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Article III, Section 5

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

A "change 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.

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

When the seven employees opted to exercise seniority to Hearne, Texas they did so from one of three locations: Houston, Beaumont or Dayton, Texas. All three locations are more than thirty miles from Hearne.⁵

The seven employees applied for benefits under NYD-217, Attachment "B". After the Carrier conducted an audit NYD-217 benefits were denied totally for