	
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	2,711.81	533. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	

Previous Edition is Obsolete

HUD-1 (

ISC/CHRBXX//0208/HUD-1 (3-94)/LAREN

Page 1 of 2

RESPA, HB 4

CARRIER'S EXHIBIT

PAGE 17 OF 19

STB

FD-32760

06/10/03

D

208052

2 OF 16

L. Settlement Charges

700. Total Sales/Broker's Commission based on price \$

Division of Commission (line 700) as follows:

701. \$ to

702. \$ to

703. Commission paid at Settlement

704.

800. Items Payable in Connection With Loan

801. Loan Origination Fee 0.0000 % to CENTRAL TRUST BANK

802. Loan Discount %

803. Appraisal Fee to PROPERTY RESEARCH COMPANY

804. Credit Report to CREDCO

805. Lender's Inspection Fee

806. Mortgage Insurance Application Fee to

807. Assumption Fee

808. RURAL DEV. GUARANTEE FEE

809.

810.

811.

812. UNDERWRITING FEE

813.

814.

815.

816.

817.

900. Items Required By Lender To Be Paid In Advance

901. Interest from 09/08/98 to 10/01/98 @ 14.5768 /day

902. Mortgage Insurance Premium for months to

903. Hazard Insurance Premium for 1 year to STATE FARM

904. years to

905.

1000. Reserves Deposited With Lender

1001. Hazard Insurance 3 months @ \$ 29.00 per month

1002. Mortgage Insurance months @ \$ per month

1003. City property taxes months @ \$ per month

1004. County property taxes 12 months @ \$ 61.32 per month

1005. Annual assessments months @ \$ per month

1006. months @ \$ per month

1007. months @ \$ per month

1008. months @ \$ per month

1009. Aggregate adjustment

1100. Title Charges

1101. Settlement or closing fee to

1102. Abstract or title search to

1103. Title examination to

1104. Title insurance binder to

1105. Document preparation to

1106. Notary fees to

1107. Attorney's fees to

(includes above item numbers;

1108. Title Insurance to COLE COUNTY ABSTRACT AND TITLE

(includes above item numbers;

1109. Lender's coverage \$ 77,400.00 premium: 250.00

1110. Owner's coverage \$

1111.

1112.

1113.

1200. Government Recording and Transfer Charges

1201. Recording fees: Deed \$ 21.00 ; Mortgage \$ 33.00 ; Release \$ 21.00

1202. City/county tax/stamps: Deed \$; Mortgage \$

1203. State tax/stamps: Deed \$; Mortgage \$

1204.

1205.

Paid From
Borrowers'
Funds at
Settlement

Paid From
Sellers'
Funds at
Settlement

250.00

228.00

18.00

75.00

335.01

348.00 p.o.c.

87.00

735.84

86.99

250.00

75.00

CARRIER'S EXHIBIT

PAGE 18 OF

1101. Settlement or closing fee

to

1102. Abstract or title search

to

1103. Title examination

to

1104. Title insurance binder

to

1105. Document preparation

to

1106. Notary fees

to

1107. Attorney's fees

to

(includes above item numbers:

1108. Title insurance

to

COLE COUNTY ABSTRACT AND TITLE

250.00

(includes above item numbers:

1109. Lender's coverage

\$

77,400.00

premium: 250.00

1110. Owner's coverage

\$

1111.

1112.

1113.

1200. Government Recording and Transfer Charges

1201. Recording fee: Deed \$

21.00

; Mortgage \$

33.00

; Release \$

21.00

75.00

1202. City/county tax/stamps: Deed \$

; Mortgage \$

1203. State tax/stamps: Deed \$

; Mortgage \$

1204.

1205.

1300. Additional Settlement Charges

1301. Survey to

1302. Pest inspection to

1303.

1304. FLOOD CERTIFICATE

GE CAPITAL FLOOD SERVICES

18.00

1305.

1400. Total Settlement Charges (enter on line 103, Section J and 602, Section K)

1,983.18

LESLIE M. BRYAN

LESLIE M. BRYAN

CARRIER'S EXHIBIT

PAGE 19 OF 11

UNION PACIFIC RAILROAD COMPANY



1416 Dodge Street
Omaha, Nebraska 68179

June 2, 2000

110.61-20.326

Mr. M. O. Coats
3017 County Road 490
New Bloomfield, MO 65063

Z 453 485 977

Dear Sir:

An audit of the relocation payment made to you under the provisions of the Kansas City Hub Implementation Agreement revealed that you requested a relocation lump sum of \$30,000. Payment in the net amount of \$20,700.00 was made to you on April 17, 2000.

However, Carrier records indicate that you did not relocate to Kansas City. Instead, you have relocated back to the Jefferson City vicinity. The relocation allowance was not intended to be paid for employees who were not truly relocating their residence to Kansas City. As you have failed to comply with the conditions under which you were granted the relocation allowance, I have enclosed a repayment agreement for you to repay the net amount of \$20,700.00 as you have failed to relocate in accordance with the agreement. Due to this, your payment of reverse held-away benefits will cease immediately. To reimburse the Carrier for your improper request and receipt of this relocation lump sum, you must complete, sign and return the enclosed agreement for repayment to the Carrier within ten (10) days of receipt. Failure to do so will result in this office turning this matter over to auditors, special agents and the service unit for resolution.

Thank you for your attention in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Gansen".

Andrea Gansen
Assistant Director Labor Relations

Copy to: W. Scott Hinckley
Mike Scoggins

CARRIER'S EXHIBIT B
PAGE 1 OF 1

AGREEMENT FOR REPAYMENT

110.61-20.326

Mr. M. O. Coats
3017 County Road 490
New Bloomfield, MO 65063

I understand that I was incorrectly paid relocation of \$20,700.00. I agree to repay this amount to the Carrier as follows (select one):

- _____ By check for the full amount (enclose check and send via U.S. Mail)
- _____ Deduction of \$862.50 per pay period for twelve months
- _____ Deduction of \$575.00 per pay period for eighteen months

This deduction will commence at the first pay period following the date this Agreement is received by the Carrier.

Employee's Signature

Date

Send by fax to: Andrea Gansen
402/271-2463

or mail: 1416 Dodge Street
Room 332
Omaha, NE 68179

Upon receipt, copy to George Marshall for processing to Banking Department.

CARRIER'S EXHIBIT _____
PAGE 2 OF _____

REC'D

JUN 14 2000

Labor Relations

June 12, 2000

Ms. Andrea Gansen
Assistant Director Labor Relations
Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

Certified No. 7099 3220 0008 9757 2174

RE: Your Letter 110.61-326 Dated June 2, 2000 Concerning Relocation Benefits Paid To Me

Dear Andrea:

I would like to know which Carrier records indicate that I did not relocate to Kansas City per the provisions of the Kansas City Hub. I furnished your office with a signed lease on an apartment in Kansas City along with my relocation request. The lease is a valid document as per the provisions of the Kansas City Hub agreement. It was for a period of six months and renewable thereafter. I received payment denoted in your letter on April 27, 2000, and my lease period began on May 15, 2000.

How am I different from the many hundreds of engineers and trainmen that have taken these same relocation benefits in the various other hubs, as well as the Kansas City Hub? Does the Kansas City Hub agreement state that I have only two weeks to find another house or build one at the place I am relocating to? Does it state that I must immediately move all of my personal belongings to a storage site within the confines of the location I am moving to? Or, does the intent of the agreement give me the option to rent for a reasonable period of time until I can fully relocate to the Kansas City area?

As you know I am a BLE union representative and have been for the past 18 years. I have been involved in the negotiations for the Longview, North Little Rock/Pine Bluff, St. Louis, Kansas City, Salina, Southwest, and Dallas/Fort Worth Hubs. As First Vice General Chairman for the BLE-SSW General Committee, I have been immensely preoccupied with these negotiations as well as multiple other tasks related to my union position for the past three years. These duties continue to date. I suspect they will decrease or end in the near future which should allow more time to concentrate on finding a suitable place to relocate in the Kansas City area.

CARRIER'S EXHIBIT C

PAGE 1 OF 1

It was my intent to totally relocate to Kansas City in the future. However, I could not complete this move totally within the prescribed two-year period denoted in the "in lieu of" section pertaining to relocation allowance due to the above.

I therefore find your statements to be in error, your request for repayment of the relocation allowance unwarranted, and your denial of reverse held away from home terminal payments in violation of the Kansas City Hub agreement. Please arrange to have the held away from home terminal at Jefferson City reapplied to my job and forward a copy of this letter to the Carrier auditors. Further attempts to collect repayment of the relocation allowance and failure to pay other proper benefits of the Kansas City Hub agreement will be referred to my attorney.

Sincerely,

Michael O. Coats

Michael O. Coats

c: W. Scott Hinckley, Director
Labor Relations Southern Region

CARRIER'S EXHIBIT _____

PAGE 2 OF _____

UNION PACIFIC RAILROAD COMPANY

1416 Dodge Street
Omaha, Nebraska 68179



June 2, 2000

110.61-20.326

Mr. M. O. Coats
3017 County Road 490
New Bloomfield, MO 65063

Dear Sir:

I am in receipt of your letter, postmarked June 12, 2000, regarding my letter to you requesting repayment of the relocation allowance you received under the provisions of the Kansas City Hub Implementation Agreement in the net amount of \$20,700.

The Carrier records that indicate that you have not relocated to Kansas City include the fact that your home phone number remains in the 573 area code, which is for the Jefferson City area, not Kansas City nor Independence. The issue is not that you are renting at Kansas City rather than purchasing a house. Rental of a home or apartment is sufficient when all other aspects of residence are also present. However, given the fact that you still receive your phone calls at New Bloomfield, I cannot agree that you have fulfilled your obligation to make Kansas City your residence. In line with arbitral precedent, renting an apartment and commuting to one's home in another location is not sufficient proof that a residence has been established in the new location. It has been demonstrated that you intend 3017 County Road 490, New Bloomfield as your principal place of residence. Therefore, you cannot be said to have changed your place of residence pursuant to the terms and conditions of the Kansas City Hub Agreement. For your review, I have enclosed an arbitration award that clearly supports the Carrier's position in this matter.

I suggest that you give this matter further consideration. I will extend the time for receipt of the repayment agreement until June 26, 2000.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andrea Gansen", written over a horizontal line.

Andrea Gansen
Director Labor Relations

Copy to: W. Scott Hinckley
C. R. Rightnowar

CARRIER'S EXHIBIT

PAGE 1 OF 1

June 17, 2000

Ms. Andrea Gansen
Assistant Director Labor Relations
Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

REC'D

JUN 22 2000

Labor Relations

Certified No. 7009 3220 0008 9757 2181

RE. Your second letter dated June 2, 2000 replying to my letter postmarked June 12, 2000 concerning repayment of relocation allowance.

Andrea,

I fail to see how you could reply to my letter before it was even postmarked. I also wonder why you would carbon copy it to C. R. Rightnowar as he is not my General Chairman as of this date. Does this have anything to do with the upcoming election for General Chairman of the newly formed BLE Committee? Is Mr. Rightnowar putting pressure on you to harass me? I think that your singling me out of many would lend credence to that assumption. I would caution you that the Railway Labor Act forbids you from taking action of this nature against a Union Representative solely for the purpose of harassment. A phone number has nothing whatsoever to do with my relocating.

For your information, the phone number to which you refer is a cell phone number. It is the same cell phone number I have had for over a year. As I stated in my previous letter it was my intent to fully relocate to Kansas City in the future. I am still a union representative and I have numerous people that depend on me to represent them. These people all have my cell phone number and can reach me at anytime and anywhere in the continental United States. I have used this number for a backup number in Kansas City since I have had it. It is just like carrying a pager, but much more convenient. As I am trying to keep down costs at Kansas City at this time and since this phone has served me well in the past and since I still need it to communicate as a union representative I am using it as my primary phone while at Kansas City. If this falls outside the confines of New York Dock or in lieu of allowances in the Kansas City Hub Agreement, I fail to find where either say so.

Furthermore, your assumption that I would commute between Kansas City or Independence and Jefferson City between trips is ludicrous. Do you have any idea of the driving time or distance?

You have not given me a proper chance to demonstrate where I intend to live. You have set principles and guidelines for me that differ from those set for other individuals, not only in the Kansas City Hub but in the other Hubs I have been involved in, via negotiations. In short, you have raised the bar for me due to my being a union representative.

I again request that you return my job to the proper location and rescind your request for repayment of relocation allowance. I will continue to file time claims for the reverse HAHT at Jefferson City. Your continuance of this matter will be considered as a violation of the Railway Labor Act and I will take whatever action that may be required to protect my rights.

Sincerely,

Michael Coats

Michael Coats

c: W Scott Hinckley

CARRIER'S EXHIBIT

PAGE 1 OF 1

UNION PACIFIC RAILROAD COMPANY

1416 Dodge Street
Omaha, Nebraska 68179



June 26, 2000

110.61-20.326

Mr. M. O. Coats
3017 County Road 490
New Bloomfield, MO 65063

Dear Sir:

I am in receipt of your letter, postmarked June 19, 2000, regarding my letter to you requesting repayment of the relocation allowance you received under the provisions of the Kansas City Hub Implementation Agreement in the net amount of \$20,700. I apologize for any confusion that the typographical error on my June 14 letter (which was incorrectly dated June 2) may have caused you.

In addressing your concerns that General Chairman Rightnowar has received carbon copies of this correspondence to you, it has been my practice to copy General Chairmen when recollection letters are sent out. Accordingly, Mr. Rightnowar has received copies of letters concerning other engineers governed by the MP(UL) Agreement, just as Mr. Bill Slone receives copies of letters for employees under his Collective Bargaining Agreement. It is apparent by your letter that you are reading far too much into this practice. This recollection action has no relation to the upcoming election nor has Mr. Rightnowar put any pressure on this office to harass you. Furthermore, I can assure you that you are not being singled out in this instance. The Carrier is pursuing and has recollected improper payments from many employees, both in train and engine service. Contrary to your assertions, you are being held to no different standard than other employees who received relocation payments under the various hub agreements. Your position within the BLE Organization has no bearing in this matter.

The phone number to which I refer in my June 14 letter (which is listed as your home number in the Carrier's records) is (573) 295-4811. I do not believe that this is a cell phone number as this is the phone number on the letterhead of your April 5, 2000 letter to me which shows your address as 3017 County Road 490, New Bloomfield, Missouri. I would also like to note that you sent your June 12 letter in an envelope that was postmarked in Jefferson City, Missouri. The return address of your June 17 letter reads: "Mike & Cheri Coats, 3017 County Rd. 490, New Bloomfield, MO 65063." I cannot ignore this evidence that your principal residence is in New Bloomfield and that you have failed to relocate your principal residence to Kansas City. While you state that the Carrier has not given

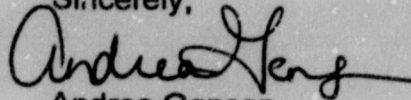
CARRIER'S EXHIBIT

PAGE 1 OF 2

you a proper chance to demonstrate where you intend to live, I cannot find any language to support that your "intention" meets the burden of proving relocation. The relocation agreement does not provide payment to persons "intending" to relocate, but only to those who actually relocate their residence.

As delineated above, I must find that you violated the terms of your relocation agreement and the hub agreement. As a result, your job will remain headquartered at Jefferson City. Furthermore, you should note that this situation has its genesis in the New York Dock Conditions and the hub agreement. Therefore, should you wish to pursue this matter, the proper forum for resolution of this issue is New York Dock arbitration.

Sincerely,



Andrea Gansen
Director Labor Relations

Copy to: W. Scott Hinckley
C. R. Rightnowar

CARRIER'S EXHIBIT

PAGE 2 OF 2

Michael O. Coats
3017 County Road 490
New Bloomfield, Missouri 65063
or
16008 E 28th Terr. Apt. 2207
Independence, Missouri 64055

REC'D
JUL 25 2000
Labor Relations

July 19, 2000

Ms. Andrea Gansen
Director Labor Relations
Union Pacific Railroad
1416 Dodge Street
Omaha, NE. 68179

Dear Andrea,

Again I must inquire as to which Carrier records you are referring when you state that my home telephone number of record is 573-295-4811. Enclosed for your ready reference is a copy of the =MC address information previously sent to your office, along with the request for relocation benefits denoted in Article VII of the Kansas City Hub Agreement. This is the same address and phone number that is currently on record with the Carrier. For further proof of Carrier record I submit a copy of the most recent 401K plan participation statement sent from Vanguard to the address listed under =MC and a copy of last pay period of April and first pay period of June sent to the address listed in =MC. Please note that phone number listed as primary phone number is 573-230-1138. Also see the note listed by CMS on attached ZB printout that denotes the 573-230-1138 works at both KC and JC. 573-295-4811 is not on this record and is only a secondary number while in Jefferson City for CMS convenience. You might check CMS records and see how many times I have been called at 573-295-4811 since my move to Kansas City. It would appear that your office is the only office connected to my employment at UP that does not recognize my new address in KC. In a certain way I am somewhat thankful for this as I will try to explain later in this letter.

Again I state there is nothing in either the Kansas City Hub Agreement or New York Dock that precludes me from continuing to have an address at Jefferson City in tandem with an address at Kansas City. I do not believe the Carrier has the right to dictate where I might have a second home or office. There are numerous people from all over the United States that have lake homes at the Lake of the Ozarks. Under your scenario would I be precluded from having a home at the Lake of the Ozarks the same as these other people? I think not.

CARRIER'S EXHIBIT 6
PAGE 1 OF 6

As stated in previous correspondence to your office, I still represent Engineers on this property and maintain numerous files regarding this representation as well as an office and office equipment at 3017 County Road 490 New Bloomfield, MO. 65063. I receive correspondence, not only from your office but also the BLE and various BLE Representatives around the country at this address. Being able to maintain this office until such time as I can complete my move to the Kansas City area makes my job as BLE Representative much easier. That is why I am grateful that your office continues to send correspondence regarding these Union matters to said address. Until such time as I can complete my move to Kansas City (which you are making unduly difficult) I will continue to send and receive said BLE and Labor Relations correspondence from said address.

Article VII Protective Benefits and Obligations Part A of the Kansas City Hub Agreement clearly provides that **all** engineers listed on the prior rights Kansas City Hub merged rosters shall be considered adversely affected by this transaction and are subject to all New York Dock protective conditions imposed by the STB.

Section B of the same Article VII allows for the "in lieu of" New York Dock provisions while B4 gives the Engineers only two (2) years from date of implementation to file for the "in lieu of" relocation allowances.

Side Letter No. 16 of the St. Louis Hub Agreement, as noted in Side Letter No. 7 of the Kansas City Hub Agreement gives the list of engineers the contractual right to relocate to Kansas City which would make Kansas City the home terminal for any or all engineers who elected to make the move. The agreement clearly states the Carrier's intent to have the home terminal for all crews in the JC-KC pool be Kansas City, and the agreement allows New York Dock conditions for said engineer or engineers identified on attachment D of the Kansas City Hub Agreement who elect to move their home terminal designation from Jefferson City to Kansas City.

I will state once again that I not only believe but can prove that you are indeed holding me to a different standard than others, not only in the Kansas City Hub, but other Hubs around the system.

For the above stated reasons and by the Agreements as quoted, your remarks regarding my telephone number and principal residence is not an issue and has no relevance in this matter. Your decision to move my home terminal from Kansas City to Jefferson City is a violation of the Agreements for which I will be filing claims.

CARRIER'S EXHIBIT _____

PAGE 2 OF 6

Furthermore I do not agree that this is a New York Dock issue for resolution by New York Dock arbitration. This is an agreement issue to be resolved under the Railway Labor Act comparable to the recent First Division arbitration case concerning claims for time train came to rest in the North Little Rock/Pine Bluff Hub Agreement. Obviously the Carrier was in agreement for resolution under the RLA in that case since they were party to the First Division handling.

If you are not in agreement, please advise date and time for conference to further discuss this matter. I am not opposed to a telephone conference.

Sincerely,

Michael O. Coats

Michael O. Coats

0311 13:26 00/002 U1325 I650151 .ON N9623 BY TCS FROM H150101 (-MD) DTG: 0311

CMS EMPLOYEE ADDRESS UPDATE

NAME: MO COATS

CURRENT ADDRESS: STREET 16008 E 28TH TERR. APT. 2207
CITY INDEPENDENCE
STATE MO ZIP CODE 64055 - 0000

ENTER DATA IN THE FIELDS THAT NEED TO BE CHANGED AND PRESS ENTER.
IF NO CHANGES REQUIRED, ENTER "Y" IN THE RETURN TO MAIN MENU OR PRESS
THE CLEAR KEY TO CLEAR THE SCREEN. (REMEMBER TO LOGOFF).

NEW ADDRESS: STREET
CITY
STATE ZIP CODE -

PRINTER LATA: I650151
EDH

RETURN TO MAIN MENU ? N

CARRIER'S EXHIBIT 6
PAGE 4 OF 6

CMS CHANGE HOME TERMINAL PHONE NUMBER

NAME: MD COATS

TELEPHONE NUMBER	DIS	B/F/V/D/T
AREA PREFIX NUMBER	IND	IND

CURRENT HOME 1:	573 - 230 - 1138	N	T
HOM 2:	572 - 635 - 6611	H	T
HOM 3:			

TO CHANGE/ADD PHONE NUMBER, INDICATE WHICH NUMBER BELOW (1,2,3).
ENTER NEW PHONE NUMBER, DISCLOSURE INDICATOR, AND DEVICE INDICATOR.

CHANGE/ADD PHONE NUMBER TO

TO DELETE PHONE NUMBER, INDICATE WHICH NUMBER BELOW (1,2 OR 3.)
YOU MUST KEEP AT LEAST ONE HOME TERMINAL PHONE NUMBER.
DELETE PHONE NUMBER

PRINTER LATA: 1650151
EQM

RETURN TO MAIN MENU? N

CARRIER'S EXHIBIT

PAGE 5 OF 6

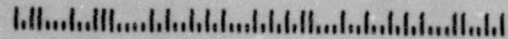


City of Independence Utilities

FOR SERVICE AT

APT 2207
16008 E 28TH TER SO

Z 13



COATS MIKE O
APT 2207
16008 E 28TH TER SO
INDEPENDENCE MO 64055-7508

06/16/2000

BILLING DATE

ACCESS CODE: 123406

RATE **RS4**

ACCOUNT NUMBER

0561-16008-0006-032

SERVICE CODES	SERVICE PERIOD		DAYS	METER READINGS		READ CODES	ELECTRIC MULTIPLIER	ELECTRIC DEMAND	USAGE KWH/CCF	AMOUNT
	FROM	TO		PRESENT	PREVIOUS					
E	05/16/00	06/09/00	24	39558	39252	RM	1		306	21.81
RESIDENTIAL ELECTRIC SERVICE/ALL ELECTRIC HOME										.33
SALES TAX										

ELEC AMT INCLUDES FUEL ADJUST FACTOR OF .012510CR TIMES KWH USED

AMOUNT NOW DUE

22.14

LAST YEAR'S BILLING	DAYS	USAGE KWH/CCF
E Electric		
W Water		

SERVICE CODES

E ELECTRIC
W WATER
S SEWER

READ CODES

RC READ BY CUSTOMER
RM READ BY METER READER
ES ESTIMATED
DR DESIGNATED READER

IF NOT RECEIVED BY

JUL 17 200

23.23

WILL BE DUE

PLEASE DETACH LOWER PORTION AT PERFORATION AND RETURN WITH PAYMENT OR IF PAYING IN PERSON - BRING ENTIRE BILL

CARRIER'S EXHIBIT

PAGE 6 OF 6

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
OMAHA, NEBRASKA 68179

August 3, 2000

110.61-20.326

Mr. M. O. Coats
3017 County Road 490
New Bloomfield, MO 65063

Dear Sir:

I am in receipt of your letter, postmarked July 22, 2000, regarding the Carrier's repeated requests for repayment of the relocation allowance you received under the provisions of the Kansas City Hub Implementation Agreement in the net amount of \$20,700.

The Carrier's PINS records still show your home telephone number as 573-295-4811. I am sure CMS has not called that number frequently as they usually contact you on your cell phone (573-230-1138, which is also a Jefferson City prefix). While you state your opinion that there is nothing in the hub agreement nor New York Dock Conditions that prevent you from having two addresses, arbitration awards on the subject differ from your opinion. The example of having a vacation home is not analogous to the facts in your situation. If you consider your apartment in Kansas City to be a second address, it is clearly not your primary residence. Furthermore, I cannot understand how the Carrier is hindering your move to Kansas City, as you have been paid a net amount of \$20,700 to do so. The Carrier does still send its correspondence on this matter to you at this address as you have indicated (by your return address and letterhead) that New Bloomfield is your principle place of residence.

While you state that Side Letter 16 of the St. Louis Hub and Side Letter 7 of the Kansas City hub give you the right to relocate to Kansas City, I am not arguing that you cannot relocate to Kansas City. However, you have failed to relocate your primary residence to Kansas City. Instead, you sold property you owned in Jefferson City and remained at your wife's residence in Jefferson City while renting an apartment in Kansas City. This is not relocation warranting payment of allowance under New York Dock Conditions nor the Hub Agreement. I will also note that the Carrier does not agree with your interpretation of Side Letter 7 concerning engineer prior rights to turns in the Jefferson City - Kansas City pool when they voluntarily relocate to Kansas City.

Despite your accusations of being held to a different standard than others who have allegedly relocated under hub agreements, my review of relocation

CARRIER'S EXHIBIT 4

PAGE 1 OF 2

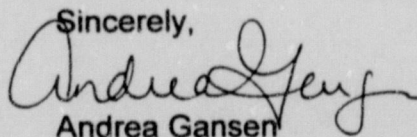
files does not indicate any special attention to your case. As a matter of information, you are not the only individual in the Kansas City – Jefferson City pool from who relocation allowance is being recollected. Furthermore, similar efforts are being made system-wide due to the incredible abuse of the relocation allowance provisions.

This matter is clearly governed by the dispute resolution mechanisms of the New York Dock Conditions. The entirety of your relocation and allowance has its genesis in the Hub Agreement created due to the Surface Transportation Board's decision in Finance Docket 32760, which applied New York Dock Conditions to the Union Pacific/Southern Pacific merger. I do not know what case you refer to at the First Division with reference to the North Little Rock/Pine Bluff Hub. If it deals with the time a train comes to rest, it sounds like a dispute over collective bargaining agreement language, clearly governed by the RLA dispute resolution process. Should you need further clarification, please review NRAB Second Division Award 13265. Additionally, I do not know of any New York Dock relocation dispute that has been adjudicated by the First Division. The Carrier reaffirms its positions that this matter must be progressed in accordance with the provisions of the New York Dock Conditions. I am agreeable to conference this claim with you, please contact me by phone (402/271-6607) to set up a mutually agreeable time and date.

Absent your agreement to set up a payment schedule for recollection, the Carrier will commence off-setting your TPA. Therefore, the amount of \$1,754.60 has been credited against your balance of \$20,700.00.

Finally, as a point of information, you should be aware that your General Chairman has asserted that it is not proper to treat engineers who have improperly received relocation allowances any differently than engineers who are charged with falsifying pay records.

Sincerely,

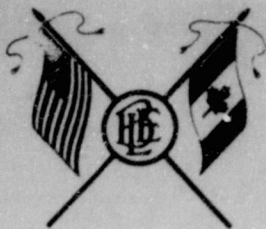


Andrea Gansen
Director Labor Relations

Copy to: W. Scott Hinckley
C. R. Rightnowar
Marilyn Ahart

CARRIER'S EXHIBIT 4

PAGE 2 OF 2



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Eastern Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

C.A. Rightnowar
GENERAL CHAIRMAN

D.W. Thurston
VICE-CHAIRMAN

C.A. Brand
SECRETARY-TREASURER



REC'D

AUG 15 2000

August 10, 2000

Labor Relations

CERTIFIED MAIL 204 525 668
RETURN RECEIPT REQUESTED

Ms. Andrea Gansen
Director-Labor Relations
Union Pacific Railroad Company
1416 Dodge Street, Room # 332
Omaha, Nebraska 68179-0323

Dear Ms. Gansen:

This is to acknowledge your letter to M.O. Coats, dated August 03, 2000 (**Provided for your ready reference as Attachment "1"**), copy to me. Please forward the letter from M.O. Coats to you, postmarked July 22, 2000, referenced in the first paragraph of your letter, as I did not receive a copy of same.

Please stand advised that the recognition clause contained in Article 40 c., MPUL Schedule Rules, recognizes that the General Chairman, who is the representative of the General Committee between sessions, is the only authorized representative to interpret the collective bargaining agreement. Further, as held by John B. LaRocco in Award No. 36, PLB 4264 (1994), settlements with Local Chairmen are always considered non-precedential and non-binding.

Further, while we agree with your interpretation of Side Letter No. 7 to the Kansas City Hub Implementing Agreement, i.e., that engineers accepting voluntary relocation allowances loose prior rights to turns in the Jefferson City-Kansas City Pool, as well as any other work originating in the Jefferson City area, we cannot agree that engineers accepting relocation allowances must purchase a home in the Kansas City area. There is no provision in the collective bargaining agreement that requires that homes be purchased, and renting an apartment is sufficient to show relocation. In addition, there is no prohibition against employees owning or renting two (2) homes, one at either end of the railroad, or any other location.

CARRIER'S EXHIBIT 2

PAGE 1 OF 3

Ms. Andrea Gansen

August 10, 2000

Page 2

We have many examples of engineers renting or owning private residences at the away from home terminal, *and the Carrier paying these engineers a portion of the cost of the Carrier provided lodging as a normal allowance on every round trip.* As such, there is no prohibition of maintaining private residences at the away from home terminal, nor is there is a prohibition against receiving mail at this private residence, or maintaining a telephone number at this private lodging. Since Jefferson City is now M.O. Coats' away from home terminal, he has every right to maintain a private residence at that location, receive mail and maintain a telephone number. This is a long-standing, common practice, and exists all over our entire system at away from home locations.

Since M.O. Coats has accepted the relocation allowance, his primary residence is at his home terminal, Kansas City, whether or not he rents or purchases a residence at that location.

The Carrier has no right to reimbursement of the relocation allowance, nor does the Carrier have the right to stop payment on reverse held away from home terminal arbitrary payments.

Please accept this as my claim on behalf of M.O. Coats for any monies improperly recouped from his relocation allowance, and for any monies improperly withheld from reverse held away from home terminal arbitrary payments due. Further, if any similar action is being conducted against any other engineer in Zone 3 of the Kansas City Hub, please accept this as my claim on their behalf for any monies improperly recouped from their relocation allowance, and any monies improperly withheld from reverse held away from home terminal arbitrary payments due.

Please advise as to the names of other engineers being treated in this manner.

This to confirm my verbal notice to you that the Carrier has waived its right to discipline any of these employees under the time limit for charging employees in the System Agreement - Discipline Rule, dated March 21, 1996. Marvin H. Hill, Jr., Referee in on-property Award No. 24851, N.R.A.B. (1st Div.), found, under similar circumstances, that the Carrier had breached this time limit rule, setting aside the discipline.

CARRIER'S EXHIBIT _____

PAGE 2 OF 3

Ms. Andrea Gansen
August 10, 2000
Page 3

I am agreeable to discussing this dispute in our scheduled meeting in Kansas City on August 21-22, 2000.

Please advise.

Yours truly,



Charles R. Rightnowar
General Chairman
Union Pacific - Central Region

cc: Ed Dubroski, ID Pres, BLE
Don Hahs, VP, BLE
Tom Pontollilo, ID, BLE
M.O. Coats, LC, BLE
H.D. Downing, LC, BLE
Harold Ross, Gen Counsel, BLE

CARRIER'S EXHIBIT 2
PAGE 3 OF 3

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
OMAHA, NEBRASKA 68179

August 15, 2000

110.61-20-326

Mr. C. R. Rightnowar
General Chairman BLE
320 Brookes Dr. Suite 115
Hazelwood, MO 63042

Dear Sir:

This letter refers to your letter dated August 10, 2000, regarding the Carrier's action to recollect the relocation allowance paid to Mr. M. O. Coats, as he failed to relocate pursuant to the agreement.

I have enclosed a copy of Mr. Coats letter for your review. While you state that only the General Chairman has authority to interpret the Collective Bargaining Agreement, you should recognize that this is an issue governed by the New York Dock Conditions. As such, an employee is certainly able to pursue his personal claims under New York Dock.

Furthermore, I cannot accept your conclusion that, since Mr. Coats has accepted the relocation allowance, his primary residence is now Kansas City. All other factors (mailing address, phone numbers, etc.) indicate that his primary residence is in New Bloomfield, not Kansas City. I agree that there is no prohibition against an employee having a place to stay at his away from home terminal, however, Mr. Coats instead has merely "a place to stay" at Kansas City, with his primary residence in New Bloomfield. Such a situation does not fall within the parameters of relocating under the hub agreement.

Your claim on behalf of M. O. Coats for "any monies improperly recouped from his relocation allowance, and for any monies improperly withheld from reverse held away from home terminal arbitrary payments due" is denied. Mr. Coats receives held away from home terminal at his *de facto* away from home terminal at Kansas City. The Carrier will not pay held away at Mr. Coats' *de facto* home terminal of Jefferson City. Furthermore, as I copy you on any correspondence dealing with relocation recollection on your territory, you are aware of any other engineers in the same circumstance as Mr. Coats.

Finally, your "verbal notice" that the Carrier has waived its right to discipline has no binding effect on the Carrier. At such time as the Carrier forwards notice to the "appropriate company officer" that the action to recollect

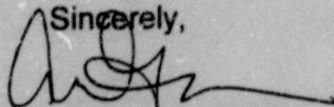
CARRIER'S EXHIBIT H

PAGE 1 OF 2

the relocation money needs to be taken at the service unit level, then disciplinary action may be deemed warranted and timely. First Division Award 24851 does not have application in the case of Mr. Coats, as the facts of the two situations are not remotely similar.

In closing, when you review Mr. Coats letter, you will notice that Mr. Coats has requested to handle this matter on his own behalf. Please advise.

Sincerely,



Andrea Gansen
Director Labor Relations

Copy to: W. S. Hinckley



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Central Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

REC'D
JUN 26 2001
Labor Relations

C.R. Rightnowor
GENERAL CHAIRMAN
R.E. Rhodes
1ST VICE-CHAIRMAN
T.H. Wells
2ND VICE-CHAIRMAN
C.R. Brand
SECRETARY-TREASURER



June 20, 2001

Via Facsimile - US Mail:

CERTIFIED MAIL 7000 1670 0005 1644 0504
RETURN RECEIPT REQUESTED

Ms. Catherine Sosso
Director - Labor Relations
Union Pacific Railroad Company
1416 Dodge Street, Room # 332

RE: **Relocation Claim of Engineers M.O. Coats and C.W. Kerr**

Dear Ms Sosso:

This has reference to our recent telephone discussions related to the Carrier's efforts to recover the relocation allowance paid to Engineers M.O. Coats and C.W. Kerr.

Without waiver of the position previously on the record that both engineers were properly entitled to the payment of the relocation allowance and all of the HAHT payments since the Carrier unilaterally returned these two (2) engineers to Jefferson City, and that all efforts to re-collect the relocation allowance are improper, the Carrier has been making deductions from both engineer's TPA payments attempting to recover the relocation monies.

Without waiver of any position of the Organization related to this dispute, this office has previously requested a status report as to how much money has been re-collected and current balance due, if any, for both Engineers Coats and Kerr. You advised that you had requested this information from Timekeeping Operations.

Please advise this office as to the current standing of both Mr. Coat's and Mr. Kerr's payroll records and specifically how much TPA was due each employee, each month since recollection efforts began, and specifically how much the Carrier has withheld each month, to date, in its improper efforts to re-coup the relocation allowance monies.

CARRIER'S EXHIBIT

PAGE

1

OF

2

Ms. Catherine Sosso

June 20, 2001

Page 2

In previous conversations, the Parties have agreed to submit this disputed issue to New York Dock Arbitration before John B. LaRocco. The Organization requests that the issue be submitted to Mr. LaRocco at the next available date.

I will provide you with a list of all relocation disputes the Organization desires to submit to New York Dock Arbitration. It appears that the number of relocation disputes cannot be handled on one docket.

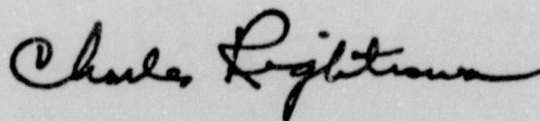
In addition, this office advised that it was still unclear which New York Dock issues to progress to your office and which New York Dock issues to progress to Ms. Ahart's office.

You advised that any claim, issue or dispute that related to NYD protective benefit payments, any issue that affected the calculation of NYD protective benefit payments, any issue that could result in an offset to NYD protective benefits or any issue that had any potential effect whatsoever, or any implication to the payment of New York Dock protective benefit payments, should be progressed to Ms. Ahart's office.

Only relocation allowance claims should be progressed to your office.

If I have misunderstood your comments, please advise to the contrary.

Yours truly,



Charles R. Rightnowar
General Chairman
Union Pacific -- Central Region



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Central Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

REC'D

SEP 10 2001

Labor Relations

C.R. Rightmower
GENERAL CHAIRMAN

R.E. Rhodes
1ST VICE-CHAIRMAN

T.H. Wells
2ND VICE-CHAIRMAN

C.R. Brand
SECRETARY-TREASURER



September 06, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7900 1670 0005 1644 0337

Ms. Catherine Sosso
Director – Labor Relations
Union Pacific Railroad Company
1416 Dodge Street, Room # 332
Omaha, Nebraska 68179-0323

RE: Relocation Allowance of Engineer M.O. Coats and C.W. Kerr

Dear Ms Sosso:

The Organization has previously requested by letter dated June 20, 2001 **(Provided for your ready reference as Attachment "1")** an accounting of the deductions taken from the TPA of Engineers M.O. Coats and C.W. Kerr in order to determine the current account balance.

Mr. Coats has personally requested a similar accounting by letter dated December 28, 2000 addressed to former General Director W.S. Hinckley **(Provided for your ready reference as Attachment "2")**.

As of this date, your office has not complied with these requests. The Organization will reiterate the request to provide a current account balance of deductions taken from the TPA of Engineers M.O. Coats and C.W. Kerr for a current standing.

The above is without waiver of the position of the Organization that both engineers are entitled to the payment of the NYD relocation allowance and all reverse HAHT associated with the relocation.

I have received no response from my June 20, 2001 letter. As you are well aware the Organization has been attempting to pursue this relocation issue since as early as November of 2000.

If you are unable to have discussion in an attempt to resolve this dispute, the Organization will be left with no choice but to avail itself to expedited NYD arbitration.

Ms. Catherine Sosso
September 05, 2001
Page 2

Please advise.

Yours truly,



Charles R. Rightnowar
General Chairman
Union Pacific – Central Region

cc: M.O. Coats, Engineer, BLE
C.W. Kerr, Engineer, BLE



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Eastern Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

C.R. Rightnowar
GENERAL CHAIRMAN

D.W. Thurston
VICE-CHAIRMAN

C.R. Brand
SECRETARY-TREASURER



June 20, 2001

Via Facsimile – US Mail:

CERTIFIED MAIL 7000 1670 0005 1644 0504
RETURN RECEIPT REQUESTED

Ms. Catherine Sosso
Director – Labor Relations
Union Pacific Railroad Company
1416 Dodge Street, Room # 332

RE: **Relocation Claim of Engineers M.O. Coats and C.W. Kerr**

Dear Ms Sosso:

This has reference to our recent telephone discussions related to the Carrier's efforts to recover the relocation allowance paid to Engineers M.O. Coats and C.W. Kerr.

Without waiver of the position previously on the record that both engineers were properly entitled to the payment of the relocation allowance and all of the HAHT payments since the Carrier unilaterally returned these two (2) engineers to Jefferson City, and that all efforts to re-collect the relocation allowance are improper, the Carrier has been making deductions from both engineer's TPA payments attempting to recover the relocation monies.

Without waiver of any position of the Organization related to this dispute, this office has previously requested a status report as to how much money has been re-collected and current balance due, if any, for both Engineers Coats and Kerr. You advised that you had requested this information from Timekeeping Operations.

Please advise this office as to the current standing of both Mr. Coat's and Mr. Kerr's payroll records and specifically how much TPA was due each employee, each month since recollection efforts began, and specifically how much the Carrier has withheld each month, to date, in its improper efforts to re-coup the relocation allowance monies.

CARRIER'S EXHIBIT _____

PAGE 3 OF 5

Ms. Catherine Sosso

June 20, 2001

Page 2

In previous conversations, the Parties have agreed to submit this disputed issue to New York Dock Arbitration before John B. LaRocco. The Organization requests that the issue be submitted to Mr. LaRocco at the next available date.

I will provide you with a list of all relocation disputes the Organization desires to submit to New York Dock Arbitration. It appears that the number of relocation disputes cannot be handled on one docket.

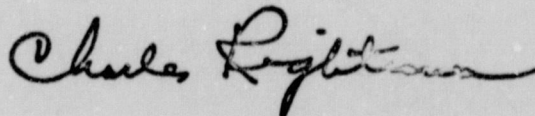
In addition, this office advised that it was still unclear which New York Dock issues to progress to your office and which New York Dock issues to progress to Ms. Ahart's office.

You advised that any claim, issue or dispute that related to NYD protective benefit payments, any issue that affected the calculation of NYD protective benefit payments, any issue that could result in an offset to NYD protective benefits or any issue that had any potential effect whatsoever, or any implication to the payment of New York Dock protective benefit payments, should be progressed to Ms. Ahart's office.

Only relocation allowance claims should be progressed to your office.

If I have misunderstood your comments, please advise to the contrary.

Yours truly,



Charles R. Rightnowar
General Chairman
Union Pacific - Central Region

CARRIER'S EXHIBIT 11
PAGE 4 OF 5

Michael O. Coats
3017 County Road 490
New Bloomfield, MO 65063
573-295-4811
573-230-1138
(fax) 573-295-4942

December 28, 2000

Mr. W. S. Hinckley
Director-Southern Region
Labor Relations
Union Pacific Railroad
1416 Dodge Street, Room 332
Omaha, NE 68179-0332

Dear Sir,

Per letter dated August 3, 2000, from Andrea Gansen the Carrier began offsetting my TPA in an effort to improperly recollect moneys paid to me under the provisions of the Kansas City Hub Agreement, specifically the relocation provisions of that agreement. To this date I have not been furnished with any further accounting as to how much the carrier has offset my TPA in the months of August through November 2000. I request that this information be supplied to date as well as future monthly offsets the Carrier takes against my TPA.

I also would like to have an accounting as to how the relocation payment is being treated in regards to W-2 earnings, Railroad Retirement taxes, State and Federal taxes, and 401k contributions for the year 2000.

By letter dated November 1, 2000, I have turned the appeal as to the propriety of the Carrier's complete disregard of my right under the Kansas City Hub Agreement to relocate to Kansas City, to C. R. Rightnowar, BLE General Chairman.

Your prompt attention to this matter would be greatly appreciated.

Sincerely,

Michael O Coats

Michael O. Coats

cc C.R. Rightnowar, BLE General Chairman

CARRIER'S EXHIBIT

PAGE 5 OF 5



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Central Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

C.A. Righthower
GENERAL CHAIRMAN
R.E. Rhodes
1ST VICE-CHAIRMAN
T.H. Wells
2ND VICE-CHAIRMAN
C.A. Brand
SECRETARY-TREASURER



REC'D
OCT 12 2001
Labor Relations

October 10, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7000 1670 0005 1644 0283

Ms. Catherine Sosso
Director-Labor Relations
Union Pacific Railroad Company
1416 Dodge Street, Room # 332
Omaha, Nebraska 68179-0323

Dear Ms. Sosso:

This has reference to our discussions related to our upcoming meeting in St. Louis, Missouri at the UP Building during the week of October 15, 2001.

The Parties agreed to conference various issues including NYD Relocation Allowances for various engineers during our upcoming conference.

The NYD Relocation Allowance claims that the Organization desires to conference includes, but is not limited to, the following:

M.O. Coats
D.E. Laudzers

C.W. Kerr
M.A. Katricka

S.O. Boykin
J.P. Severt

In addition, numerous individuals still do not have their TPA adjusted in accordance with the various Hub Agreements. The list of individuals requesting that their NYD TPA be adjusted include, but is not limited to, the following:

S.O. Boykin
L.S. Crafton, Jr.

E.D. Ivey
R.W. Durkin

K.G. Timmons

CARRIER'S EXHIBIT

PAGE 1 OF 2

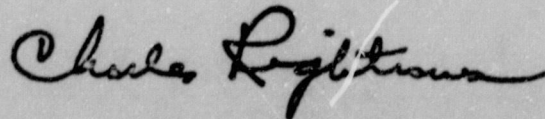
Ms. Catherine Sosso
October 10, 2001
Page 2

In previous correspondence, the Parties agreed to arbitrate the undisturbed rest dispute. Specifically, the issue of whether or not an engineer assigned to the GXB loses his incentive day and guaranteed days when he avails himself to undisturbed rest pursuant to the System Agreement. Please advise as to when the Carrier will be able to arbitrate this dispute.

Another dispute that needs to be listed for arbitration is the issue of who qualifies for the \$2.75 portion of the short crew allowance.

Please advise.

Yours truly,



Charles R. Rightnowar
General Chairman
Union Pacific - Central Region

TONY ZABAWA
General Director-
Timekeeping Operations

UNION PACIFIC RAILROAD COMPANY



1815 Capitol Avenue
Omaha, Nebraska 68102
Phone (402) 997-2000
Fax (402) 997-2365

October 11, 2000

Mr. Charles R. Rightnowar
General Chairman, BLE
320 Brookes Dr., Suite 115
Hazelwood, MO 63042

Dear Mr. Rightnowar:

This refers to your letter dated August 18, 2000, concerning held away from home terminal time and relocation allowances claimed for Zone 3 Kansas City Hub Engineers listed in your letter.

Currently Engineers L.D. Molloy, D. R. Snyder and A. L. Chachere are assigned to Kansas City turns and are receiving held away from home terminal time at Jefferson City. Engineers M. O. Coats and C. W. Ken are assigned to Jefferson City turns and are receiving held away from home terminal time at Kansas City per instructions from Labor Relations dated June 02, 2000. They are currently not entitled to held away time at other locations and any claims for normal or reverse held away addressed in your letter for these individuals is declined.

All claims for relocation allowances are handled directly through the office of Labor Relations and those claims addressed in your letter are declined. Any future questions concerning this subject should be addressed directly to Catherine Sosso, Director Labor Relations.

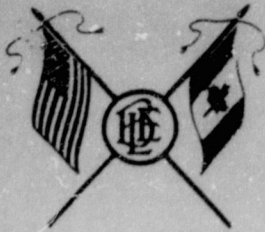
Based on the above, any claim mentioned in your letter dated August 18, 2000, must be respectfully declined.

Sincerely,

Tony Zabawa
General Director Timekeeping

Cc: Catherine Sosso - Director Labor Relations
Michael Stom - Director Timekeeping

CARRIER'S EXHIBIT _____ 0
PAGE _____ 1 OF _____ 2



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Eastern Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

C.R. Rightnowar
GENERAL CHAIRMAN

D.W. Thurston
VICE-CHAIRMAN

C.A. Brand
SECRETARY-TREASURER



August 18, 2000

CERTIFIED MAIL 7099 3400 0003 2972 2355
RETURN RECEIPT REQUESTED

A. A. Zabawa
General Director-Timekeeping Operations
1815 Capital Avenue
Omaha, NE 68102

Dear Mr. Zabawa:

Please accept this as our claim on behalf of the following Zone 3 Kansas City Hub Engineers for all monies improperly recouped from their relocation allowances, and for any monies improperly withheld from the reverse held-away-from-home terminal arbitrary payments due each:

M.O. Coats ✓	(SSN. 490-56-9764)	MX125	RE36	SW40	HS	MX283-M
L. D. Molloy	(SSN. 487-60-0637)	MX125	RE36	KS22	HS	MX125-M
D. R. Snyder	(SSN. 428-88-2388)	MX125	RE36	KS12	HS	MX125-M
* C. W. Kerr ✓	(SSN. 499-44-8247)	MX125	RE36	UP186-2400	HS	MX125-M
* A. L. Chachere	(SSN. 513-78-2832)	MX125	RE36	K133	HS	MX125-MX

If any of the above-named Engineers have been refused a relocation allowance, please accept this as our claim on behalf of that Engineer for his relocation allowance.

Please advise.

ON ATTACHMENT "D" = *

Sincerely,

Charles R. Rightnowar

CARRIER'S EXHIBIT

2 OF 2

REC'D

JAN 03 2001

Labor Relations

Michael O. Coats
3017 County Road 490
New Bloomfield, MO 65063
573-295-4811
573-230-1138
(fax) 573-295-4942

December 28, 2000

Mr. W. S. Hinckley
Director-Southern Region
Labor Relations
Union Pacific Railroad
1416 Dodge Street, Room 332
Omaha, NE 68179-0332

Dear Sir,

Per letter dated August 3, 2000, from Andrea Gansen the Carrier began offsetting my TPA in an effort to improperly recollect moneys paid to me under the provisions of the Kansas City Hub Agreement, specifically the relocation provisions of that agreement. To this date I have not been furnished with any further accounting as to how much the carrier has offset my TPA in the months of August through November 2000. I request that this information be supplied to date as well as future monthly offsets the Carrier takes against my TPA.

I also would like to have an accounting as to how the relocation payment is being treated in regards to W-2 earnings, Railroad Retirement taxes, State and Federal taxes, and 401k contributions for the year 2000.

By letter dated November 1, 2000, I have turned the appeal as to the propriety of the Carrier's complete disregard of my right under the Kansas City Hub Agreement to relocate to Kansas City, to C. R. Rightnowar, BLE General Chairman.

Your prompt attention to this matter would be greatly appreciated.

Sincerely,

Michael O. Coats

Michael O. Coats

.cc C.R. Rightnowar, BLE General Chairman

CARRIER'S EXHIBIT

PAGE 1 OF

3

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
OMAHA, NEBRASKA 68179

August 3, 2000

110.61-20.326

Mr. M. O. Coats
3017 County Road 490
New Bloomfield, MO 65063

Dear Sir:

I am in receipt of your letter, postmarked July 22, 2000, regarding the Carrier's repeated requests for repayment of the relocation allowance you received under the provisions of the Kansas City Hub Implementation Agreement in the net amount of \$20,700.

The Carrier's PINS records still show your home telephone number as 573-295-4811. I am sure CMS has not called that number frequently as they usually contact you on your cell phone (573-230-1138, which is also a Jefferson City prefix). While you state your opinion that there is nothing in the hub agreement nor New York Dock Conditions that prevent you from having two addresses, arbitration awards on the subject differ from your opinion. The example of having a vacation home is not analogous to the facts in your situation. If you consider your apartment in Kansas City to be a second address, it is clearly not your primary residence. Furthermore, I cannot understand how the Carrier is hindering your move to Kansas City, as you have been paid a net amount of \$20,700 to do so. The Carrier does still send its correspondence on this matter to you at this address as you have indicated (by your return address and letterhead) that New Bloomfield is your principle place of residence.

While you state that Side Letter 16 of the St. Louis Hub and Side Letter 7 of the Kansas City hub give you the right to relocate to Kansas City, I am not arguing that you cannot relocate to Kansas City. However, you have failed to relocate your primary residence to Kansas City. Instead, you sold property you owned in Jefferson City and remained at your wife's residence in Jefferson City while renting an apartment in Kansas City. This is not relocation warranting payment of allowance under New York Dock Conditions nor the Hub Agreement. I will also note that the Carrier does not agree with your interpretation of Side Letter 7 concerning engineer prior rights to turns in the Jefferson City - Kansas City pool when they voluntarily relocate to Kansas City.

Despite your accusations of being held to a different standard than others who have allegedly relocated under hub agreements, my review of relocation

CARRIER'S EXHIBIT

PAGE 2 OF

P

3

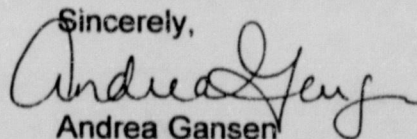
files does not indicate any special attention to your case. As a matter of information, you are not the only individual in the Kansas City - Jefferson City pool from who relocation allowance is being recollected. Furthermore, similar efforts are being made system-wide due to the incredible abuse of the relocation allowance provisions.

This matter is clearly governed by the dispute resolution mechanisms of the New York Dock Conditions. The entirety of your relocation and allowance has its genesis in the Hub Agreement created due to the Surface Transportation Board's decision in Finance Docket 32760, which applied New York Dock Conditions to the Union Pacific/Southern Pacific merger. I do not know what case you refer to at the First Division with reference to the North Little Rock/Pine Bluff Hub. If it deals with the time a train comes to rest, it sounds like a dispute over collective bargaining agreement language, clearly governed by the RLA dispute resolution process. Should you need further clarification, please review NRAB Second Division Award 13265. Additionally, I do not know of any New York Dock relocation dispute that has been adjudicated by the First Division. The Carrier reaffirms its positions that this matter must be progressed in accordance with the provisions of the New York Dock Conditions. I am agreeable to conference this claim with you, please contact me by phone (402/271-6607) to set up a mutually agreeable time and date.

Absent your agreement to set up a payment schedule for recollection, the Carrier will commence off-setting your TPA. Therefore, the amount of \$1,754.60 has been credited against your balance of \$20,700.00.

Finally, as a point of information, you should be aware that your General Chairman has asserted that it is not proper to treat engineers who have improperly received relocation allowances any differently than engineers who are charged with falsifying pay records.

Sincerely,



Andrea Gansen
Director Labor Relations

Copy to: W. Scott Hinckley
C. R. Rightnowar
Marilyn Ahart

CARRIER'S EXHIBIT

PAGE 3 OF 3

Michael Coats
3017 County Road 490
New Bloomfield, MO 65063
573-295-4811
573-230-1138
(fax) 573-295-4942

January 18, 2001

Charles R. Rightnowar
General Chairman - BLE
320 Brookes Drive, Suite 115
Hazelwood, MO 63042

Dear Sir and Brother,

Enclosed are the respective dates and hours of HAHT for both myself and Engineer CW Kerr as requested by your office. These will give you a number to reflect upon when discussing our case with the Carrier.

You should also note and take into consideration the Carrier is offsetting my TPA on a monthly basis to recoup the moving allowance paid to me. This amount should also be included in the arguments on my behalf. The Carrier is not offsetting Engineer Kerr's TPA at this time. I have written the Carrier a letter requesting the amounts they have offset my TPA and as of this date have not received a reply.

Thanks in advance for your prompt attention to this mater.

Fraternally,

Michael Coats

Michael Coats

CARRIER'S EXHIBIT

PAGE

1 OF

Q

06/04/00	18'30"
06/16/00	29'25"
06/28/00	53'45"
06/30/00	14'00"
07/02/00	07'40"
07/15/00	06'20"
07/18/00	23'40"
07/20/00	06'10"
07/22/00	01'05"
07/25/00	14'45"
08/31/00	03'15"
09'03/00	16'30"
09/14/00	08'50"
09/29/00	13'15"
10/02/00	32'36"
10/04/00	15'45"
10/11/00	06'15"
10/14/00	02'35"
10/16/00	19'55"
10/19/00	13'50"
10/22/00	15'00"
10/24/00	13'47"
10/26/00	09'15"
10/29/00	11'55"
11/06/00	16'50"
11/08/00	02'15"
11/10/00	01'35"
11/13/00	19'25"
11/16/00	20'00"
11/26/00	15'45"
11/28/00	19'20"
12/05/00	13'01"
12/08/00	13'35"
12/10/00	16'30"
12/13/00	21'35"
12/15/00	10'05"
12/18/00	23'30"
12/21/00	12'55"
12/29/00	08'15"
01/06/01	07'10"
01/08/01	09'40"
01/11/01	18'50"

Total of 608'54" times \$19.92 = \$12,129.29 through 01/11/01 for Michael Coats

CARRIER'S EXHIBIT

PAGE 2 OF 4

Q

SLIP #, DATES, FOR REVERSE LODGING NOT PAID FOR C W KERR BEGINNING 06/21/0

SLIP #	DATE	OFF DUTY	CLAIMED
621	06 21 00	32 hrs 16 mins	16 hrs 16 mins
625	06 25 00	23 hrs 40 mins	7 hrs 40 mins
627	06 27 00	27 hrs 10 mins	11 hrs 10 mins
630	06 30 00	33 hrs 11 mins	17 hrs 11 mins
705	07 05 00	45 hrs 16 mins	29 hrs 16 mins
707	07 07 00	30 hrs 41 mins	14 hrs 41 mins
710	07 11 00	28 hrs 45 mins	12 hrs 45 mins
712	07 13 00	33 hrs 10 mins	17 hrs 10 mins
715	07 15 00	24 hrs 45 mins	8 hrs 45 mins
717	07 17 00	34 hrs 18 mins	18 hrs 18 mins
720	07 20 00	25 hrs 20 mins	9 hrs 20 mins
724	07 25 00	29 hrs 55 mins	13 hrs 55 mins
803	08 07 00	22 hrs 20 mins	6 hrs 20 mins
805	08 08 00	21 hrs 40 mins	5 hrs 40 mins
807	08 08 00	17 hrs	1 hr
810	08 11 00	30 hrs	14 hrs
816	08 17 00	36 hrs 35 mins	20 hrs 35 mins
819	08 19 00	27 hrs 05 mins	11 hrs 05 mins
821	08 22 00	29 hrs 49 mins	13 hrs 49 mins
824	08 25 00	31 hrs 25 mins	15 hrs 25 mins
826	08 27 00	25 hrs 15 mins	9 hrs 15 mins
929	08 29 00	28 hrs 50 mins	12 hrs 50 mins
831	09 01 00	19 hrs	3 hrs
927	09 27 00	24 hrs 50 mins	8 hrs 50 mins
929	09 30 00	20 hrs 10 mins	4 hrs 10 mins
1002	10 02 00	31 hrs 11 mins	15 hrs 11 mins
1004	10 05 00	36 hrs	20 hrs
1007	10 08 00	33 hrs 30 mins	17 hrs 30 mins
1009	10 10 00	24 hrs	8 hrs
1011	10 13 00	21 hrs 35 mins	5 hrs 35 mins
1019	10 20 00	30 hrs 35 mins	14 hrs 35 mins
1022	10 22 00	28 hrs 15 mins	12 hrs 15 mins
1024	10 24 00	29 hrs 28 mins	13 hrs 28 mins
1107	11 01 00	34 hrs 35 mins	18 35 mins
1103	11 04 00	35 hrs 50 mins	19 hrs 50 mins
1106	11 06 00	33 hrs 20 mins	17 hrs 20 mins
1108	11 09 00	26 hrs 50 mins	10 hrs 50 mins
1113	11 13 00	38 hrs 25 mins	22 hrs 25 mins
1116	11 16 00	36 hrs 35 mins	20 hrs 35 mins
1118	11 18 00	19 hrs	3 hrs
1121	11 21 00	35 hrs 50 mins	19 hrs 50 mins
1123	11 23 00	21 hrs 35 mins	5 hrs 35 mins
1126	11 26 00	32 hrs 15 mins	16 hrs 15 mins
1128	11 28 00	27 hrs 40 mins	11 hrs 40 mins
1130	12 01 00	27 hrs 45 mins	11 hrs 45 mins

CARRIER'S EXHIBIT

PAGE 3 OF 4

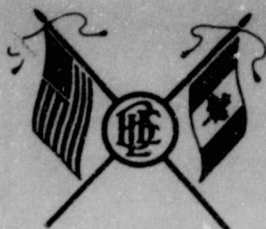
1103	12 03 00	27 hrs 10 mins	11 hrs 10 mins
1205	12 05 00	34 hrs 25 mins	18 hrs 25 mins
1208	12 08 00	30 hrs 05 mins	14 hrs 05 mins
1215	12 16 00	26 hrs	10 hrs
1218	12 18 00	27 hrs 50 mins	11 hrs 50 mins
1221	12 21 00	28 hrs 10 mins	12 hrs 10 mins
1228	12 29 00	17 hrs 50 mins	1 hr 50 mins
101	01 01 01	51 hrs 05 mins	35 hrs 05 mins
104	01 04 01	40 hrs 10 mins	24 hrs 10 mins
108	01 06 01	24 hrs	8 hrs
108	01 09 01	25 hrs 05	9 hrs 05 mins

THIS IS A LIST TO THIS DATE 01 10 01

TOTAL TIME 754 HRS 30 MINS TIMES \$19.92 PER HOUR = \$15,029.94

CARRIER'S EXHIBIT _____

PAGE 4 OF 4



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Central Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

C.R. Rightnowor
GENERAL CHAIRMAN
R.E. Rhodes
1ST VICE-CHAIRMAN
T.H. Wells
2ND VICE-CHAIRMAN
C.R. Brand
SECRETARY-TREASURER



January 12, 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7001 1140 0001 0835 1341

Ms. Catherine Sosso
Director-Labor Relations
Union Pacific Railroad Company
1416 Dodge Street, Room # 332
Omaha, Nebraska 68179-0323

Dear Ms Sosso:

This will acknowledge receipt of your letter dated December 28, 2001 (**Carrier File No. 110.61-21-326 and 110.61-20-326, 360-7**) (**Provided for your ready reference as Attachment "1"**) referencing the Parties conference and subsequent discussions of the claims for the relocation allowance of Engineer M.O. Coats and Engineer C.W. Kerr as set forth in the Kansas City Hub Merger Implementing Agreement. Pursuant to the Kansas City Hub Merger Implementing Agreement, claim has also been made for payment of all held-away-from-home terminal payments, for both engineers, associated with the relocation from Jefferson City to Kansas City, as provided in the Kansas City Hub Merger Implementing Agreement.

The version of events stated in your December 28, 2001 letter are an inaccurate depiction of the conference of these claims and our subsequent meeting and discussion of the two (2) claims in your Omaha, Nebraska, office on December 07, 2001. When these two claims, and others relocation claims, were conferenced in St. Louis, Missouri, on October 15, 2001, the Organization provided all the documentation supporting the claims for your review and consideration. During our conference discussions, you advised that upon your return to Omaha you would discuss the claims with Mr. Meredith and make an offer to resolve the claims on property.

Our discussions on December 07, 2001, was to discuss a possible settlement offer for the claims, promised in St. Louis on October 15, and not for re-conferencing of the claims. You are

correct when stating that during these discussions the Organization did not bring its entire file related to the claims to your Omaha office. During our discussions on December 07, 2001, you made no settlement offer and advised that you had yet to discuss a potential settlement offer with Mr. Meredith.

The Parties have discussed these two (2) claims, with numerous conferences, for more than a year. Each time the discussions were had, you advised that you were going to make a settlement offer. Subsequent to your statements that you were going to make a settlement offer, no offer was forthcoming. In order to achieve a resolution of the two (2) claims referenced above, and other NYD relocation allowance claims, and after the promised settlement offers had been made after almost a year of promises, the Organization properly filed for New York Dock arbitration seeking a final resolution of the claims. It appears that your office is determined to delay final resolution of this matter as long as possible. The Organization seeks resolution.

Further, the Carrier has refused to pay NYD protective benefits to Engineer M.O. Coats in its efforts to improperly seek restitution of the relocation allowance previously paid. After numerous requests, both by this office and Mr. Coats personally, for a current status report as to how much had been deducted, your office has yet to give this office, or Mr. Coats, a current accounting of how much money has been deducted from Mr. Coats entitled NYD protective payments. Identical requests, without a current account status provided, have been made for Engineer C.W. Kerr.

Additionally, this office has requested documentation as to how much HAHT has been declined for both engineers since the Carrier took the position that both engineers were not entitled to the relocation allowance and began their efforts at re-collection and began declining entitled HAHT payments at Jefferson City. Engineer Coats and Kerr are entitled to the payment of HAHT at Jefferson City pursuant to the Kansas City Hub Merger Implementing Agreement. Your office has provided no accounting, although requested on numerous occasions, for the HAHT declined for both engineers at Jefferson City.

Without waiver of the above and without waiver of any position set forth by the Organization related to these claims, and other disputed NYD relocation allowance claims, the following documentation is provided for your review.

A sampling of timeslips filed verifying how much HAHT Engineer M.O. Coats is entitled to at Jefferson City (**Provided for your ready reference as Attachment "2"**). The enclosed timeslips do not represent all the claims filed for HAHT at Jefferson City by Mr. Coats, as there are other claims for HAHT at Jefferson City that are not currently in the possession of the Organization. All claims for HAHT at Jefferson are incorporated by reference and made a part of the record as though fully set forth herein.

A sampling of timeslips filed verifying how much HAHT Engineer C.W. Kerr is entitled to at Jefferson City (**Provided for your ready reference as Attachment "3"**). The enclosed timeslips do not represent all the claims filed for HAHT at Jefferson City by Mr. Kerr, as there are other claims for HAHT at Jefferson City that are not currently in the possession of the

Organization. All claims for HAHT at Jefferson are incorporated by reference and made a part of the record as though fully set forth herein.

Carrier generated documents reveal that both Engineer M.O. Coats and Engineer C.W. Kerr were treated in a disparate manner from Engineer L.D. Molloy who also applied for and received the in lieu of relocation allowance as provided by the Kansas City Hub Merger Implementing Agreement **(Provided for your ready reference as Attachment "4")**.

Carrier generated documents reveal that both Engineer M.O. Coats and Engineer C.W. Kerr were treated in a disparate manner from Engineer J.P. Severt who also applied for and received the in lieu of relocation allowance as provided by the Kansas City Hub Merger Implementing Agreement **(Provided for your ready reference as Attachment "5")**.

Carrier generated documents reveal that both Engineer M.O. Coats and Engineer C.W. Kerr were treated in a disparate manner from Engineer A.L. Chachere who also applied for and received the in lieu of relocation allowance as provided by the Kansas City Hub Merger Implementing Agreement **(Provided for your ready reference as Attachment "6")**.

Carrier generated documents reveal that both Engineer M.O. Coats and Engineer C.W. Kerr were treated in a disparate manner from Engineer D.R. Snyder who also applied for and received the in lieu of relocation allowance as provided by the Kansas City Hub Merger Implementing Agreement **(Provided for your ready reference as Attachment "7")**.

Carrier generated records related to this dispute for Engineer M.O. Coats that have previously been made a part of the records are enclosed **(Provided for your ready reference as Attachment "8")**.

Carrier generated records related to this dispute for Engineer C.W. Kerr that have previously been made a part of the records are enclosed **(Provided for your ready reference as Attachment "9")**.

Correspondence pertaining to this dispute previously made a part of the record is enclosed **(Provided for your ready reference as Attachment "10")**.

All other Carrier generated documents surrounding this dispute, not provided herein, are incorporated by reference into this document as though fully set forth herein.

All other correspondence between the Parties and documents provided to the Carrier by the Claimants, not provided herein, is incorporated by reference into this letter as though fully set forth herein.

All documents previously conferred by the Parties related to the relocation allowance claim of Engineer S.M. Jungers are enclosed **(Provided for your ready reference as Attachment "11")**.

All other Carrier generated documents surrounding this dispute, not provided herein, are incorporated by reference into this document as though fully set forth herein.

All other correspondence between the Parties and documents provided to the Carrier by the Claimants, not provided herein, is incorporated by reference into this letter as though fully set forth herein.

All documents previously conferenced by the Parties related to the relocation allowance claim of Engineer D.E. Luaders are enclosed (**Provided for your ready reference as Attachment "12"**). At conference, you advised that the only remaining issue that would determine whether or not Engineer Luaders was entitled to the relocation allowance was whether or not his relocation left him farther away from his new work assignment or nearer his new work assignment. Documents provided herein establishes that Engineer Luaders is entitled to the payment of the relocation allowance as set forth in the Kansas City Hub Merger Implementing Agreement.

All other Carrier generated documents surrounding this dispute, not provided herein, are incorporated by reference into this document as though fully set forth herein.

All other correspondence between the Parties and documents provided to the Carrier by the Claimants, not provided herein, is incorporated by reference into this letter as though fully set forth herein.

All documents previously conferenced by the Parties related to the relocation allowance claim of Engineer D.E. M.A. Katricka are enclosed (**Provided for your ready reference as Attachment "13"**).

All other Carrier generated documents surrounding this dispute, not provided herein, are incorporated by reference into this document as though fully set forth herein.

All other correspondence between the Parties and documents provided to the Carrier by the Claimants, not provided herein, is incorporated by reference into this letter as though fully set forth herein.

All documents previously conferenced by the Parties related to the relocation allowance claim of Engineer S.O. Boykin are enclosed (**Provided for your ready reference as Attachment "14"**). As agreed to in conference, Engineer S.O. Boykin was treated in a disparate manner than Engineer E.K. Ivey who also left his position as a company manager during the same time frame as did Engineer Boykin. You advised that the decision not to pay Engineer Boykin the relocation allowance (E.K. Ivey was paid the NYD relocation allowance) might have been precipitated by internal company politics and further, that you felt that Engineer Boykin was entitled to the relocation allowance due to the fact that same had been paid to Engineer E.K. Ivey. You advised that you would confer with your superiors and try to pay the relocation allowance claim as you felt that Engineer Boykin was entitled to payment of the relocation allowance.

All other Carrier generated documents surrounding this dispute, not provided herein, are incorporated by reference into this document as though fully set forth herein.

All other correspondence between the Parties and documents provided to the Carrier by the Claimants, not provided herein, is incorporated by reference into this letter as though fully set forth herein.

At conference, you advised that all issues of adjustments of NYD protective payments should properly be referred to Ms. Marilyn Ahart of the Protection Bureau.

All claims for NYD relocation allowances are supported by the in lieu of arrangements negotiated in the St. Louis, Kansas City and North Little Rock/Pine Bluff Hub Merger Implementing Agreements.

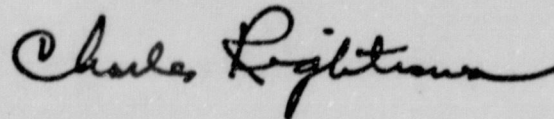
If after a review of the documents provided herein, you are unable to pay the relocation allowance claims, stand advised that the Organization still requests NYD expedited arbitration to resolve the disputes.

As agreed to by the Parties previously, the Organization is agreeable to John B. LaRocco as the arbitrator.

The Carrier is advised that as of this date, your office has provided no documents to this office supporting the Carrier's position related to these in lieu of NYD relocation allowance claims. As such, based upon the position set forth in your December 28, 2001, letter, the Carrier is barred from using any document in arbitration not previously provided to the Organization.

Please advise.

Yours truly,



Charles R. Rightnowar
General Chairman
Union Pacific - Central Region

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



December 28, 2001
Files: 110.61-21-326
110.61-20-326
360-7

MR C R RIGHTNOWAR
GENERAL CHAIRMAN BLE
320 BROOKES DR STE 115-118
HAZELWOOD MO 63042

RE: Relocation Claims

Dear Sir:

This refers to my letter dated November 16, 2001, and our discussion in my office on Friday, December 7, 2001, concerning the handling of the relocation disputes. On both occasions you did not come prepared with the your files and documentation concerning these claims. In order to fully address the issues associated with the Claimants you have identified, I asked you to provide copies of the documents you are relying on in support of your claims so I may fully respond to your requests for payment.

This request is to ensure we have complete exchange of information so I can make informed decisions regarding any potential on property resolution of these claims prior to proceeding to party-pay New York Dock arbitration. Once I receive this information, I will promptly respond in writing.

To date, I have not received any of the requested information. I do not consider these cases ripe for arbitration until we conclude the on property handling by fully documenting our respective positions.

As I advised, once we conclude the on property handling, I have committed to scheduling arbitration of any outstanding claims as expeditiously as possible.

Sincere regards,

A handwritten signature in cursive script, appearing to read "Catherine Sosso". The signature is written in dark ink and is positioned above the printed name.

Catherine Sosso
Director Labor Relations

ARRIER'S EXHIBIT

6 OF

12

6

FILE COPY

UNION PACIFIC RAILROAD COMPANY

R. D. ROCK — DIRECTOR
LABOR RELATIONS
1416 DODGE STREET
OMAHA NEBRASKA 68179



January 6, 2003

MR JOHN B LaROCCO
ARBITRATOR
928 SECOND ST #300
SACRAMENTO CA 95814-2201

Dear Sir:

This is in reference to our conversation concerning relocation disputes which developed out of the Union Pacific and Southern Pacific merger.

This will confirm our discussion that the Board established under the provision of New York Dock will convene at 1:00 p.m. on February 4, 2002 at your office in Sacramento, California.

I you have any conflicts, please contact me at (402) 271-4353.

Look forward to meeting with you at that time.

Yours truly,

R. D. Rock
Director - Labor Relations

CC: C. R. Rightnowar

UNION PACIFIC RAILROAD COMPANY

FILE COPY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



April 12, 2002

MR C R RIGHTNOWAR
GENERAL CHAIRMAN BLE
320 BROOKES DR STE 115-118
HAZELWOOD MO 63042

Dear Sir:

This is in reference to my letter of April 9, 2002, concerning relocation allowances for M. A. Katricka, S. O. Boykin, M. O. Coats, and C. W. Kerr.

The files associated with the various relocation requests have been reviewed. All four (4) disputes mentioned above involve "*in-lieu-of*" allowances for alleged relocations. The respective agreements have been reviewed and it is obvious that these requests are not New York Dock related.

The language in each of the respective agreements reads as follows:

"Engineers 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:..."

Based on the clear language of the Agreement, the Claimants forfeited the provisions of New York Dock when they requested the "*in-lieu-of*" allowance.

The Claimants did not request relocation under the provision of New York Dock. Instead, the Claimants requested an "*in-lieu-of*" allowance. Since the Claimants rejected New York Dock, it cannot now be argued that New York Dock arbitration applies.

The claims for Messrs. Katricka, Boykin, Coats, and Kerr are merely Section 3 claims under the provisions of the Railway Labor Act. Therefore, the Carrier is not agreeable to New York Dock arbitration. If the Organization wishes to pursue these claims, it should submit them to the First Division of the National Railroad Adjustment Board for final adjudication.

Furthermore, the claims are procedurally defective since they have not been handled in accordance with the System Agreement - Claim Handling Process.

Yours truly,

R D ROCK
DIRECTOR - LABOR RELATIONS

CARRIER'S EXHIBIT _____
PAGE _____ OF _____



April 9, 2002

MR C R RIGHTNOWAR
GENERAL CHAIRMAN BLE
320 BROOKES DR STE 115-118
HAZELWOOD MO 63042

Dear Sir:

This is in reference to your letter of April 2, 2002, concerning relocation allowance and associated claims for reverse HAHT.

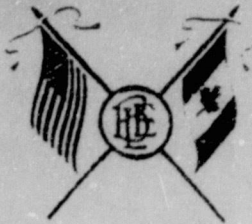
I am currently reviewing the files associated with the various relocation disputes. This is somewhat of a time-consuming process due to the volume of paper involved. After my review of the necessary documents pertaining to those issues involving New York Dock, an agreement will be prepared and forwarded to your office.

This letter will also serve to advise you that the Carrier is not agreeable to John B. LaRocco as the New York Dock arbitrator.

If you have any questions, please feel free to contact me.

Yours truly,

R D ROCK
DIRECTOR - LABOR RELATIONS



Brotherhood of Locomotive Engineers

1370 ONTARIO STREET
CLEVELAND, OHIO 44113-1702
TELEPHONE (216) 241-2630
FAX (216) 241-6516

CRA-BLE
CRA-UTU

RECEIVED
FEB 29 2000

EDWARD DUBROSKI
International President

LABOR RELATIONS
NORFOLK SOUTHERN CORP.

February 23, 2000

VIA FAX AND U.S. MAIL

Mr. Roland Watkins, Director
Arbitration Services - National Mediation Board
1301 K St. NW, Suite 250E
Washington, DC 20572

Dear Mr. Watkins:

Please refer to your letter dated February 14, 2000 to Mr. David N. Ray, Assistant Vice President Labor Relations, Norfolk Southern Corporation, copied to me, in which you solicit my comments with respect to the Carrier's request for the designation of a referee to resolve a purported dispute between the Carrier, UTU and this Organization, in accordance with the provisions of Sections 4 and 11 of the New York Dock Protective Conditions imposed pursuant to Surface Transportation Board Finance Docket No. 33388. For the following reasons, this Organization vehemently objects to the Board's characterization of this dispute as one falling under Sections 4 or 11 of New York Dock and its designation of a referee in connection with this matter as inappropriate and improper.

The purported dispute that the Carrier and UTU seek to resolve via the New York Dock arbitration process is neither a transaction nor a dispute contemplated by either Sections 4 or 11 of the Protective Conditions. The problem that the Carrier and UTU are attempting to solve via their attempted abuse of those arbitration provisions concerns the manner in which candidates for engineer training are selected from the ranks of trainmen and ultimately establish seniority as engineers. Rules currently exist that control this process; however, Carrier and UTU are unhappy with the status quo and wish to reach an agreement that is, in their view, easier to administrate.

Section 4 of the Protective Conditions contains an arbitration provision to be invoked in the event the parties are unable to voluntarily reach an implementing agreement. Section 11 of the Protective Conditions governs the arbitration of disputes over the application of certain elements of the Protective Conditions themselves. Both UTU and this Organization reached voluntary implementing agreements in connection with the establishment of the NS Lake Region Hub Network. Both Implementing Agreements left unchanged, for employees promoted after the date of the transaction, pre-existing rules governing, in the case of UTU, the selection and rank of engineer trainees and, in the case of this Organization, the establishment of engineer's seniority. During the meetings that have been held to discuss this problem, our position has been that there is really no dispute over the interpretation of any existing rules, but rather a desire of the Carrier and

CARRIER'S EXHIBIT V
PAGE 1 OF 2

Mr. Roland Watkins
February 23, 2000
Page 2

UTU to change the existing rule to make it easier to administrate, at the expense of fairness to a certain group of employees, namely those who take promotion to engineer at their earliest opportunity. They are reluctant to effect this change voluntarily because to do so would involve alienating these people, and the imprimatur of a New York Dock referee will give them the plausible deniability they need.

The Carrier will undoubtedly argue, in support of their request for the appointment of a referee, that this "dispute" is a function of the NS/Conrail acquisition. While post-transaction developments have heightened concern over the issues underlying this "dispute," the parties were engaged in an ongoing dialogue over this matter long before the transaction. Were it truly transaction related, it would have been addressed in the Implementing Agreements. The parties should not be allowed to conduct what should be negotiations under Section 6 of the Railway Labor Act as an orchestrated "dispute" under the guise of New York Dock.

We emphasize our strong objection to the designation of a referee in connection with this matter, inasmuch as no dispute properly referable to a referee under Sections 4 or 11 of the New York Dock Protective Conditions exists.

Sincerely,

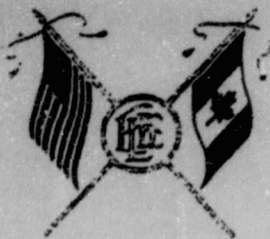
Edward J. Proski

President

cc: S. D. Speagle, GC, NS (Northern Lines)
C. L. Little, President - UTU
D. G. Strunk, GC - UTU
D. N. Ray, AVP Labor Relations, NS
R. Kuhn, Asst. Dir. Labor Relations, NS

CARRIER'S EXHIBIT V

PAGE 2 OF 2



DCN M. HAHS
International President

Brotherhood of Locomotive Engineers

1370 ONTARIO STREET
CLEVELAND, OHIO 44113-1702
TELEPHONE: (216) 241-2630
FAX: (216) 241-6516
E-MAIL: hahs@ble.org

June 12, 2002

Mr. Roland Watkins
Director, Arbitration Services
National Mediation Board
1301 K Street, N.W.
Suite 250 East
Washington, D.C. 20572

Re: New York Dock Arbitration:
Union Pacific Railroad Company and Brotherhood of Locomotive Engineers

Dear Mr. Watkins:

I am in receipt of a letter to you dated May 28, 2002, from Mr. Charles R. Rightnowar, General Chairman for the General Committee of Adjustment, Brotherhood of Locomotive Engineers, Union Pacific Railroad Central Region, in which Mr. Rightnowar requests the appointment of a New York Dock arbitrator in regard to merger relocation allowances arising from the Merger Implementing Agreement for Union Pacific's Kansas City Hub imposed in connection with the merger of the Union Pacific/Southern Pacific approved in Finance Docket No. 32760. I am also in receipt of the June 4, 2002 reply from R. D. Rock, Director-Labor Relations, Union Pacific Railroad Company. Mr. Rock takes the position that the relocation allowances are not New York Dock related claims and should be sent to a procedural neutral under Section 3, Second of the Railway Labor Act, 45 U.S.C. §153, Second.

The Brotherhood of Locomotive Engineers disagrees with Union Pacific's contention. As the Mediation Board has repeatedly held, its role is limited with respect to requests for arbitral appointments under STB (formerly ICC) protective conditions. Denver & Rio Grande Western R.R. Co., 7 NMB 409 (1980). In that case, the Board said in terms applicable in this case:

This Board has no authority to look behind the procedural soundness of any such request. Rather, the Board acts in a ministerial capacity on the basis of administrative comity with the Interstate Commerce Commission.

CARRIER'S EXHIBIT

1 OF 2

Mr. Watkins
Page Two
June 12, 2002

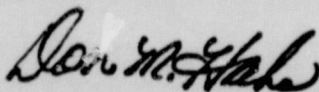
From this ruling and the subsequent application of this rationale, the NMB consistently has stated that it "has no legitimate role in the resolution of any procedural or technical questions with regard to this dispute, and should not be a party to them."

The Board's approach in appointing the requested arbitrator without reaching any decision on procedural contentions was confirmed in Ozark Air Lines, Inc. v. National Mediation Board, 797 F.2s 557 (8th Cir. 1986). In that decision, the Court held that it would be contrary to "public policy" to "force [the NMB] to decide the appropriateness of each request for an arbitrator" because such a role "would seriously interfere with NMB's neutrality in labor-management relations, run counter to Congressional policies in creating NMB, and retard its statutory purpose." 797 F.2d at 564.

As the agency has pointed out in its form letter accompanying the appointment of New York Dock arbitrators, the Court further found that the federal courts do not have jurisdiction to force the Board to decide whether a dispute, like that involved herein, is arbitrable.

Based upon the above reasoning and the Board's well-established policy, the Brotherhood of Locomotive Engineers respectfully submits that the Board should proceed to appoint a New York Dock arbitrator on these matters.

Very truly yours,



Don M. Hahs
International President

cc: C. R. Rightnowar, General Chairman-UP (Eastern)
H. A. Ross, General Counsel-BLE

READER COPY

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



June 4, 2002

MR ROLAND WATKINS
DIR OF ARB SVCS
NATIONAL MEDIATION BOARD
1031 "K" ST NW STE 250 EAST
WASHINGTON DC 20572

Dear Sir:

This is in reference to BLE General Chairman Rightnowar's letter of May 28, 2002, concerning the selection of an arbitrator for alleged New York Dock arbitration. A copy of Mr. Rightnowar's letter is attached for your reference.

The Carrier has advised the Organization it is agreeable to arbitrating these cases, but not under the provisions of New York Dock.

All four (4) disputes mentioned by the General Chairman involve "*in-lieu-of*" allowances for alleged relocation. Based on the respective agreements, it is obvious that these requests are not New York Dock related.

The Claimants did not request relocation under the provisions of New York Dock. The Claimants requested an "*in-lieu-of*" allowance. Since the Claimants rejected New York Dock, it cannot now be argued that New York Dock arbitration applies.

The Carrier has proposed that the Organization submit these claims to the First Division of the National Railroad Adjustment Board for adjudication since they are Section 3 claims under the provisions of the Railway Labor Act.

Furthermore, since the parties disagree as to the proper course of action, a procedural board must be established to determine if the claims are Section 3 arbitration or New York Dock arbitration. Once this has been determined, a merits board may be established.

The Carrier is agreeable to the establishment of a procedural board.

Yours truly,

(Original Signed)

R D ROCK
DIRECTOR - LABOR RELATIONS

Attachment

CC: Mr. C. R. Rightnowar - BLE

CARRIER'S EXHIBIT

PAGE 1 OF

STB

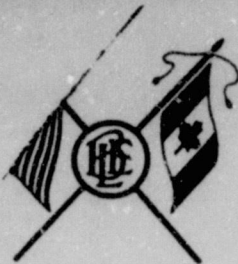
FD-32760

06/10/03

D

208052

3 OF 16



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Central Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

C.R. Rightnowar
GENERAL CHAIRMAN
R.C. Rhodes
1ST VICE-CHAIRMAN
T.H. Wells
2ND VICE-CHAIRMAN
C.R. Brand
SECRETARY-TREASURER



May 28, 2002

REC'D

MAY 31 2002

Labor Relations

Mr. Roland Watkins
Director Arbitration Services
National Mediation Board
1301 K Street, N.W., Suite 250 East
Washington, D.C. 20572-0002

Re: New York Dock Arbitration

Dear Mr. Watkins:

A dispute has arisen between the Brotherhood of Locomotive Engineers and the Union Pacific Railroad Company as to an interpretation of the Merger Implementing Agreement (Kansas City Hub) in connection with the approved Merger of Union Pacific Corporation, Union Pacific Railroad Company/Missouri Pacific Railroad Company and Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railroad Company, SPCSL Corp., and the Denver & Rio Grande Railroad Company in Finance Docket 32760. In approving this transaction, the Surface Transportation Board imposed New York Dock labor protective conditions.

The specific issues to be resolved concern the relocation allowances for M. A. Katricka, S. O. Boykin, M. O. Coats, C. W. Kerr, and S. M. Jungers.

Efforts to select an Arbitrator by mutual agreement have been unsuccessful, and the Organization, therefore, requests that the National Mediation Board provide a list of Arbitrators from which a selection can be drawn. Please provide instructions to the parties as to the proper selection procedures.

Thank you for your consideration to this matter.

Sincerely,

Charles R. Rightnowar

CARRIER'S EXHIBIT

PAGE OF

Y



NATIONAL MEDIATION BOARD
WASHINGTON, D.C. 20572

(202) 692-5000

REC'D
JUN 28 2002
Labor Relations

June 24, 2002

Mr. Don M. Hahs
International President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, OH 44113-1702

Mr. R. D. Rock
Director Labor Relation
Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

Re: New York Dock - Union Pacific Railroad Company
and Brotherhood of Locomotive Engineers

Gentlemen:

Reference is made to the Brotherhood of Locomotive Engineers' request for the National Mediation Board to provide a list arbitrators from which a selection can be made to resolve the above-captioned dispute in accordance with the New York Dock protective conditions involving the Union Pacific Railroad Company and the Brotherhood of Locomotive Engineers.

In light of concerns which have been recently raised about the arbitrators provided in cases of this nature, enclosed is a list of thirty (30) qualified neutrals. You are each requested to provide a list of fifteen (15) preferred arbitrators from this list. Your information will be kept confidential and used only for the purposes of this case. The Board will promptly provide you with a panel of seven neutrals after receiving your preferences. The lists, along with other relevant information will be considered by the Board in

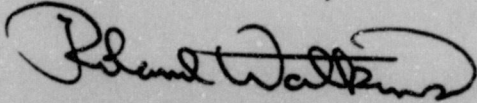
CARRIER'S EXHIBIT

PAGE 1 OF 9

-2-

compiling the panel of seven arbitrators. The lists must be submitted by 4:00 p.m., Monday, July 8, 2002. You may submit the information by facsimile. The number for Arbitration Services is 202-692-5086.

Sincerely,



Roland Watkins
Director, Arbitration Services

CARRIER'S EXHIBIT
PAGE 2 OF 9



(202) 692-5000

NATION

RD

REC'D

JUL 22 2001

Labor Relations

*Robbin,
I don't think
I have this logged
into the NYD index.
marilyn*

Mr. John B. LaRocco
2001 H Street
Sacramento, CA 95814-31

RE: New York Dock Arbitration: Union Railroad Company
and the Brotherhood of Locomotive Engineers

Dear Mr. LaRocco:

The National Mediation Board designates you as arbitrator ("neutral/referee member") for arbitration pursuant to the above-captioned New York Dock Protective Conditions. The parties to the disputes with respect to this appointment are the Union Railroad Company and the Brotherhood of Locomotive Engineers. The NMB's action is pursuant to the dispute resolution procedures provided by the ICC's New York Dock labor protective conditions, 360 ICC 60 (1979), aff'd. sub nom. New York Dock Ry. v. United States, 609 F.2d 83 (2d Cir. 1979).

New York Dock conditions provide that the arbitrator's salary and expenses shall be "borne equally by the parties to the proceeding" and that all other expenses shall be paid by the party incurring them." Therefore, it is necessary that you communicate with the parties concerning your availability, per diem compensation and other details.

The arbitrator, not the NMB, is responsible for scheduling and other appropriate procedural determinations concerning the arbitration process. However, we would appreciate receiving a final copy of the award for our files.

In Denver & Rio Grande Western Railroad Co., 7 NMB 409 (1980), the Board addressed its limited role with respect to requests for arbitral appointments under ICC employee protective conditions. As stated in that decision:

3 OF 2

This Board has no authority to look behind the procedural soundness of any such requests. Rather, the Board acts in a ministerial capacity on the basis of administrative comity with the Interstate Commerce Commission. Any adjustments or review of the procedural and technical issues you have raised in this matter must be heard before a forum other than this Agency.

Consistent with Rio Grande, the NMB's action is purely ministerial. It does not indicate any determination with respect to whether the prerequisites for invoking arbitration have been satisfied, or whether other circumstances might permit or preclude the ultimate arbitration of the dispute in question. This agency has no authority to adjudicate the procedural validity of such requests. Rather, the Board acts in an appropriate ministerial capacity in order to serve the public interest by extending comity to the ICC's dispute resolution process.

The NMB's designation of an arbitrator in this matter has no legal consequence to any of the affected parties or potential parties. If any individual, carrier or organization determines that it is not appropriate to proceed with arbitration, this agency will not act to compel participation in the arbitration process. Such procedural issues must be resolved before a forum other than the NMB. The Board's action only provides a qualified arbitrator if arbitration ultimately is pursued.

The NMB has no legitimate role in the resolution of any procedural or technical questions with regard to this dispute, and should not be a party to them.

A decision by the United States Court of Appeals for the Eight Circuit confirms the appropriateness of the NMB's approach to this matter. Ozark Air Lines, Inc. v. National Mediation Board, et al., 797 F.2d 557 (8th Cir. 1986). In that decision, the Court of Appeals recognized that it would be contrary to "public policy" to "force it [the NMB] to decide the appropriateness of each request for an arbitrator" because such a role "would seriously interfere with NMB's neutrality in labor-management relations, run counter to Congressional policies in creating NMB, and retard its statutory purpose." 797 F.2d at 564.

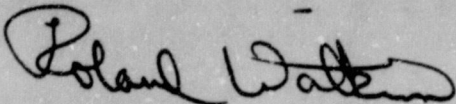
The Court also found that "forcing it [the NMB] to decide whether each dispute is arbitrable would significantly undercut its impartiality and 'impair its ability to constitute a significant force for conciliation.'" *Id.* The Court of

Appeals further determined that "no justiciable controversy existed" in connection with the NMB's contested appointment of an arbitrator though the underlying dispute was not arbitrable.

This discussion of the NMB's ministerial role regarding arbitral appointments does not indicate reservations concerning the use of arbitration.

It is the NMB's experience that arbitration has proven to be an effective and efficient dispute resolution process.

By direction of the NATIONAL MEDIATION BOARD.



Roland Watkins
Director, Arbitration Services

Copies to:

Mr. D. M. Hahs
International President
Brotherhood of Locomotive
Engineers
1370 Ontario Street
Cleveland, OH 44113-1702

Mr. R. D. Rock
Asst. Director Labor Relations
Union Pacific RR Co.
1416 Dodge St.
Omaha, NE 68179

Mr. C.R. Rightnoward
General Chairman
Brotherhood of Locomotive Engineers
320 Brookes Drive, Suite 115
Hazelwood, MO 63042



NATIONAL MEDIATION BOARD
WASHINGTON, D.C. 20572

(202) 692-5000

REC'D

JUN 28 2002

Labor Relations

June 24, 2002

Mr. Don M. Hahs
International President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, OH 44113-1702

Mr. R. D. Rock
Director Labor Relation
Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

Re: New York Dock - Union Pacific Railroad Company
and Brotherhood of Locomotive Engineers

Gentlemen:

Reference is made to the Brotherhood of Locomotive Engineers' request for the National Mediation Board to provide a list arbitrators from which a selection can be made to resolve the above-captioned dispute in accordance with the New York Dock protective conditions involving the Union Pacific Railroad Company and the Brotherhood of Locomotive Engineers.

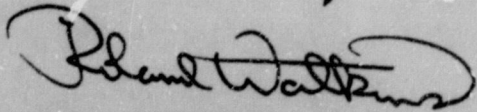
In light of concerns which have been recently raised about the arbitrators provided in cases of this nature, enclosed is a list of thirty (30) qualified neutrals. You are each requested to provide a list of fifteen (15) preferred arbitrators from this list. Your information will be kept confidential and used only for the purposes of this case. The Board will promptly provide you with a panel of seven neutrals after receiving your preferences. The lists, along with other relevant information will be considered by the Board in

CARRIER'S EXHIBIT

PAGE 6 OF 9

compiling the panel of seven arbitrators. The lists must be submitted by 4:00 p.m., Monday, July 8, 2002. You may submit the information by facsimile. The number for Arbitration Services is 202-692-5086.

Sincerely,



Roland Watkins
Director, Arbitration Services

Re: New York Dock - Union Pacific Railroad Company and Brotherhood of Locomotive Engineers

Mr. Robert J. Ables
3301 Dauphine Drive
Falls Church, VA 22042
703-560-8710

Mr. Thomas N. Rinaldo
P. O. Box 1334
Williamsville, NY 14231-1334
716-884-6733

Mr. Robert Perkovich
P.O. Box 146759
Chicago, IL 60614-6759
773-862-6317

Prof. Edward L. Suntrup
1001 Green Bay Road #313
Winnetka, IL 60093
847-853-4233

Mr. Richard Mittenthal
43050 Twelve Oaks Crescent
Suite 6055
Novi, MI 48337
248-3349-1377

Ann S. Kenis, Esq.
29 South LaSalle Street
Suite 415
Chicago, IL 60603
312-726-8121

Mr. Robert T. Simmelkjaer
29 Chestnut Street
Haworth, NJ 07641-1905
201-387-6397

Dr. Andree Y. McKissick
2808 Navarre Drive
Chevy Chase, MD 20815-3343
301-587-3343

Ms. Carol J. Zamperini
Box 19035
Denver, CO 80219
303-238-7082

Mr. R. E. Peterson
15 Meadow Place
Briarcliff Manor, NY 10510
914-941-0131

Mr. James E. Conway
10906 Thimbleberry Lane
Great Falls, VA 22066
703-372-8692

Mr. Joseph A. Sickles
4946 Western Avenue
Bethesda, MD 20816-1714
301-468-9110

Mr. Herbert L. Marx, Jr.
20 Waterside Plaza
New York, NY 10010
212-686-1553

Ms. Elizabeth C. Wesman
P. O. Box 4808
Ithaca, NY 14852-4808
607-277-8413

Mr. Robert O. Harris
Suite 501
1100 17th St., NW
Washington, DC 20036
202-966-7028

Mr. Barbara Zausner
P. O. Box 300
Mt. Tremper, NY 12457-0300
845-688-2602

Re: New York Dock - Union Pacific Railroad Company and Brotherhood of
Locomotive Engineers

Mr. James E. Yost
410 S.E. 4th Terrace
Dania, FL 33004
954-922-4689

Mr. Richard R. Kasher
609 Pembroke Rd.
Bryn Mawr, PA 19010
610-525-0167

Mr. Jonathan I. Klein
22899 Byron Road
Shaker Heights, OH 44122
216-561-6111

Ms. Barbara C. Deinhardt
52 Third Street
Brooklyn, NY 11231
718-237-8693

Mr. Frank T. Lynch
9208 Oaklyn Terrace
Potomac, MD 20854
301-983-3167

Dr. Francis X. Quinn
4213 Blackhaw Avenue
Ft. Worth, TX 76109
817-924-7372

Mr. John Criswell
Rt. 1, Box 940
Stigler, OK 74462
918-967-2723

Ms. Bonnie S. Weinstock
9 Cabriolet Lane
Melville, NY 11747
516-367-3658

Mr. Robert L. Douglas
767 Addison Street
Woodmere, NY 11598
516-295-1824

Mr. John B. LaRocco
2001 H Street
Sacramento, CA 95814-3109
916-446-9048

Mr. M. David Vaughn
13732 Lakeside Drive
Clarksville, MD 21029
301-854-3200

Ms. Roberta L. Golick
30 Lincoln Lane
Sudbury, MA 01776
508-358-2144

Mr. Rodney E. Dennis
Box 31207
Palm Beach Gardens,
FL 33420-1207
561-622-2638

Ms. Joan Ilivicky
86 Walworth Ave.
Scarsdale, NY 10533
212-838-1937

~~CONFIDENTIAL~~
CARRIER'S EXHIBIT

9 of 9



DON M. HAHS
International President

Brotherhood of Locomotive Engineers

1370 ONTARIO STREET
CLEVELAND, OHIO 44113-1702
TELEPHONE: (216) 241-2630
FAX: (216) 241-6516
E-MAIL: hahs@ble.org

REC'D

JUN 28 2002

Labor Relations

June 24, 2002

Mr. Roland Watkins
Director, Arbitration Services
National Mediation Board
1301 K Street, N.W.
Suite 250 East
Washington, D.C. 20572-0002

Re: New York Dock: Union Pacific Railroad Company and
Brotherhood of Locomotive Engineers

Dear Mr. Watkins:

With respect to yours, dated June 17, 2002, concerning the above subject, please consider my letter of June 12, 2002 as my reply. For your convenience, a copy is enclosed. A New York Dock arbitrator should be appointed *now*.

Sincerely yours,

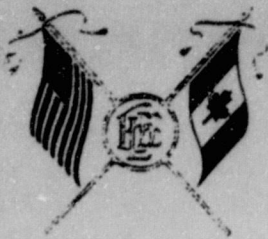
Don M. Hahs
International President

cc: R. D. Rock, Director Labor Relations-UP

CARRIER'S EXHIBIT

PAGE 1 OF 1

22



DON M. HAHS
International President

Brotherhood of Locomotive Engineers

1370 ONTARIO STREET
CLEVELAND, OHIO 44113-1702
TELEPHONE: (216) 241-2630
FAX: (216) 241-6516
E-MAIL: hahs@ble.org

June 12, 2002

Mr. Roland Watkins
Director, Arbitration Services
National Mediation Board
1301 K Street, N.W.
Suite 250 East
Washington, D.C. 20572

Re: New York Dock Arbitration:
Union Pacific Railroad Company and Brotherhood of Locomotive Engineers

Dear Mr. Watkins:

I am in receipt of a letter to you dated May 28, 2002, from Mr. Charles R. Rightnowar, General Chairman for the General Committee of Adjustment, Brotherhood of Locomotive Engineers, Union Pacific Railroad Central Region, in which Mr. Rightnowar requests the appointment of a New York Dock arbitrator in regard to merger relocation allowances arising from the Merger Implementing Agreement for Union Pacific's Kansas City Hub imposed in connection with the merger of the Union Pacific/Southern Pacific approved in Finance Docket No. 32760. I am also in receipt of the June 4, 2002 reply from R. D. Rock, Director-Labor Relations, Union Pacific Railroad Company. Mr. Rock takes the position that the relocation allowances are not New York Dock related claims and should be sent to a procedural neutral under Section 3, Second of the Railway Labor Act, 45 U.S.C. §153, Second.

The Brotherhood of Locomotive Engineers disagrees with Union Pacific's contention. As the Mediation Board has repeatedly held, its role is limited with respect to requests for arbitral appointments under STB (formerly ICC) protective conditions. Denver & Rio Grande Western R.R. Co., 7 NMB 409 (1980). In that case, the Board said in terms applicable in this case:

This Board has no authority to look behind the procedural soundness of any such request. Rather, the Board acts in a ministerial capacity on the basis of administrative comity with the Interstate Commerce Commission.

CARRIER'S EXHIBIT

PAGE 1 OF

23

2

Mr. Watkins
Page Two
June 12, 2002

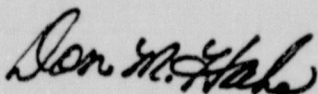
From this ruling and the subsequent application of this rationale, the NMB consistently has stated that it "has no legitimate role in the resolution of any procedural or technical questions with regard to this dispute, and should not be a party to them."

The Board's approach in appointing the requested arbitrator without reaching any decision on procedural contentions was confirmed in Ozark Air Lines, Inc. v. National Mediation Board, 797 F.2s 557 (8th Cir. 1986). In that decision, the Court held that it would be contrary to "public policy" to "force [the NMB] to decide the appropriateness of each request for an arbitrator" because such a role "would seriously interfere with NMB's neutrality in labor-management relations, run counter to Congressional policies in creating NMB, and retard its statutory purpose." 797 F.2d at 564.

As the agency has pointed out in its form letter accompanying the appointment of New York Dock arbitrators, the Court further found that the federal courts do not have jurisdiction to force the Board to decide whether a dispute, like that involved herein, is arbitrable.

Based upon the above reasoning and the Board's well-established policy, the Brotherhood of Locomotive Engineers respectfully submits that the Board should proceed to appoint a New York Dock arbitrator on these matters.

Very truly yours,



Don M. Hahs
International President

cc: C. R. Rightnowar, General Chairman-UP (Eastern)
H. A. Ross, General Counsel-BLE

CARRIER'S EXHIBIT
PAGE 2 OF

23
2



NATIONAL MEDIATION BOARD
WASHINGTON, D.C. 20572

(202) 692-5000

June 17, 2002

REC'D
JUN 24 2002
Labor Relations

Mr. Charles R. Rightnowar
Brotherhood of Locomotive Engineers
329 Brookes Drive
Suite 115
Hazelwood, MO 63042

Re: New York Dock: Union Pacific Railroad Company
and Brotherhood of Locomotive Engineers

Dear Mr. Rightnowar:

Reference is made to your letter regarding the Brotherhood of Locomotive Engineers request for the National Mediation Board to provide a list of arbitrators to from which a selection can be made to resolve the above-captioned dispute in accordance with the of the New York Dock protective conditions.

A copy of your letter is being sent to Mr. Don M. Hahs, International President, Brotherhood of Locomotive Engineers. By copy of this letter, we are requesting Mr. Hahs to furnish this office with any comments he may care to make in regard to the above-referenced dispute.

Upon receipt of such comments, you will be advised further.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roland Watkins".

Roland Watkins
Director, Arbitration Services

Copy to:

D. M. Hahs, Intl. President
R. D. Rock, Director L/R-UP

CARRIER'S EXHIBIT

PAGE

OF

24

1



Brotherhood of Locomotive Engineers

1370 ONTARIO STREET
CLEVELAND, OHIO 44113-1702
TELEPHONE: (216) 241-2630
FAX: (216) 241-6516
E-MAIL: hahs@ble.org

DON M. HAHS
International President

July 8, 2002

REC'D

JUL 11 2002

Labor Relations

Mr. Roland Watkins
Director - Arbitration Services
National Mediation Board
1301 K. Street, NW, Suite 250 East
Washington, D.C. 20572

SENT VIA FACSIMILE (202-692-5086)

Dear Mr. Watkins:

This will acknowledge receipt of your letter dated June 24, 2002, in reference to New York Dock arbitration between the Brotherhood of Locomotive Engineers and the Union Pacific Railroad Company. Attached to your letter was a list of 30 qualified neutrals, from which you requested that I submit a list of 15 preferred arbitrators to your office.

I have just been advised that the parties to this dispute have agreed upon the selection of John B. LaRocco to serve as the neutral member of the arbitration board referred to in your letter. Therefore, it is my understanding that it will not be necessary for me to provide you with a list of 15 arbitrators selected from the list of 30 that you provided. If my understanding is incorrect, please contact this office and advise as to any additional action required on the part of the BLE.

With best wishes and warmest personal regards, I remain

Very truly yours,

President

cc: E.W. Rodzicz, FVP
W.C. Walpert, GST
C.R. Rightnowar, GC - UP
R.D. Rock, DLR - UP

CARRIER'S EXHIBIT

PAGE 1 OF 1

25



July 8, 2002

(SUBMISSION VIA FACSIMILE
TO NATIONAL MEDIATION BOARD
(202) 692-5086)

MR ROLAND WATKINS
DIR OF ARB SVCS
NATIONAL MEDIATION BOARD
1031 "K" ST NW STE 250 EAST
WASHINGTON DC 20572

Dear Sir:

This is in reference to your letter of June 24, 2002, concerning the request for the National Mediation Board to provide a list of arbitrators for alleged New York Dock protective conditions.

Without waiving the Carrier's position that these issues are not New York Dock related and the fact the National Mediation Board exceeded its authority, including Section 11, Appendix III, the parties have agreed to the selection of Mr. John B. LaRocco.

Yours truly,

(ORIGINAL SIGNED)

R D ROCK
DIRECTOR - LABOR RELATIONS

CC: C. R. Rightnowar

UNION PACIFIC RAILROAD COMPANY

FILE COPY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



June 4, 2002

MR ROLAND WATKINS
DIR OF ARB SVCS
NATIONAL MEDIATION BOARD
1031 "K" ST NW STE 250 EAST
WASHINGTON DC 20572

Dear Sir:

This is in reference to BLE General Chairman Rightnowar's letter of May 28, 2002, concerning the selection of an arbitrator for alleged New York Dock arbitration. A copy of Mr. Rightnowar's letter is attached for your reference.

The Carrier has advised the Organization it is agreeable to arbitrating these cases, but not under the provisions of New York Dock.

All four (4) disputes mentioned by the General Chairman involve "*in-lieu-of*" allowances for alleged relocation. Based on the respective agreements, it is obvious that these requests are not New York Dock related.

The Claimants did not request relocation under the provisions of New York Dock. The Claimants requested an "*in-lieu-of*" allowance. Since the Claimants rejected New York Dock, it cannot now be argued that New York Dock arbitration applies.

The Carrier has proposed that the Organization submit these claims to the First Division of the National Railroad Adjustment Board for adjudication since they are Section 3 claims under the provisions of the Railway Labor Act.

Furthermore, since the parties disagree as to the proper course of action, a procedural board must be established to determine if the claims are Section 3 arbitration or New York Dock arbitration. Once this has been determined, a merits board may be established.

The Carrier is agreeable to the establishment of a procedural board.

Yours truly,

(Original Signed)

R D ROCK
DIRECTOR - LABOR RELATIONS

Attachment

CC: Mr. C. R. Rightnowar - BLE

CARRIER'S EXHIBIT

PAGE 1 OF 1



Brotherhood of Locomotive Engineers

General Committee of Adjustment
Union Pacific Railroad Central Region

320 Brookes Dr., Suite 115 • Hazelwood, MO 63042 • (314) 895-5858 • Fax (314) 895-0104

C.A. Rightnowar
GENERAL CHAIRMAN
R.E. Rhodes
1ST VICE-CHAIRMAN
T.H. Wells
2ND VICE-CHAIRMAN
C.R. Brand
SECRETARY-TREASURER



May 28, 2002

REC'D

MAY 31 2002

Labor Relations

Mr. Roland Watkins
Director Arbitration Services
National Mediation Board
1301 K Street, N.W., Suite 250 East
Washington, D.C. 20572-0002

Re: New York Dock Arbitration

Dear Mr. Watkins:

A dispute has arisen between the Brotherhood of Locomotive Engineers and the Union Pacific Railroad Company as to an interpretation of the Merger Implementing Agreement (Kansas City Hub) in connection with the approved Merger of Union Pacific Corporation, Union Pacific Railroad Company/Missouri Pacific Railroad Company and Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railroad Company, SPCSL Corp., and the Denver & Rio Grande Railroad Company in Finance Docket 32760. In approving this transaction, the Surface Transportation Board imposed New York Dock labor protective conditions.

The specific issues to be resolved concern the relocation allowances for M. A. Katricka, S. O. Boykin, M. O. Coats, C. W. Kerr, and S. M. Jungers.

Efforts to select an Arbitrator by mutual agreement have been unsuccessful, and the Organization, therefore, requests that the National Mediation Board provide a list of Arbitrators from which a selection can be drawn. Please provide instructions to the parties as to the proper selection procedures.

Thank you for your consideration to this matter.

Sincerely,

Charles R. Rightnowar

CARRIER'S EXHIBIT

PAGE 1 OF

2-8

2

cc: D. M. Hahs, BLE International President
H. A. Ross, Esq.

R. D. Rock - Director Labor Relations
Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179

OWNER'S EXHIBIT

2 OF 2

2-8

2

SL #7

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

between the

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

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

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.

Subsequent to the filing of Union Pacific's application but prior to the decision of the STB, the parties engaged in certain discussions which focused upon Carrier's request that the Organization support the merger of UP and SP. These discussions resulted in the parties exchanging certain commitments, which were outlined in letters dated March 8(2), March 9 and March 22, 1996.

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)

CARRIER'S EXHIBIT 2-9

PAGE 1 **OF**

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 bargaining 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 engineers 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. Engineers 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. 6.
 - 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. Engineers 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. 6. A sufficient number of engineers at Quincy and Ft. Madison will be relocated to Kansas City to accomplish this change.
 - a. Hours of Service relief of trains in this pool operating from Kansas City to Ft. Madison or Quincy may 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 engineer 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 on a straightaway move by a home terminal pool engineer at Kansas City.

- b. Hours of Service relief of trains in this pool operating from Ft. Madison to Kansas City or Quincy to Kansas City may 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 engineer at Ft. Madison or Quincy shall be used on a straightaway move to provide such relief.
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. Chicago will be the away-from-home terminal.
- a. Engineers 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; engineers 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. Hours of Service relief of trains in this pool operating from Ft. Madison/Quincy to Chicago may be protected by a rested away-from-home terminal engineer at Chicago if the train has reached Streator or beyond on the former ATSF line or Galesburg or beyond on the former BN line. Away-from-home terminal engineers so used shall thereafter be deadheaded home or placed first out for service on their rest. Hours of Service relief of trains in this pool operating from Chicago to Ft. Madison/Quincy may be protected by an extra board engineer at Ft. Madison if the train has reached Streator or beyond on the former ATSF line or Galesburg or beyond on the former BN line.
 - c. In the event business conditions result in engineers at Ft. Madison (either in pool service, on the extra board, or otherwise) being unable to hold any assignment as locomotive engineer at Ft. Madison, such engineers required to exercise seniority to Kansas City (or senior engineers who elect to relocate in their stead) shall be eligible for relocation benefits under Article VII of this Agreement. 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 engineers at Ft.

Madison will be relocated to Kansas City and would under those circumstances be eligible for Article VII relocation benefits.

NOTE: It is understood the provisions of c. and d. above supersede the general provisions of Article VII.B.4. of this agreement.

- e. No Ft. Madison or Quincy engineer may receive more than one (1) compensated relocation under this Implementing Agreement.
- 5. At the equity meeting held pursuant to Side Letter No. 10 hereto the parties shall agree on a baseline number of pool turns for both of the pools described in Articles I.A.2. and I.A.3 above, and former UP and SPCSL engineers will be prior righted, respectively, to such baseline number of pool turns. In the event of a cessation of trackage rights operations described in 4.d. above, the parties will meet and reach agreement on how the baseline numbers of the two former pools will be consolidated into the remaining single pool for Zone 1. It is understood that under these circumstances all Zone 1 extra work at Kansas City would be consolidated under one (1) extra board.
- 6. At Des Moines, Ft. Madison and Quincy, away-from-home terminal engineers 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 engineer. At Ft. Madison and Quincy, home terminal engineers 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 engineer. When so used, the engineer 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.
- 7. 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
 - MP 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

8. Engineers 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.
9. 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 engineers 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 on a prior rights basis by Zone 1 engineers if such assignments are home terminated 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 terminated at such locations, including the extra board, may work either direction out of such terminal without seniority or other restrictions.
10. Engineers 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 engineers between the on/off duty location and the designated lodging facility. All road engineers 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 engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.
11. 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.
 - a. The regular assignments headquartered at Atchison and St. Joseph shall be collectively prior righted to those former

engineers holding seniority at Atchison and St. Joseph. On and after the implementation of this Agreement, any engineer holding a regular assignment at Atchison or St. Joseph on the basis of his prior rights who voluntarily exercises his seniority elsewhere in the Kansas City Hub shall be deemed to have forfeited his prior rights to assignments at these locations.

- b. The prior rights provisions set forth above shall not apply to the extra board at Atchison (Article III.A.1.) established under this Agreement, or any future extra board which may be established at either of these locations.

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. Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight engineers 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. Engineers 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 engineer to perform such service on a straightaway basis for crew balancing purposes):
 - a. By a rested, available engineer assigned to the Jeffrey Energy Pool and then
 - b. By the Marysville Extra Board, and then
 - c. By the first out, rested away-from-home terminal engineer 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 may 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 engineer at Marysville for crew balancing purposes.

5. At Marysville, away-from-home terminal engineers 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 engineer. When so used, the engineer shall be paid an additional one-half ($\frac{1}{2}$) 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.
6. 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
7. All road switcher and yard assignments home terminated at Marysville will be protected by engineers from that seniority district even if such assignments perform service within the territories contemplated by Article I.B.1. Local assignments and any other irregular assignments (work train, wreck train, etc.,) will be protected by Zone 2 engineers (including those at Topeka) if such assignments are home terminated at Marysville and work exclusively within the territories defined by Article I.B.1.
8. The pool service presently protected by the so-called Jeffrey Energy Pool shall attrite to the UP Eastern District Seniority District No. 18 at Marysville and shall not be under the jurisdiction of this hub agreement. On and after the date of implementation of this Agreement, engineers protecting such service shall be governed by the schedule rules and rates of pay comprehending said 18th District. The terms of the August 17, 1979 Jeffrey Pool Agreement and other UP-BLE Eastern District Agreement pertaining to said pool shall be unaffected by this Implementing Agreement, except as modified below.
 - a. Former UP 8th District Engineers coming under the provisions of this Implementing Agreement and establishing Zone 2 prior rights seniority in the Kansas City Hub shall retain prior rights to the Jeffrey Energy Pool assignments on an attrition basis. Engineers presently occupying assignments in said pool will be

grandfathered to these assignments. Additionally, former UP 8th District Engineers 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 engineer 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. The Carrier will maintain a list of those former UP 8th District Engineers who declared for prior rights in the Jeffrey Energy Pool at time of canvassing, but unable to occupy an assignment in the pool. When vacancies occur, such engineers will be canvassed, in seniority order. If the engineer declines to accept the assignment he will waive his prior rights to the Jeffrey Energy Pool. As vacancies occur which are not filled by former UP 8th District Engineers, the assignment will attrite to UP 18th District Engineers at Marysville.

- b. On the effective date of implementation of this Agreement the existing JK Extra Board at Marysville will no longer be preserved. All vacancies in the JK Pool, all extra work associated therewith and all other extra work described in the August 17, 1979 Jeffrey Pool Agreement, will be handled and performed by the UP 18th District Extra Board at Marysville.
 - c. In consideration of the assignments described above attriting to the UP 18th District Engineers at Marysville, said 18th District Engineers also acknowledge and agree to the provisions of Section 5 above with regard to Kansas City Hub engineers receiving their trains up to twenty-five (25) miles west of Marysville, such zone to be calculated from the original Marysville switching limits (MP 150.27 West - MP 147.33 East).
- 9. Engineers 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 engineers between the on/off duty location and the designated lodging facility. All road engineers 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 engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.
 - 10. All UP and SSW operations within the Topeka terminal limits shall be consolidated into a single operation. All rail lines, yards and/or sidings at Topeka will be considered as common to all engineers working in,

into and out of Topeka. All engineers 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 enroute for all Kansas City Hub engineers.

- a. UP 8th District engineers occupying yard assignments at Topeka and local assignments home terminated at Topeka on the date of implementation of this Agreement shall establish seniority in the Kansas City Hub and prior rights in Zone 2.
- b. UP 8th District engineers assigned to the extra board at Topeka on the date of implementation of this Agreement shall 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 normally provided by such extra board prior to merger, except that it shall no longer supplement the JK Extra Board, so long as it is in existence, or any other extra board, at Marysville.

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 engineers 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. Engineers operating between Kansas City and Jefferson City may utilize any combination of UP or SSW trackage between such points.
 - a. The parties agreed in Article I.A.4.a. of the St. Louis Hub Merger Implementation Agreement the Kansas City to Jefferson City pool would be slotted on a work equity basis. Attachment "C" lists the slotting order for the pool. Former SSW and UP engineers residing at or in the vicinity of Jefferson City shall have prior rights to said pool turns. The

engineers subject to this prior rights arrangement are identified on Attachment "D". If turns in excess of that number are established or any of such turns be unclaimed by a prior rights engineer, they shall be filled from the zone roster, and thereafter from the common roster. The parties further agreed in Side Letter No. 16 of the St. Louis Hub Agreement to allow former UP and SSW engineers 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 engineers possess sufficient seniority to hold such assignments. Such engineers 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. 7).

b. Hours of Service relief of trains in this pool operating from Kansas City to Jefferson City may be protected by the extra board at Jefferson City if the train has reached Booneville or beyond on the River Sub or Smithton or beyond on the Sedalia Sub; otherwise, a rested pool engineer at Kansas City shall be used on a straightaway move to provide such relief. Hours of Service relief of trains in this pool operating from Jefferson City to Kansas City may be protected by the Zone 3 Extra Board at Kansas City if the train has reached Renick or beyond on the River Sub or Pleasant Hill or beyond on the Sedalia Sub; otherwise, a rested pool engineer at Jefferson City shall be used on a straightaway move to provide such relief. At the away-from-home-terminal, if the extra board is exhausted, the first out rested pool engineer may be used, and shall thereafter be deadheaded home or placed first out for service on their rest.

3. At Jefferson City, away-from-home terminal engineers 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 to their destination without claim or complaint from any other engineer. When so used, the engineer shall be paid an additional one-half ($\frac{1}{2}$) 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 Jefferson City shall be the same as the pre-existing terminal limits on the UP Sedalia Subdivision (MP 124.3 - MP 128).
5. Engineers 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.c. of the UP-BLE St. Louis Hub Merger Implementing Agreement. This service may be performed without claim or complaint from any Kansas City Hub engineer.
6. Pursuant to Article I.A.4.e. of the UP-BLE 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-BLE St. Louis Hub Agreement. Locals and other road assignments with an origin/termination at Jefferson City and which perform service exclusively east of Jefferson City shall likewise be under the jurisdiction of the UP/BLE 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 Subdivisions shall be governed by the UP-BLE 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.)
7. Engineers 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 engineers between the on/off duty location and the designated lodging facility. All road engineers 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 engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.

D. Zone 4 - Seniority District

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

Kansas City to Parsons (not including Parsons)

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 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 engineers 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 as a separate pool 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. 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-BLE Kansas City Hub Agreement. The home terminal will be changed to Kansas City. Pratt will serve as the away-from-home terminal.
4. Former SSW yard engine equity in Kansas City shall be placed under Zone 4. The former SSW engineers who elect Zone 4 as their prior rights zone and former UP engineers in Zone 4 shall compete for all assignments in Zone 4 on the basis of their Zone 4 seniority.
5. At Coffeyville/Parsons, Wichita, Winfield and Pratt, away-from-home terminal engineers 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, Wichita and Winfield to their destination without claim or complaint from any other engineer. When so used, the engineer 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 Coffeyville/Parsons, Wichita and Winfield 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
c.	Wichita	MP 236.0	-	Herington
		MP 476.0	-	Wichita Branch
		MP 254.0	-	OKT Subdivision
d.	Winfield	MP 248.7	-	East
		MP 250.8	-	West
e.	Pratt	MP 292.33	-	East
		MP 300.16	-	West

7. Engineers 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 or Winfield to their destination without claim or complaint from any other engineer.
8. Engineers protecting through freight service in the pool described in Article I.D.2. and I.D.3. above shall be provide lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide transportation to engineers between the on/off duty location and the designated lodging facility. All road engineers 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 engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.
9. All local, road switcher and yard assignments home terminaied at Coffeyville/ Parsons, Wichita, Winfield and Pratt will be protected by engineers from those seniority districts even if such assignments perform service within any territories contemplated by Article I.D.1. Other irregular assignments (work train, wreck train, etc.) will be protected by the engineers from the location where the assignment is home terminaied.

E. Kansas City Terminal

1. 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. Interchange rules are not applicable for intra-carrier moves within the terminal.
2. All yard assignments operating within the Kansas City Terminal will be bid and assigned in the manner set forth in Side Letter No. 22 to this Agreement.
3. All UP, SSW and SPCSL rail lines, yards and/or sidings within the Kansas City Terminal will be considered as common to all engineers working in, into and out of Kansas City.
4. Terminal limits for the consolidated Kansas City terminal are as follows:

UP

Mile Post

Marysville Subdivision	6.59
Coffeyville Subdivision	284.22
Sedalia 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 have been modified by this Agreement	

SSW

Sedalia 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. At all terminals the Carrier will designate the on/off duty points for all road engineers, with these on/off duty points having appropriate facilities for inclement weather and other facilities as currently required in the designated collective bargaining agreement.
- G. In all of the zones, when local, work, wreck, Hours of Service relief or other road runs are called or assigned which operate exclusively within the territorial limits of one (1) of these zones established in this Agreement, such service shall be protected by engineers in such zone. If such run or assignment extends across territory encompassing more than one (1) zone contemplated by this Agreement, the Carrier and Organization will mutually agree on the method for assigning engineers to such service, otherwise, it will be protected by engineers on the basis of their common seniority date.

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 Engineer Seniority Roster - UP/BLE Kansas City Merged Roster #1 will be created for engineers holding seniority in the territory comprehended by this Agreement on the effective date thereof. The new roster will be divided into four (4) zones as described in Articles I.A., I.B., I.C. and I.D. above.
- B. Prior rights seniority rosters will be formed covering each of the four (4) zones outlined above. Placement on these rosters and awarding of prior rights to their respective zones shall be based on the following:
 - 1. Zone 1 - This roster will consist of former UP engineers with prior rights on MPUL Merger 2B (Roster No 052111), CNW (Roster No. 053111), St. Joseph Union Terminal (Roster No. 057101) and Northern Kansas (Roster No. 055101) and former SPCSL engineers with rights on SPCSL (Roster No. 310101).
 - 2. Zone 2 - This roster will consist of former UP engineers with rights on UP Eighth District (Roster No. 068101) and former SSW engineers with rights on SSW Herington (Roster No. 303101).
 - 3. Zone 3 - This roster will consist of former UP engineers with rights on Merged 1 St. Louis (Merged Roster No. 040111) and former SSW engineers with rights on SSW Jefferson City (Roster No. 311101).
 - 4. Zone 4 - This roster will consist of former UP engineers with prior rights on Osawatomie Merged 2A (Roster No. 054111) and former SSW engineers with rights on SSW Herington (Roster No. 303101).

- C. Entitlement to assignment on the prior rights zone rosters described above shall be the canvass of the employees from the above affected former rosters contributing equity to each of such zones.
- D. Engineers on the above-described newly-created prior rights zone rosters shall be integrated into one (1) common seniority roster.
- E. All zone and common seniority shall be based upon each employee's date of promotion as a locomotive engineer (except those who have transferred into the territory covered by the hub and thereby established a new date). If this process results in engineers having identical common seniority 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, and the ranking of the pre-merged rosters would make it impossible for age to be a determining factor, 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 for ranking employees with identical dates may not result in any employee running around another employee on his former roster.
- F. Any engineer working in the territories described in Article I. on the date of implementation of this Agreement, but currently reduced from the engineers working list, shall also be given a place on the roster and prior rights. Engineers currently forced to this territory will be given a place on the roster and prior rights if so desired; otherwise, they will be released when their services are no longer required and will not establish a place on the new roster. Engineers borrowed out from locations within the hub and engineers in training on the effective date of this Agreement shall also participate in formulation of the roster described above.
- G. UP engineers currently on an inactive roster pursuant to previous merger agreements shall participate in the roster formulation process described above based upon their date of seniority as a locomotive engineer.
- H. With the creation of the new seniority described herein, all previous seniority outside the Kansas City Hub held by engineers inside the new hub shall be eliminated and all seniority inside the new hub held by engineers outside the hub shall be eliminated. All pre-existing prior rights, top and bottom, or any other such seniority arrangements in existence, if any, are of no further force or effect and the provisions of this Agreement shall prevail in lieu thereof. Upon completion of consolidation of the rosters and implementation of this hub, it is understood that no engineer may be forced to any territory or assignment outside the Kansas City Hub.
- I. The total number of engineers on the master UP/BLE Kansas City Merged Roster #1 will be mutually agreed upon by the parties, subject to the provisions of Side Letter No. 15.

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. It is understood whether or not such boards are guaranteed boards is determined by the designated collective bargaining agreement.

1. Atchison - One (1) Extra Board (combination road/yard) 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 Zone 1 assignments home terminated at Kansas City.
2. Ft. Madison - One (1) Extra Board (combination road/yard) 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 - West - One (1) Extra Board (combination road/yard) to protect all Zone 3 vacancies headquartered at Jefferson City including vacancies created by engineers laying off while exercising "reverse lodging" privileges. Local or irregular service originating at Jefferson City working west on the UP Sedalia and River Subdivisions will also be protected by this board. This board will protect extra service on assignments headquartered at Lees Summit until a Zone 3 extra board is established at Kansas City.
4. Topeka - One (1) Extra Board (combination road/yard) to protect all road and yard extra service at or in the vicinity of Topeka per Article I.B.9.b. This board will not be used to provide relief of Zone 2 assignments home terminated at Kansas City.
5. Kansas City - One (1) Extra Board (combination road/yard) to protect each of the following:
 - a. Zone 1 pool freight extra service in the Kansas City-Ft. Madison/Quincy pool so long as it remains in existence as a separate pool. This board will be headquartered in Kansas City. This board will supplement the board described in b. below.
 - b. 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. This board will supplement the board described in 1. above (Atchison).

- c. 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.
 - d. Zone 3 pool freight extra service and all other road service in Zone 3 except as otherwise provided herein. This board will be headquartered at Kansas City.
 - e. Zone 4 pool freight extra service and all other road service in Zone 4 except as otherwise provided herein. This board will be headquartered at Kansas City.
6. One (1) extra board (yard only) to protect all yard extra service within the Kansas City Terminal. This board will be accessed by engineers in the manner set forth in Side Letter No. 22.
- 2
- 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. All engineers and assignments in the territories comprehended by this Implementing Agreement will work under the Collective Bargaining Agreement currently in effect between the Union Pacific Railroad Company and the Brotherhood of Locomotive Engineers dated October 1, 1977 (reprinted October 1, 1991), including all applicable national agreements, the "local/national" agreement of May 31, 1996, and all other side letters and addenda which have been entered into between date of last reprint and the date of this Implementing Agreement. Where conflicts arise, the specific provisions of this Agreement shall prevail. None of the provisions of these agreements are retroactive.
- B. All runs established pursuant to this Agreement will be governed by the following:
- 1. Rates of Pay: The provisions of the June 1, 1996 National Agreement will apply as modified by the May 31, 1996 Local/National Agreement.
 - 2. Overtime: Overtime will be paid in accordance with Article IV of the 1991 National Agreement.
 - 3. Transportation: When a crew is required to report for duty or is relieved from duty at a point other than the on and off duty points fixed for the service established hereunder, the Carrier shall authorize and provide suitable transportation for the crew.

NOTE: Suitable transportation includes Carrier owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.

4. Suitable Lodging: Suitable lodging will be provided by the Carrier in accordance with existing agreements.
- 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 December 16, 1971 will apply to any pre-October 31, 1985 Kansas City Hub Engineers performing service in the Kansas City to Marysville pool:
- (1) Part III - Paragraph (b) dealing with overtime.
 - (2) Part VII - Section 5 dealing with eating en route.
- E. Existing ID run provisions regarding deadhead as contained in the current UP Kansas City to Falls City ID Agreement (Section 9 thereof) shall also apply to the through freight pools described in Articles I.C.2. (Kansas City - Jefferson City), I.D.2. (Kansas City - Coffeyville/Parsons) and I.D.3. (Kansas City - Pratt).
- F. Engineers in the Kansas City - Coffeyville/Parsons pool who have an engineer/train service 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.
- G. The following provisions shall apply to all engineers who establish seniority in the Kansas City Hub under this Merger Implementing Agreement. It is understood these provisions shall not be applicable to engineers establishing seniority as engineer in the Hub after the effective (signature) date of this Agreement:

Engineers 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 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.

- H. Engineers 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. Engineers assigned to the Hub on the effective date of this Agreement (including those engaged in engineer training on such date) shall have entry rate provisions waived. Engineers hired/promoted after the effective date of the Agreement shall be subject to National Agreement rate progression provisions.
- I. Engineers 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.
- J. Except where specific terminal limits have been detailed in the Agreement, is not intended to change existing terminal limits under applicable agreements.
- K. Actual miles will be paid for runs in the new Kansas City Hub. Examples are illustrated in Attachment "B".

ARTICLE V - FAMILIARIZATION

- A. Engineers involved in the consolidation of the Kansas City Hub covered by this Agreement whose assignments require performance of duties on a new geographic territory not familiar to them will be given full cooperation, assistance and guidance in order that their familiarization shall be accomplished as quickly as possible. Engineers will not be required to lose time or ride the road on their own time in order to qualify for these new operations.
- B. Engineers will be provided with a sufficient number of familiarization trips in order to become familiar with the new territory. Issues concerning individual qualification 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 of Operating Practices in implementing this Section. If disputes occur under this Article they may be addressed directly with the appropriate Director of Labor Relations and the General Chairman for expeditious resolution.
- C. It is understood that familiarization required to implement the merger consolidation herein will be accomplished by calling a qualified engineer (or

Manager of Operating Practices) to work with an engineer called for service on a geographical territory not familiar to him.

- D. Engineers hired subsequent to the effective date of this document will be qualified in accordance with current FRA certification regulations and paid in accordance with the local agreements that will cover the merged Hub.

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 and 4 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 construct 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 engineers' 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 engineers from one zone to another or the assignment of engineers 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. If the participants have not finalized agreed-to rosters, the Carrier will prepare such rosters, post them for information and protest, will use those rosters in assigning positions, and will not be subject to claims or grievances as a result.
- 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. Engineers 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, engineers 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 engineers 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 engineers 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. Engineers will be given ten (10) days' notice of when their specific relocation/reassignment is to occur.

ARTICLE VII - PROTECTIVE BENEFITS AND OBLIGATIONS

- A. All engineers 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 engineers 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 August 1, 1996 through and including July 31, 1997.
2. In consideration of blanket certification of all engineers 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 engineers hired prior to the effective date of this Agreement.
- B. Engineers 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 appropriate 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 engineer be permitted to receive more than one (1) "in lieu of" relocation allowance under this Implementing Agreement.
6. Engineers 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 - SAVINGS CLAUSES

- A. The provisions of the applicable Schedule Agreement will apply unless specifically modified herein.
- B. It is the Carrier's intent to execute a standby agreement with the Organization which represents engineers on the former St. Joseph Union Terminal. Upon execution of that Agreement, said engineers will be fully covered by this Implementing Agreement as though the Organization representing them had been signatory hereto.
- C. Nothing in this Agreement will preclude the use of any engineers to perform work permitted by other applicable agreements within the new seniority districts described herein, i.e., yard engineers performing Hours of Service Law relief within the road/yard zone, pool and/or ID engineers performing

service and deadheads between terminals, road switchers handling trains within their zones, etc.

- D. The provisions of this Agreement shall be applied to all engineers 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 IX - HEALTH AND WELFARE

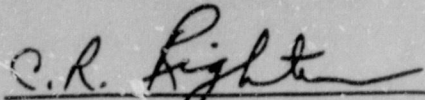
Engineers of the former UP who are working under the collective bargaining agreement designated in Article IV.A. of this Implementing Agreement belong to the Union Pacific Hospital Association. Former SSW/SPCSL engineers are presently covered under United Health Care (former Travelers GA-23000) benefits. Upon implementation of this Agreement, said former SSW/SPCSL engineers will be granted an option to elect the health and welfare coverage provided by the designated collective bargaining agreement. Any engineer who fails to exercise such option shall be considered as having elected to retain existing coverage.

ARTICLE X - EFFECTIVE DATE

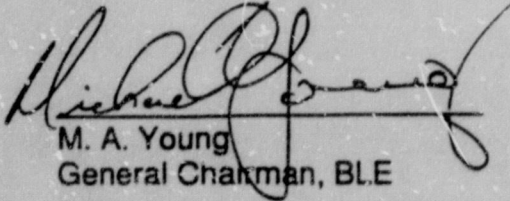
This Agreement implements the merger of the Union Pacific and SSW/SPCSL railroad operations in the area covered by Notice dated January 30, 1998.

Signed at DENVER, CO. this 2nd day of July, 1998.

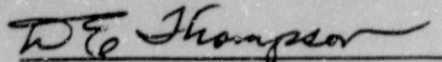
**FOR THE BROTHERHOOD
LOCOMOTIVE ENGINEERS:**



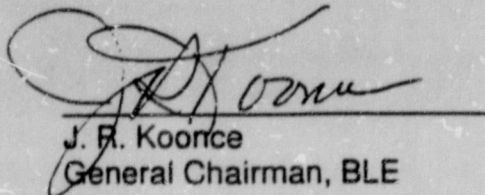
D. E. Penning
General Chairman, BLE



M. A. Young
General Chairman, BLE

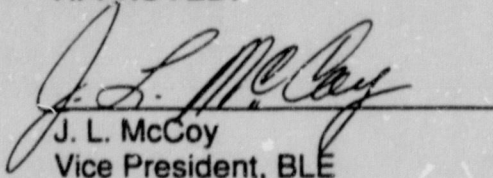


D. E. Thompson
General Chairman, BLE

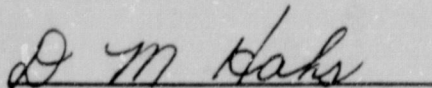


J. R. Koorice
General Chairman, BLE

APPROVED:

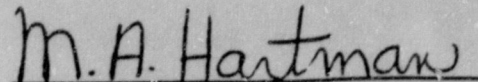


J. L. McCoy
Vice President, BLE

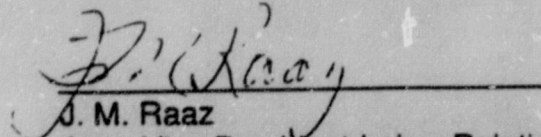


D. M. Hahs
Vice President, BLE

FOR THE CARRIERS:



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



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

July 2, 1998

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers.

During our negotiations we discussed SSW ARTICLE 6 - LIFE INSURANCE, SSW ARTICLE 9 - DISABILITY INSURANCE, SPCSL ARTICLE 4 - LIFE INSURANCE and SPCSL ARTICLE 6 - DISABILITY INSURANCE of the August 1, 1995 Agreement between Southern Pacific Lines and your Organization. It was your position that coverages provided by the former agreement should be preserved for the former SSW and SPCSL engineers 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 and SPCSL engineers 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.

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.

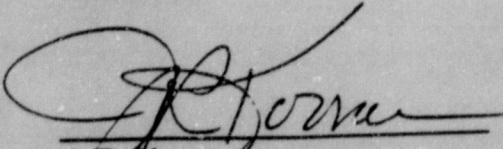
Yours truly,

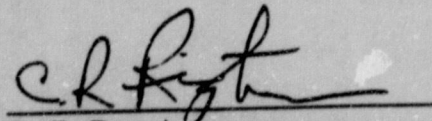
M. A. Hartman

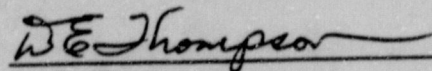
M. A. Hartman
General Director - Labor Relations

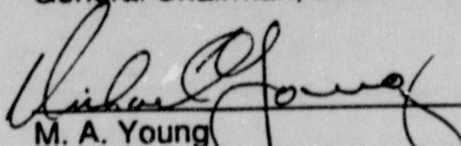
Side Letter No. 1
July 2, 1998
Mr. J. R. Koonce
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

AGREED:


J. R. Koonce
General Chairman, BLE


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers.

During our negotiations we discussed SSW ARTICLE 7 - VACATION and SPCSL - ARTICLE 17 - VACATION of the August 1, 1995 Agreement between Southern Pacific Lines and your Organization.

This will reflect our understanding that those former SSW and SPCSL engineers who are covered by this Implementing Agreement and who are presently covered by the above agreement provision shall be entitled to obtain the benefits of said ARTICLE 7 and ARTICLE 17 for the calendar year 1999 if said vacation is already earned under existing SSW and SPCSL agreements at the time of implementation of this Agreement. Thereafter, vacation benefits shall be as set forth in the controlling agreement on the merged territory.

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.

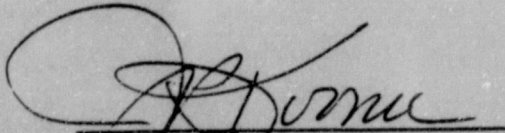
Yours truly,

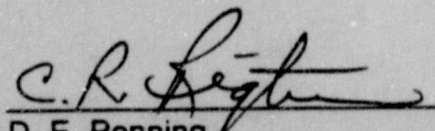
M. A. Hartman

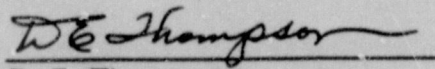
M. A. Hartman
General Director-Labor Relations

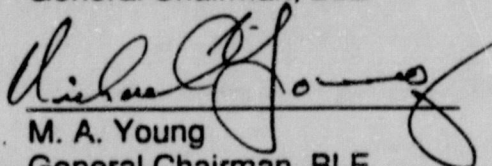
Side Letter No. 2
July 2, 1998
Mr. J. R. Koonce
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

AGREED:


J. R. Koonce
General Chairman, BLE


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers.

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 engineers 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. Engineers 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 BLE officers will work with local Carrier officers to implement this Side Letter in the most effective manner.

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

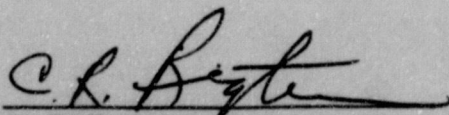
Yours truly,

M. A. Hartman

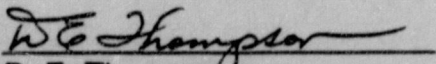
M. A. Hartman
General Director-Labor Relations

Side Letter No. 3
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

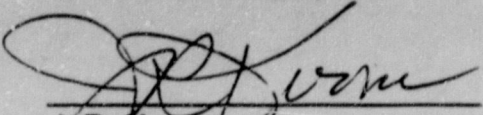
AGREED:



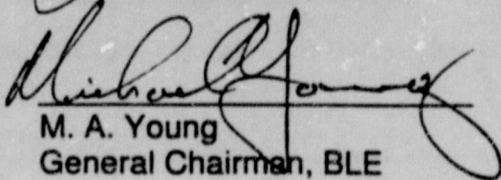
D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President, BLE

J. L. McCoy
Vice President, BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub 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 might possibly require an increased amount of transporting of engineers, and your Organization has concerns regarding the quality of the vehicles presently used for transporting engineers, 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.

Side Letter No. 4
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

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

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

AGREED:

D. E. Penning
D. E. Penning
General Chairman, BLE

D. E. Thompson
D. E. Thompson
General Chairman, BLE

J. R. Koonce
J. R. Koonce
General Chairman, BLE

M. A. Young
M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President, BLE
J. L. McCoy
Vice President, BLE

Side Letter No. 6

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

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

Example: An engineer 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. Engineers may also be deadheaded after tie-up and rest after the initial trip.

Example: An engineer 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 engineers at Quincy to protect the service from Quincy to Kansas City, i.e., it is not permissible to deadhead an engineer to a different away-from-home terminal for additional rest, but only for a return trip to the home terminal.
3. Engineers 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. Engineers hired prior to implementation of this Agreement will be paid highway miles for the deadhead portion of the trip and engineers hired subsequent to the implementation will be paid actual time for the deadhead portion of the trip.

STB

FD-32760

06/10/03

D

208052

4 OF 16

Side Letter No. 6
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

5. Once deadheaded between the two away-from-home terminals an engineer 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" engineers. If double deadheaded, then the engineer will be paid district miles for the second deadhead. A "double deadhead" in this instance is when an engineer is deadheaded from one-away-from-home terminal to another away-from-home terminal and then deadheaded back to the home terminal.
7. Engineers 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.

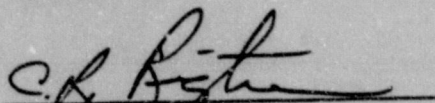
Yours truly,

M. A. Hartman

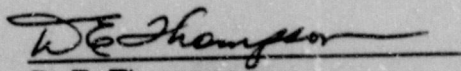
M. A. Hartman
General Director-Labor Relations

Side Letter No. 6
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

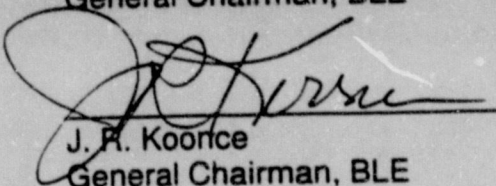
AGREED:



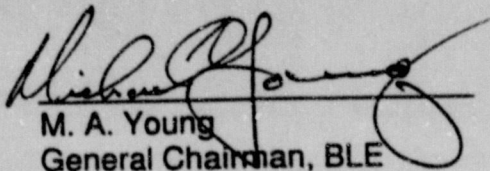
D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Haahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

In Side Letter No. 16 of the St. Louis Hub Merger Implementing Agreement and referenced in Article I.B.3.a. of Kansas City Hub Merger Implementing Agreement, the parties agreed to allow former UP and SSW engineers 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. 16.

The Carrier intends to have Kansas City as the home terminal for all engineers performing service in the Kansas City to Jefferson City pool. The present UP and SSW engineers at Jefferson City covered by this Agreement will be eliminated by attrition. When a former UP or SSW engineer, residing at or in the vicinity of Jefferson City, vacates his pool assignment through retirement, resignation, voluntary seniority move/relocation, etc., and it is not claimed/occupied by a prior rights Jefferson City engineer covered by this Side Letter, such position will no longer be maintained at Jefferson City but will be readvertised as having Kansas City as the designated home terminal.

Initially, upon implementation of this Agreement, the home terminal for the Kansas City to Jefferson City pool will be Jefferson City. (Note: This does not modify or nullify the provisions of Side Letter No. 23 to the St. Louis Hub Merger Implementing Agreement). Sufficient pool turns (along with extra board positions, as described below) shall be established to accommodate those engineers identified on the Attachment to this Agreement. After date of implementation, pool turns which are advertised which exceed the number necessary to fulfill this arrangement may be filled by any other Kansas City Hub engineers. Engineers 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.

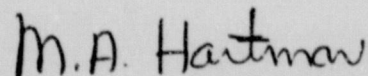
Side Letter No. 7
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

An extra board will be maintained at Jefferson City to protect assignments working west in Kansas City Hub Zone 3. This extra board will be maintained at a level of no less than 30% (all fractions are rounded downward) of the number of engineers occupying pool turns and residing at Jefferson City under this attrition arrangement. If there are unfilled positions on such extra board or unfilled positions on locals or other road assignments working out of Jefferson City west, the junior engineer 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.

When 51% or more of the turns in the Kansas City to Jefferson City pool are occupied by engineers who reside at or in the vicinity of Kansas City, the home terminal for the pool will become Kansas City. Once this change is effected, it shall remain at Kansas City. Engineers who continue to reside at or in the vicinity of Jefferson City will be afforded reverse lodging and HAHT privileges at Kansas City and lay off 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.

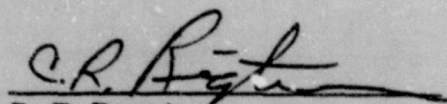
Yours truly,

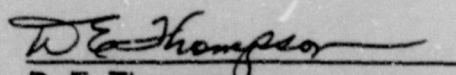


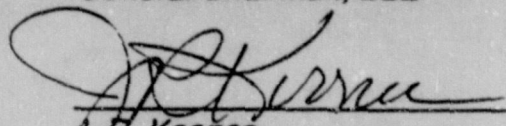
M. A. Hartman
General Director-Labor Relations

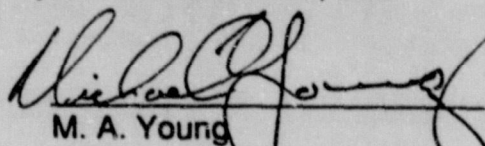
Side Letter No. 7
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President, BLE

J. L. McCoy
Vice President, BLE

July 2, 1998

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

With regard to Article II.H. of the Agreement, the following shall apply:

- I. Engineers who participate in the roster formulation process for the Kansas City Hub who presently hold engine service seniority outside the Kansas City Hub will be handled as follows:
 - a. All engine service 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 engineer's own expense.
 2. An engineer utilizing this provision to select a different hub will forfeit all seniority in the Kansas City Hub.
- II. The rights set forth in (b) above may only be exercised to the extent that there is an unfilled need for engineers 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 engineers within the Kansas City Hub the Carrier may hold such applicant for a reasonable amount of time to allow for a replacement.
- III. When all of the hubs involving engineers with former SSW and SPCSL system seniority have been completed, the Organization may serve notice upon Carrier to meet and negotiate the details surrounding a one-time "Sadie Hawkins Day" for such engineers to make one final, irrevocable move to a hub, which will be without relocation cost to the Carrier. The parties will resolve at this meeting the matters of shortages and/or surpluses in the various hubs, as well as method of seniority integration into the hub to which moving.

Side Letter No. 8

July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
M. A. Young
Page 2

It is understood this Agreement is made without prejudice to the position of any party, does not constitute a precedent, and may not be cited or referred to by any party in any other negotiations or proceedings.

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:

D. E. Penning
D. E. Penning
General Chairman, BLE

D. E. Thompson
D. E. Thompson
General Chairman, BLE

J. R. Koonce
J. R. Koonce
General Chairman, BLE

M. A. Young
M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President, BLE

J. L. McCoy
Vice President, BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub.

During our negotiations your Organization raised some concern regarding the intent of Article VIII - Savings Clauses, Item C thereof. Specifically, it was the concern of some of your constituents that the language of Item C might subsequently be cited to support a position that "other applicable agreements" supersede or otherwise nullify the very provisions of the Merger Implementing Agreement which were negotiated by the parties.

I assured you this concern was not valid and no such interpretation could be applied. I pointed out that Item C must be read in conjunction with Item A, which makes it clear that the specific provisions of the Merger Implementing Agreement, where they conflict with the basic schedule agreement, take precedence, and not the other way around.

The purpose of Item C was to establish with absolute clarity that there are numerous other provisions in the designated collective bargaining agreement, including national agreements, which apply to the territory involved, and to the extent such provisions were not expressly modified or nullified, they still exist and apply. It was not the intent of the Merger Implementing Agreement to either restrict or expand the application of such agreements.

In conclusion, this letter of commitment will confirm that the provisions of Article VIII - Savings Clauses may not be construed to supersede or nullify the terms of the Merger Implementing Agreement which were negotiated in good faith between the parties. I hope the above elaboration clarifies the true intent of such provisions.

Yours truly,

M.A. Hartman

M. A. Hartman
General Director-Labor Relations

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

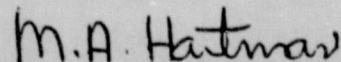
This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

Prior to implementation of this Agreement, the Carrier and Organization will schedule and convene a meeting in Kansas City, Missouri to develop equity data for roster formulation and slotting of freight pools associated with the Kansas City Hub. The results of this meeting will be appended to this Agreement prior to it being disseminated for a ratification vote.

This meeting will be conducted by Carrier Labor Relations Officers and the appropriate Local Chairmen for the territories concerned. The Carrier will provide the sources of equity data and the Local Chairmen will provide the Carrier with the necessary equity percentages for roster slotting and formulating. In the event the Local Chairmen are unable to agree upon equity percentages, the Carrier will make such determinations and will not be subject to any claims or grievances as a result thereof.

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.

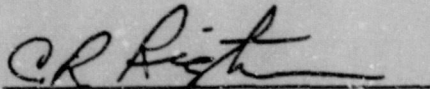
Yours truly,



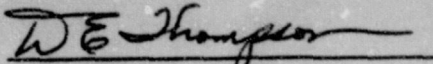
M. A. Hartman
General Director-Labor Relations

Side Letter No. 10
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

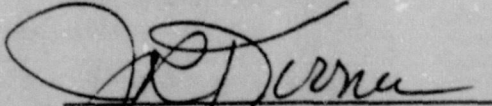
AGREED:



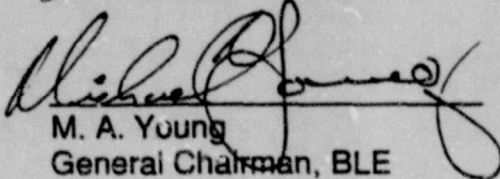
D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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 engineers 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. 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.

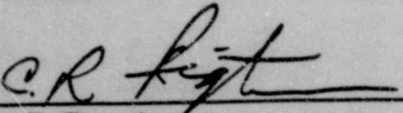
Yours truly,

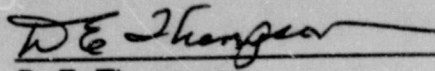
M.A. Hartman

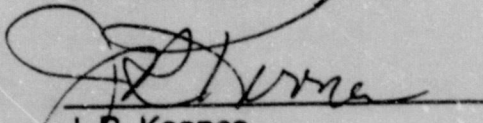
M. A. Hartman
General Director-Labor Relations

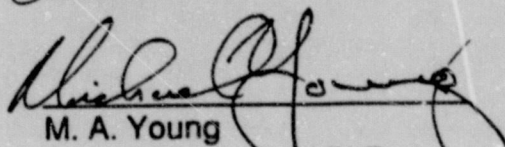
Side Letter No. 11
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

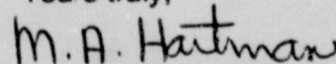
Gentlemen:

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 Brotherhood of Locomotive Engineers. During these negotiations, the Organization expressed concern that engineers 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 an engineer ties up on the Hours of Service before reaching the objective terminal, the Carrier will make every reasonable effort to relieve subject engineer and transport him to the tie up point, expeditiously. The Carrier recognized the interests of the railroad and its engineers 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 engineer and providing transportation as soon as practical. It is understood that this commitment contemplates transportation in the form of passenger vehicle, and engineers 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
General Director-Labor Relations

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines, and the Brotherhood of Locomotive Engineers.

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 SSW/SPCSL and UP (former Eastern District) engineers comprehended by this Implementing Agreement at the earliest possible date, but no later than by date of implementation of this Agreement.

Yours truly,

M. A. Hartman

M. A. Hartman
General Director-Labor Relations

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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 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 engineer meets the requisite test of having been "required to relocate",
2. The sale of the residence occurred at the same location where claimant was working immediately prior to implementation, and
3. The sale of the residence occurred after the date of this Agreement.

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.

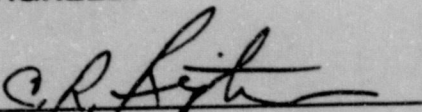
Yours truly,

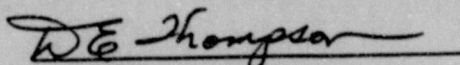
M. A. Hartman

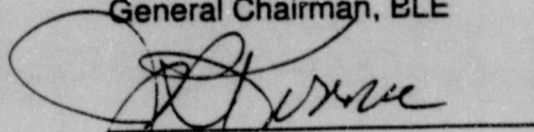
M. A. Hartman
General Director-Labor Relations

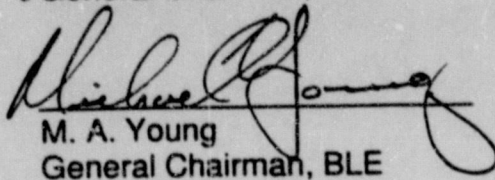
Side Letter No. 14
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

During our negotiations the Organization requested a commitment from the Carrier that no engineer currently in the hub would be forced out of the hub. Carrier advised that it could not commit to this since engineers could potentially come into the hub when rosters are formulated, thereby inflating the number of engineers in the hub and creating a surplus. Therefore, in the alternative it was agreed that the total number of engineers in the Kansas City Hub upon finalization of rosters would be no less than the number in the hub on the date of this Implementing Agreement. In the event that number is exceeded because of engineers coming into the hub from other locations in line with their system seniority, the excess may be reduced by the Carrier by forcing junior surplus engineers out of the hub. In the application of this Side Letter, it is understood that engineers coming into the hub from other locations do so as a seniority move and such moves do not trigger relocation benefits. If such moves result in Carrier reducing surplus junior engineers out of the hub, such forced engineers would be eligible for relocation benefits.

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

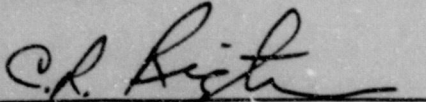
Yours truly,

M. A. Hartman

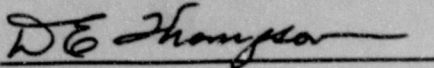
M. A. Hartman
General Director - Labor Relations

Side Letter No. 15
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

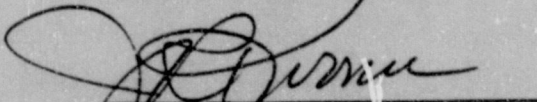
AGREED:



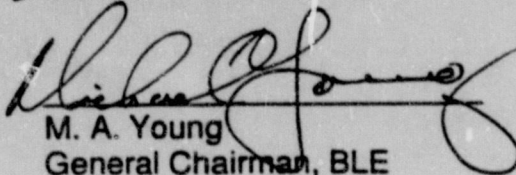
D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

During our negotiations of this Hub, the parties agreed that in order to operate the large consolidated hub more efficiently, the following would apply:

1. Article 26(D) of the designated collective bargaining agreement shall 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 engineers filling regular assigned engineer 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 engineer called subsequent to the first out engineer departs from a separate location ahead of the first out engineer. Separate location is defined to mean yards, tracks, or exchange points, which would require a crew van to accomplish the engineer exchange.

NOTE: Freight pool and extra board engineers called to deadhead will continue to be exchanged with other freight pool engineers on duty in order to comply with the first-in/first-out provisions of Article 26(D) and National Railroad Adjustment Board Award No. 24679, except it will not be necessary to exchange engineers when the working engineer is called to handle a train from one yard and the deadhead engineer is called to deadhead from another yard. This exception applies to all pools operating out of the Kansas City Hub.

Side Letter No. 16
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

- b. Freight pool and extra board engineers filling regular assigned engineer 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 engineer 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 26(D) and the provisions of this Memorandum Letter of Agreement will be in full force and effect.
2. A pool freight engineer 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 engineer held at the home terminal. If the engineer cannot be returned to the proper position because the engineer has not received the necessary Hours of Service rest, the engineer will, upon arrival at the home terminal, be placed in the same relative position on the board as the engineer held at the home terminal at the start of the previous trip.

This Memorandum 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 describes our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

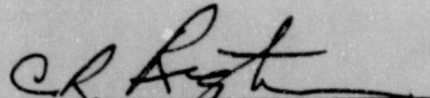
Yours truly,

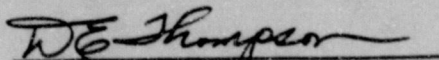
M. A. Hartman

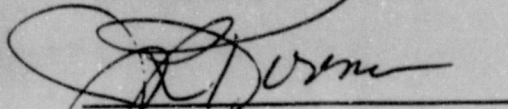
M. A. Hartman
General Director-Labor Relations

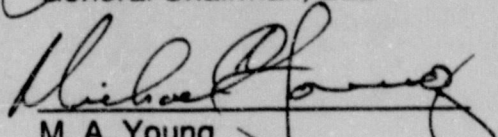
Side Letter No. 16
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

During our negotiations we discussed engineers holding seniority in the hub who were on leaves of absence for medical, union officer, carrier officer, and other such reasons. We agreed these engineers would be treated as if they were working in the craft for the purposes of roster slotting on the dovetailed roster and for prior rights purposes. As such they will be included on the new rosters with the same status they currently hold. Should they return to service as an engineer, they will be covered under the hub agreement in accordance with their seniority.

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.

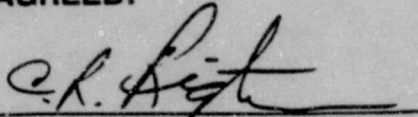
Yours truly,

M. A. Hartman

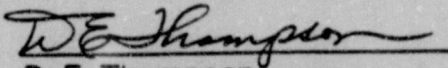
M. A. Hartman
General Director-Labor Relations

Side Letter No. 17
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

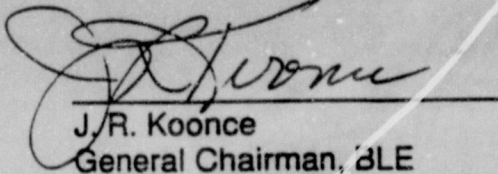
AGREED:



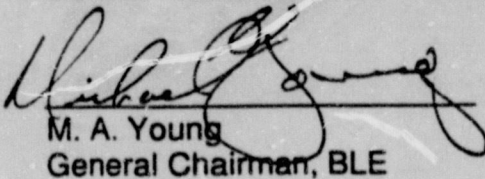
D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hañs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

During our negotiations of this Hub, the parties discussed the application of the 1946 Local Agreement in the merged territory.

Article 4, specifically, the Memorandum of Agreement entitled "Local Freight Train Service" contained in Pages 11 and 12 of the current Agreement will be interpreted and applied as follows:

The territories to which this rule applies will not be expanded by the addition of other than former MP Upper Lines territories. The Agreement will apply only to those territories (subdivisions) as described.

Additionally, the reference to "subdivisions which do not show any trains in time table," contained in Section 1 of this Memorandum, refers only to the Missouri Pacific Railroad's time table in effect on August 10, 1946.

The territories subsequently added as a result of merging with other properties will not be subject to the requirements of Section 1 of this Memorandum.

This Memorandum 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.

Side Letter No. 18
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

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

AGREED:

D. E. Penning

D. E. Penning
General Chairman, BLE

D. E. Thompson

D. E. Thompson
General Chairman, BLE

J. R. Koonce

J. R. Koonce
General Chairman, BLE

M. A. Young

M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

During our discussions regarding Article V - Familiarization, we reviewed some of the problems experienced in implementing other hubs. A process which was adopted in the Denver and Salt Lake City Hub was introduced and the parties agreed to apply it at Kansas City. Specifically, it was agreed that during implementation of the hub engineers will not be removed from their regular assignments to become peer trainers, and any engineer required to assist an engineer on a familiarization trip will be compensated on a trip by trip basis as follows:

"Engineers who work their assignment (road and yard service) accompanied by an engineer taking a familiarization trip in connection with the merger shall be paid one (1) hour at the straight time rate of pay in addition to all other earnings for each tour of duty. This payment shall not be used to offset any extra board or pool freight guarantee payments."

Engineers will be required to submit a timeslip indicating he/she was required to train another engineer and shall include the name of the engineer taking the familiarization trip on the timeslip.

It was understood the terms of this understanding shall be applicable for only the first 180 days following date of merger implementation; thereafter, existing agreement provisions will apply. This understanding is without prejudice or precedent to either party.

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.

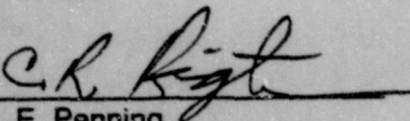
Yours truly,

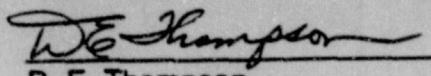
M.A. Hartman

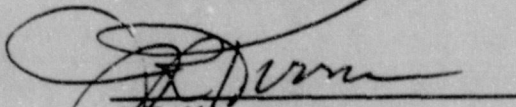
M. A. Hartman
General Director-Labor Relations

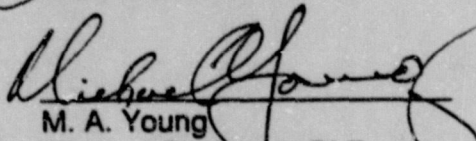
Side Letter No. 19
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

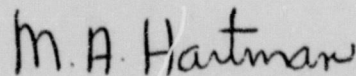
MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Article I.A.4.d. thereof.

While the provisions of Article I.A.4.d. contemplate that engineers dislocated from Ft. Madison as the result of a cessation of operations over BNSF trackage rights would be relocated to Kansas City to exercise their hub seniority, this letter will confirm that Carrier did commit to meet and explore the possibility of integrating those engineers desiring to do so into the existing Chicago to Clinton or Clinton to Des Moines pools. This would of course require the concurrence of the involved BLE General Chairman for that territory. It is understood that any notice or negotiations conducted in this regard would not be under the governance of the commitment letters referenced in the Preamble to this Implementing Agreement.

Yours truly,



M. A. Hartman
General Director-Labor Relations

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and particularly Article II.F.

As discussed, there are currently a group of engineers in training for Dalhart/Pratt. Under the SSW Agreement and seniority provisions, some of these trainees bid the training vacancies from Kansas City with the hope they could hold seniority in the Kansas City Hub after implementation of the merger. It was agreed that these trainees would stand to be canvassed for establishment of seniority in the Kansas City Hub if the roster sizing numbers are such that there are roster slots for them. If not, there is no requirement that they be added to the Kansas City Hub roster.

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.

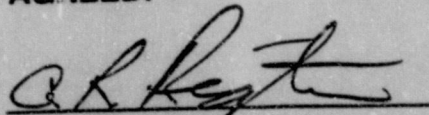
Yours truly,

M. A. Hartman

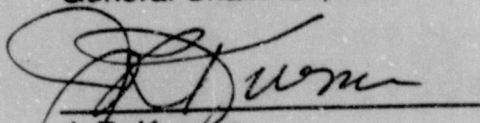
M. A. Hartman
General Director-Labor Relations

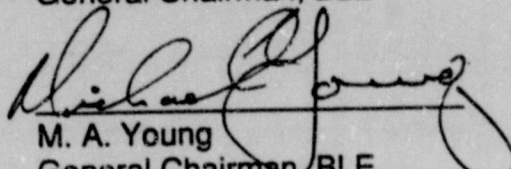
Side Letter No. 21
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Articles I.E.2. and III.A.6. thereof.

Extensive discussions were held regarding allocation of yard assignments and extra board work within the consolidated Kansas City Terminal. Carrier agreed to the method of work assignment described herein with the understanding that such arrangement would in no way compromise the Carrier's right to operate the Kansas City Terminal as a consolidated terminal as set forth in this Implementing Agreement, and all yard assignments may operate anywhere within the terminal without any pre-merger seniority distinctions or lines of demarcation. On this basis, it was agreed:

1. All yard assignments and extra board positions in the Kansas City Terminal shall be accessed from a dovetailed seniority roster of all engineers in the Kansas City Hub. This dovetailed roster shall identify every engineer by his zone prior rights, i.e., Zone 1, 2, 3 or 4. Engineers promoted after the date of implementation of this Agreement shall be common, i.e., no prior rights designation shall be noted on said roster.
2. At the equity workshop meeting described in Side Letter No., 10 the parties will develop prior rights percentages to yard work in Kansas City based upon the data used for all the other equity calculations under this Agreement. These percentages will distribute the equity among Zones 1, 2 and 4; Zone 3 will have no equity in the yard work in the Kansas City Terminal.
3. After the equity percentages are developed, an add/cut chart will be developed which describes the proportionate allocation of assignments (including extra board) to prior rights Zone 1, 2 and 4 engineers relative to the total of such assignments within the terminal. The proportional numbers

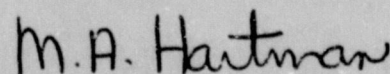
Side Letter No. 22
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

shall only be relevant for purposes limiting the number of prior rights engineers from each zone exercising their prior rights to such assignments; within such limitations, engineers of all the participating prior rights zones shall compete for assignments within the terminal on the basis of their relative seniority.

4. At the equity workshop meeting described in Side Letter No. 10 the parties will also agree upon the average number of assignments operated in the Kansas City Terminal during the period covered by the equity data. This number will then represent the cap or maximum number of regular assignments subject to the above arrangement. Any assignments established in excess of that number shall be filled by engineers on the basis of their common hub seniority.
5. As indicated above, the extra board described in Article III.A.6 will also be subject to the provisions of Item 3 above. However, the number of extra board positions will not exceed 25% of the number determined under Item 4 above (fractions to be rounded to the next higher number). Once this extra board cap is determined, any extra board positions in excess of that number which are maintained shall be accessed by engineers on the basis of their common hub seniority.
6. Where the above provisions conflict with the provisions of the designated collective bargaining agreement, the above provision shall prevail.
7. The parties will cooperate in meeting to resolve any unforeseen problems or issues relative to implementation of the above procedures.

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.

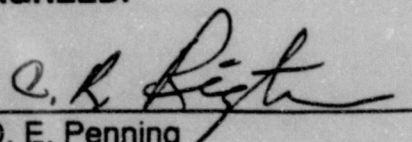
Yours truly,

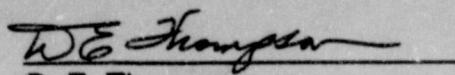


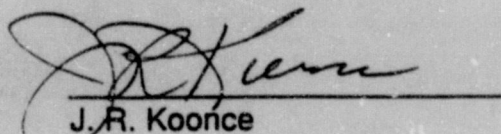
M. A. Hartman
General Director-Labor Relations

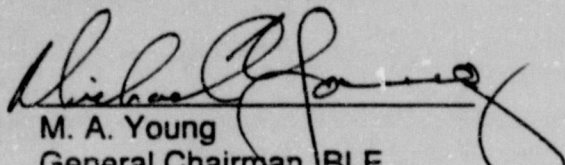
Side Letter No. 22
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Article I.B.2.

Much discussion occurred surrounding SSW asserted rights to equity in Zone 2 as a result of train changes related to the discontinuance of operations over the Pueblo Line. Without otherwise commenting upon the positions of the respective committees regarding this matter, suffice it to state the Carrier agreed to the following arrangement proffered by the Organization:

When rosters are formulated and engineers are canvassed, there will be five (5) positions opened on the Zone 2 prior rights roster for former SSW engineers. (The 5th slot represents the former SSW equity on a yard assignment at Topeka). The senior SSW engineers desiring such Zone 2 roster slots shall be placed on such roster in accordance with their seniority and shall establish prior rights in Zone 2 by virtue thereof. If any or all of said proffered roster slots in Zone 2 go unclaimed, they shall be extinguished and no further right to make claim to them shall exist. It is understood that none of the provisions of this implementing agreement may be construed to allow more than five (5) former SSW engineers to acquire a prior rights slot on the Zone 2 roster.

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.

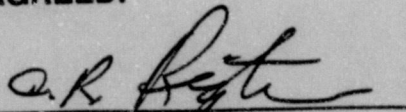
Yours truly,

M.A. Hartman

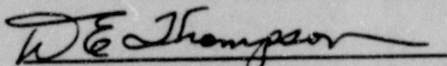
M. A. Hartman
General Director-Labor Relations

Side Letter No. 23
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

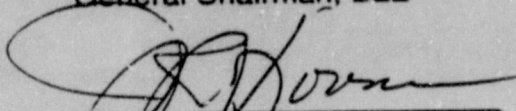
AGREED:



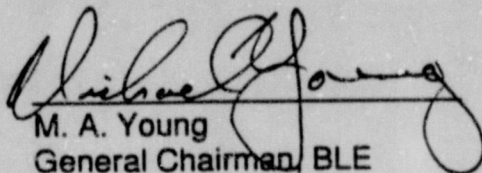
D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

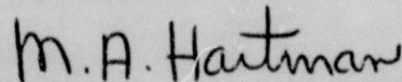
Gentlemen:

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

Much discussion occurred surrounding certain calling procedures and other local provisions, such as "Sadie Hawkins Days", applicable to former UP 8th District Engineers performing service in the Kansas City to Marysville pool prior to implementation of this Agreement.

Without prejudice or precedent the Carrier agreed to meet, post implementation, to review the above referred-to items to consider whether to adopt any of these former provisions to Zone 2 and/or the entire Kansas City Hub.

Yours truly,



M. A. Hartman
General Director-Labor Relations

cc: D.M. Hahs
Vice President - BLE
J.L. McCoy
Vice President - BLE

July 2, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

Gentlemen:

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

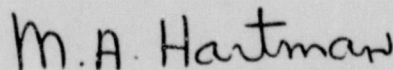
Upon implementation of this Agreement, and after all assignments have been made in connection therewith, those former SPCSL Engineers who remained at Ft. Madison or continued working between Ft. Madison and Chicago (including Chicago) and who did not relocate to Kansas City will receive a one (1) time 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.

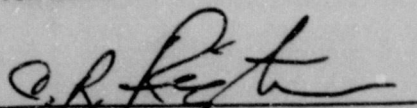
Yours truly,

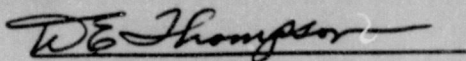


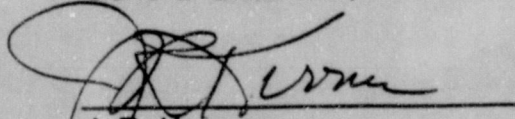
M. A. Hartman
General Director-Labor Relations

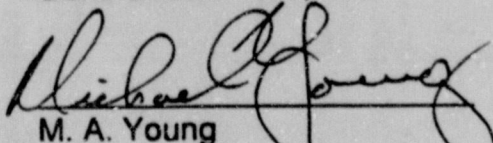
Side Letter No. 25
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

AGREED:


D. E. Penning
General Chairman, BLE


D. E. Thompson
General Chairman, BLE


J. R. Koonce
General Chairman, BLE


M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

QUESTIONS AND ANSWERS - KANSAS CITY HUB

ARTICLE I - WORK AND ROAD POOL CONSOLIDATION

- Q.1. What is the impact of the terminal operations at terminals where both the former UP and SSW/SPCSL had yards/terminal operations being "consolidated into a single operation"?
- A.1. In a consolidated terminal, all road crews can receive/leave their trains at any location within the boundaries of the new consolidated 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 rail lines, yards, and/or sidings within the Terminal are considered as common to all crews working in, into and out of the Terminal and all road crews may perform all permissible road/yard moves pursuant to the applicable collective bargaining agreements.
- Q.2. Is it the intent of this agreement to use engineers beyond the 25-mile zone?
- A.2. No.
- Q.3. Since the 25-mile zone provisions specify that engineers may be called to receive "the train for which they were called", does this preclude their use under such 25-mile zone provision for any other train?
- A.3. Yes, unless other pre-existing local agreements or practices permit otherwise.
- Q.4. What is intended by the words "at the basic pro rata through freight rate" as used in this Agreement?
- A.4. Payment would be at the high (unfrozen) through freight rate of pay which is applicable to the service portion of the trip.
- Q.5. How will initial terminal delay be determined when performing service as in the 25-mile zone?
- A.5. Initial terminal delay for engineers entitled to such payments will be governed by the applicable collective bargaining agreement and will not commence when a crew operates back through the on-duty point. Operation back through the on-duty point shall be considered as operating through an intermediate point.
- Q.6. How is a crew which received their train in the twenty-five (25) mile zone on the far side of the terminal compensated?
- A.6. When so used, the crew shall be paid an additional one-half ($\frac{1}{2}$) basic day at the basic pro rata through freight rate 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 25-mile zone shall not be 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, if factored into the computation of overtime, would produce road overtime earnings for the tour of duty in excess of the minimum four (4) hour payment, the higher overtime earnings would apply.

- Q.7. 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.7. If the crew had operated back through the origin terminal, they will be transported to the destination terminal, unless emergency conditions (i.e., acts of God, derailment, etc.) prevent such, and be paid district miles, overtime where applicable and a minimum of four (4) hours at the basic pro rata through freight rate.
- Q.8. In regards to Question 6 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.8. If the crew origin terminal is the home terminal will be released at the origin terminal and paid a basic day, including overtime when applicable, in addition to the minimum of four (4) hours at the basic pro rata through freight rate for working the 25-mile zone. If the origin terminal is the away terminal, the crew will be deadheaded to the destination terminal, except in cases of emergency (i.e., Acts of God, derailment, etc.).
- Q.9. Is it the intent of this agreement to use engineers in the 25-mile zone if not qualified to operate on that territory?
- A.9. No. It is not the intent of this agreement to require engineers to operate against their will within the 25-mile zone if not familiar with such territory.
- Q.10. Do the 25-mile zone provisions, including the pay provisions thereof, apply to all engineers?
- A.10. These provisions apply equally to pre-1985 engineer, post-1985 engineers, and engineers hired/promoted subsequent to the provisions of this agreement.
- Q.11. Is the ½ day at the basic pro rata through freight rate for operating in the 25-mile zone frozen and/or is it a duplicate payment/special allowance?
- A.11. No, it is subject to future wage adjustments and it is not a duplicate pay/special allowance.
- Q.12. At locations common to other hubs, such as Jefferson City, Wichita, Winfield, etc., is it understood that the right of a Kansas City Hub engineer to reach out 25 miles beyond the terminal to provide Hours of Service relief under the 25-mile zone provisions of this Agreement is dependent upon reciprocal 25-mile zone agreements in those hubs?
- A.12. Yes.
- Q.13. When an engineer is used for hours of service relief at the away from home terminal pursuant to this Agreement may he be used to provide relief for more than one train?
- A.13. No, when the engineer returns to the away from home terminal after performing hours of service relief (on only one train) he will stand first out upon arrival subject to rest and he shall next be either deadheaded or perform actual service to the home terminal.

- Q.14. What does the phrase "interchange rules are not applicable for intra-carrier moves within the terminal" mean?
- A.14. This refers to movements between locations, points or yards of the former pre-merger roads (i.e., UP, SP, DRGW, SSW and SPCSL). Interchange rules do not apply to such movements.
- Q.15. In Article I.A.9 it is provided that local assignments, assigned freight service, and any other irregular assignments will be protected by prior rights Zone 1 engineers from the Kansas City Hub "on a prior rights basis." What happens when such service is advertised and goes no bid?
- A.15. The vacancy would be filled by engineers holding seniority in the terminal. For example, such work would be protected by the OMC at Council Bluffs.
- Q.16. Carrier and the Organization on the former Eastern District have entered into an agreement providing for the establishment of RSS assignments at Marysville, which will be under the ED Agreement at that location. Are any such RSS jobs at Marysville to be treated the same as the Jeffrey Energy Pool assignments for purposes of application of the grandfather provisions of Article I.B.8.?
- A.16. Yes.
- Q.17. With regard to Article I.B.8., is it intended that the attrition of the Jeffrey Energy Pool assignments to the UP 18th District would be applied to force a prior rights former 8th District engineer out of Marysville?
- A.17. No.
- Q.18. With regard to Article I.B.8.a., if an engineer who was awarded prior rights to the Jeffrey Energy Pool assignments subsequently bid off or was reduced from such assignments, is he precluded from later reasserting his prior rights seniority to such assignments?
- A.18. No.
- Q.19. Are there any circumstances under which a former UP 8th District engineer would be entitled to relocation benefits from one location to another location within Zone 2?
- A.19. Since Marysville, Topeka and Kansas City were all within the same seniority district pre-merger, and are retained/prior righted post-merger, not basis for relocation benefits could be established.
- Q.20. Even though under Article I.A.11.b. the extra board at Atchison is not included in the prior rights arrangements at Atchison/St. Joseph, would a prior righted Atchison or St. Joseph engineer forfeit their prior rights under Article I.A.11.a. if they bid in the extra board?
- A.20. No.
- Q.21. After the six (6) year period in Article I.A.4.c. has expired, what application does Article I.A.4.d. have if the Carrier elects to phase out its use of BNSF trackage rights on a gradual basis rather than on an immediate basis?
- A.21. It is not intended that Carrier may circumvent the provisions of Article I.A.4.d. by implementing a plan to discontinue such trackage rights operations on a phased in basis. While the specific facts of the case will speak for themselves, it is undisputed that the intent of the parties is to afford relocation benefits to engineers forced to

relocate to Kansas City as a direct result of discontinuance of exercise of the trackage rights operations.

ARTICLE II - SENIORITY CONSOLIDATIONS

- Q.1. What is the status of pre-October 31, 1985 trainmen/firemen seniority?
- A.1. Trainmen/firemen seniority will be in negotiations/arbitration with the appropriate Organization. Employees will be treated as firemen should they not be able to hold as an engineer. Those currently "treated as" will continue such status.
- Q.2. What is the status of post-October 31, 1985 trainmen/firemen seniority?
- A.2. A post-October 31, 1985 engineer will exercise their seniority as a trainman/fireman in accordance with the applicable agreements should they not be able to hold as an engineer.

ARTICLE III - EXTRA BOARDS

- Q.1. Will extra boards established under this section be confined to protecting extra work exclusively within the zone in which established?
- A.1. All extra boards will only protect extra work within one zone. After implementation, should the Carrier desire to establish extra boards which protect extra work in more than one zone, this will be done pursuant to the existing collective bargaining agreement, and the parties must reach agreement as to how engineers from the zones involved will be allowed to exercise seniority to such extra board(s). Failure to reach such agreement, common seniority will be used.
- Q.2. Are these guaranteed extra boards?
- A.2. The provisions of the designated collective bargaining agreement shall apply.
- Q.3. In Article III.A.1. referring to use of the Atchison Extra Board for Hours of Service relief, what does "except in emergency" mean?
- A.3. The order of providing Hours of Service relief would be use of a rested away-from-home pool engineer on a straightaway move or the protecting extra board at Kansas City, including the supplementing extra board described in Article III.A.5.a. If all these sources are exhausted, the Atchison Extra Board could be used in order to move the train.

ARTICLE IV - APPLICABLE AGREEMENTS

- Q.1. When the Merger Implementing Agreement becomes effective what happens to existing claims previously submitted under the prior agreements?
- A.1. The existing claims shall continue to be handled in accordance with the former agreements and the Railway Labor Act. No new claims shall be filed under those former agreements once the time limit for filing claims has expired.
- Q.2. Under Article IV.G., is it the intent that an engineer may receive duplicate compensation under this provision and some other agreement rule, such as deadhead provisions?
- A.2. No.

ARTICLE V - FAMILIARIZATION

- Q.1. An engineer who makes familiarization trips only on the portion of the geographic territory where he intends to work may later exercise to another part of the territory with which he is not familiar. Does this Agreement apply to the necessary additional familiarization trips?
- A.1. Yes, no matter how much time has elapsed from date of implementation of this Agreement.
- Q.2. Who will approve an engineer as being properly familiarized on a new territory?
- A.2. An engineer will not be considered qualified on a new territory until check ride is given by the designated Carrier officer as per the requirements of 49 CFR, Parts 240.127 and 240.129.
- Q.3. May a brakeman, conductor, other employee not specified in the Agreement be used to familiarize an engineer on an unfamiliar geographic territory?
- A.3. No.
- Q.4. If an unqualified extra engineer stands first out for an assignment and the next extra engineer is qualified, may the first out extra engineer be run-around?
- A.4. No. The first out extra engineer will be called for the assignment and the next out engineer qualified will be called to act as a pilot.
- Q.5. How shall a qualified engineer used as pilot be compensated?
- A.5. The same as if he had operated the train.

ARTICLE VI - IMPLEMENTATION

- Q.1. How will Local Chairmen assisting in the implementation process be treated for protection purposes?
- A.1. Local Chairmen assisting the Carrier in implementing the Agreement shall be paid the greater of their earnings or their protection. While assisting the Carrier in the implementation process they shall be governed by basic New York Dock protection reduction principals when laying off (other than company service while assisting in implementation) or absent for any reasons. They will not be required to occupy the higher rated job or position during implementation period.

ARTICLE VII - PROTECTIVE BENEFITS AND OBLIGATIONS

Section A:

- Q.1. How will test period earnings be calculated for employees returning to service following extended absence (a period of one year or more)?
- A.1. Their test period earnings will be the average of the test period earnings of the two (2) employees below and two (2) employees above on the pre-merger rosters working in the same class of service.
- Q.2. How will test period earnings be calculated for part time union officers?
- A.2. In the same manner as question 1, Answer 1 above.

- Q.3. How does the Carrier calculate test period earnings if, during the last twelve (12) months, an employee has missed two (2) months compensated service?
- A.3. The Carrier will go back fourteen (14) months (or however many months necessary) to calculate the test period earnings based on twelve (12) months compensated service.
- Q.4. How will an employee be advised of his test period earnings?
- A.4. Test periods will be furnished to each individual and their appropriate General Chairman.
- Q.5. An employee is off one or more days of a month in the test period account of an on-duty personal injury. Will that month be used in computing test period averages?
- A.5. Yes, if the employee performed other compensated service during the month.
- Q.6. An engineer protects an extra board which pays a bonus day to an employee who stays marked up on the board for the entire pay period. Is this payment included in calculation of test period earnings?
- A.6. Yes.
- Q.7. Is vacation pay received during the test period considered as compensation?
- A.7. Yes.
- Q.8. If an engineer is on vacation the entire month and the vacation pay therefor is less than his TPA, would he be entitled to draw a displacement for the difference?
- A.8. Yes.
- Q.9. How is length of service calculated?
- A.9. It is the length of continuous service an employee has in the service of the Carrier, as defined in the Washington Job Protection Agreement of 1936.
- Q.10. If an employee has three years of engine service and three years of train service, how many years of protection will they have?
- A.10. Six.
- Q.11. Claims for a protection guarantee are subject to offset when an employee is voluntarily absent. How are such offsets computed?
- A.11. A prorated portion of the guarantee is deducted for each twenty-four (24) hour period or portion thereof. The proportion varies depending on the number of days in the month and the rest days of a regularly assigned employee. For example, in a thirty (30) day month, the through freight deduction would be 1/30th. For an employee assigned to a six (6) day local, the proration would be 1/26th or 1/27th, depending on how rest days fell. For an unassigned yard employee, the proration would be anywhere from 1/20th to 1/24th, depending on how the rest days fall. A deduction will not be made for an employee required to lay-off due to mileage regulations.

- Q.12. An employee assigned to the extra board lays off for one day. During the period of lay-off, he would not have otherwise had a work opportunity. What offset should be made in the employee's protective claim?
- A.12. A pro rata portion of the guarantee is deducted, such proportion depending on the number of days in the month, i.e., 1/28th, 1/29th, 1/30th or 1/31st. [Except mileage regulation lay-off].
- Q.13. What prorated portion of a protection guarantee will be deducted for an employee working on a guaranteed extra board whereon such employee is entitled to lay off up two (2) days per month without deduction of the extra board guarantee?
- A.13. No deduction will be made from the protection guarantee for the first two (2) days of layoff during the month. Layoffs in excess of two (2) will result in a prorated deduction from the protection guarantee on the basis of the number of days in the month for each day of layoff in excess of two. [Except mileage regulation lay-off.]
- Q.14. How will employees know which jobs are higher rated?
- A.14. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.
- Q.15. Will specific jobs be identified in each grouping?
- A.15. Pools, locals and extra boards, with different monetary guarantees, may be identified separately but yard jobs and road switchers will not be.
- Q.16. What rights does an employee have if he is already covered under labor protection provisions resulting from another transaction?
- A.16. Section 3 of New York Dock permits employees to elect which labor protection they wish to be protected under. By agreement between the parties, if an employee has three years remaining due to the previous implementation of Interdivisional Service the employee may elect to remain under that protection for three years and then switch to the number of years remaining under New York Dock. If an employee elects New York Dock then he/she cannot later go back to the original protection even if additional years remain. It is important to remember that an employee may not receive duplicate benefits, extend their protection period or count protection payments under another protection provision toward their test period average for this transaction.
- Q.17. Will the Carrier offer separation allowances?
- A.17. The Carrier will review its manpower needs at each location and may offer separation allowances if the Carrier determines that they will assist in the merger implementations. Article I Section 7 of New York Dock permits an employee that is "dismissed" as defined by New York Dock to request a separation allowance within seven days of his/her being placed in dismissed status in lieu of all other benefits.
- Q.18. Does an employee who elects to exercise his seniority outside the Kansas City Hub and not participate in the formulation of rosters for the new Kansas City Hub qualify for wage protection?
- A.18. The certification agreed to under Article VII applies only to those employees who are slotted on the newly formed Kansas City Hub rosters.

- Q.19. In applying the "highest rated job" standard to a protected employee, may the Carrier require an employee to take a higher rated job (or use those earnings as an offset against the protection guarantee) which would require a change in residence?
- A.19. No, unless the job is protected from that source of supply point.

Section B:

- Q.1. Who is required to relocate and is thus eligible for the allowance?
- A.1. An engineer who can no longer hold a position at his location and must relocate to hold a position as a result of the merger. This excludes engineers who are borrow outs or forced to a location and released.
- Q.2. Are there mileage components that govern the eligibility for an allowance?
- A.2. Yes, the engineer must have a reporting point farther than his old reporting point and at least 30 miles between the current home and the new reporting point and at least 30 miles between reporting points.
- Q.3. Can you give some examples?
- A.3. The following examples would be applicable.

Example 1: Engineer A lives 80 miles east of Kansas City and works a yard assignment at Kansas City. As a result of the merger, he is assigned to a yard job with an on duty at Lee's Summit. Because his new reporting point is closer to his place of residence no relocation allowance is given.

Example 2: Engineer B lives 35 miles east of Kansas City and goes on duty at the SP yard office in Kansas City. As a result of the merger he goes on duty at the UP yard office in Kansas City which is one mile away. No allowance is given.

Example 3: Engineer C lives in Ft. Madison and is unable to hold an assignment at that location and must place on an assignment at Kansas City. The engineer meets the requirement for an allowance and whether he is a homeowner, a homeowner who sells their home or a non-homeowner determines the amount of the allowance.

Example 4: Engineer D lives in Ft. Madison and can hold an assignment in Ft. Madison but elects to place on an assignment at Kansas City. Because the engineer can hold in Ft. Madison, no allowance is given.

- Q. 4. Why are there different dollar amounts for non-home owners and homeowners?
- A. 4. New York Dock has two provisions covering relocating. One is Article I Section 9 Moving expenses and the other is Section 12 Losses from home removal. The \$10,000 is in lieu of New York Dock moving expenses and the additional \$10,000 or \$20,000 is in lieu of loss on sale of home.
- Q. 5. Why is there a set amount offered on loss on sale of home?
- A. 5. It is an in lieu of amount. Engineers have an option of electing the in lieu of amount or claiming New York Dock benefits. Some people may not experience a loss on

sale of home or may not want to go through the procedures to claim the loss under New York Dock.

Q. 6. What is loss on sale of home for less than fair value?

A. 6. This refers to the loss on the value of the home that results from the Carrier implementing this merger transaction. In many locations the impact of the merger may not affect the value of a home and in some locations the merger may affect the value of a home.

Q. 7. Can you give an example?

A. 7. Prior to the merger announcement a home was worth \$60,000. Due to numerous employees transferring from a small city the value drops to \$50,000. Upon approval of the sale by the Carrier employee is entitled to \$10,000 under Section 12 and the expenses provided under Section 9, or the owner can claim the in lieu of amount of \$30,000.

Q. 8. If the parties cannot agree on the loss of fair value what happens?

A. 8. New York Dock Article I Section 12 (d) provides for a panel of real estate appraisers to determine the value before the merger announcement and the value after the merger transaction.

Q. 9. What happens if an employee sells a home valued at \$50,000 for \$20,000 to a family member?

A. 9. That is not a bona fide sale and the employee would not be entitled to either an in lieu of payment or a New York Dock payment for the difference below the fair value.

Q. 10. What is the most difficult part of New York Dock in the sale transaction?

A. 10. Determine the value of the home before the merger transaction. While this can be done through the use of professional appraisers, many people think their home is valued at a different amount.

Q.11. Must SPCSL engineers and SSW Jefferson City engineers be forced to an assignment to be eligible for relocation benefits?

A.11. No, since they must relocate (except those Jefferson City engineers electing the benefits of Side Letter No. 7) to Kansas City, they make application for other assignments.

Q.12. Are there any seniority moves that are eligible for an allowance?

A.12. Yes. A seniority move that permits another employee who would have otherwise been forced to move to remain at the same location will be eligible for an allowance. The move may not trigger other relocation allowances.

SIDE LETTER NO. 2

Q. 1. Will an engineer gain or lose vacation benefits as a result of the merger?

A. 1. SSW/SPCSL engineers will retain the number of weeks vacation earned for 1998 and 1999 that they would have earned under their previous vacation agreement. Beginning with the 2000 calendar year they will be treated as if they had always been a UP engineer and will earn identical vacation benefits as a UP engineer who had the same hire date and same work schedule.

- Q. 2. When the agreement is implemented, which vacation agreement will apply?
A. 2. The vacation agreements used to schedule vacations for 1998 will be used for the remainder of 1998 and in 1999.
- Q. 3. Will personal leave be applicable to SSW/SPCSL engineers in 1998?
A. 3. Personal leave days for SSW/SPCSL engineers will apply effective January 1, 1999. The number of personal leave days applicable to SSW/SPCSL engineers in 1998 will be prorated based upon actual implementation date.

Special Board of Arbitration

**Issue: NYD-217 Interpretation
Case 1 - Seven Claims**

Union Pacific Railroad Company

VS

**Allied Service Division
Transportation Communications Union**

Award Issued: February 24, 2000

**Edward L. Suntrup
Arbitrator**

CARRIER'S EXHIBIT

PAGE 1 OF

2-10

39

In the Matter of Arbitration

Allied Services' Division)
Transportation Communications Union)

vs

Southern Pacific Transportation Company)
Union Pacific Railroad Company)

Special Board of Arbitration

NYD-217 Case 1 - Seven Claims

Before

Edward L. Suntrup, Arbitrator

Appearances

For the Company

Dean D. Matter

- General Director, Labor Relations

For the Union

T. P. Stafford

Phillip T. Trittel

- President, Allied Services Division
- Assistant to the President

Background

The U.S. Surface Transportation Board (STB) approved the merger of rail carriers controlled by the Union Pacific Corporation (UP) and the Southern Pacific Rail Corporation (SP) in September of 1996 under Finance Docket No. 32760.¹ In so doing the STB imposed New York Dock Railway --- Control --- Brooklyn Eastern District (NYD) conditions adopted by the former Interstate Commerce Commission (ICC) in Finance

¹These carriers include the Union Pacific Railroad Company, the Missouri Pacific Railroad Company, the Southern Pacific Transportation Company, the St. Louis Southwestern Railroad Company, SPLSL Corporation, and the Denver and Rio Grande Western Railroad Company.

Docket No. 28250, 350 ICC 60, 84-90 of 1979 on the merger.² In accordance with NYD the Carrier served notice on September 16, 1996 to the Allied Services Division of the Transportation Communications Union (ASD-TCU) of its intent to consolidate forces represented by this union throughout the newly merged SP-UP system. The parties thereafter entered into negotiations in accordance with Article 1, Section 4 of NYD which states the following, in pertinent part.

Article 1

4. Each railroad contemplating a transaction which is subject to these conditions which may cause 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 for 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 the thirty (30) days there is a failure to agree, either party to the dispute may submit it

²Carrier Exhibit A. The acronym, NYD and the phrase, New York Dock Conditions are used interchangeably in this Award. When the parties' Implementing Agreement is referenced it is called NYD-217.

for adjustment in accordance with the following procedures.....

A Memorandum Agreement (NYD-217), affecting some 1,800 clerical employees represented by the union, was signed by the company and the union on December 18, 1996. This Agreement has appended to it Letters of Understanding, Attachments, as well as a list of Q&As mutually agreed upon by the parties. The set of Q&As, commonly appended to Implementing Agreements in this industry, was developed by the parties to assist them in understanding and applying the provisions of NYD-217.³

Provisions framed by the parties in NYD-217 permitted the Carrier to transfer work and positions between the SP and the UP upon giving appropriate notice to the employees involved. Employees thus affected were covered by provisions found in NYD and/or in the newly negotiated NYD-217 itself. In this respect, the latter states the following.

Article I

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

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

Article I. Section 2 of NYD guarantees that rates of pay, rules, and other working conditions would remain preserved under "...applicable laws and/or existing collective

³This full set of documents is found in TCU Exhibit A and Carrier Exhibit B.

bargaining agreements..." unless changed by future agreements or "...applicable statutes...".

NYD-217 then states, at Article I, the following.

Article I

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

Article I, Sections 9 and 12 of NYD operationalize benefits to be received by employees with respect to moving expenses and losses from home removal. Attachment "B" of NYD-217 states the following.

Attachment "B"

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 of 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, a 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 in 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.

Employees affected by a transaction are given options under Article III, Section 3 of NYD-217 as follows.

Article III, Section 3

The Carrier will determine the number of positions to be relocated or abolished at a given location as the result of the implementation of a transaction. Advertised positions to be established at the new location will be awarded in accordance with Letter of Understanding No. 5. Employees on the affected roster/zone will be given the simultaneous options of:

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

Employees will be asked to rank each option in order of preference. The option of each employee will be honored in seniority order until all the relocated positions have been filled or there are no surplus of employees on the roster/zone available to fill the relocated positions...

There are seven Claimants in this case. There is no dispute that all were affected by a transaction as defined by NYD,⁴ result of the UP-SP merger. All of the Claimants exercised seniority to Hearne, Texas under option B. of Article III, Section 3 of NYD-217 when the Carrier initiated a "...rearrangement of forces..." under Article I, Section 4 of NYD. The Claimants had all been headquartered outside a 30-mile radius from Hearne and, according to the union, were eligible for benefits under Article III, Section 5 of NYD-217. These latter provisions state the following.

⁴See (1.) Definitions (a.) "Transaction".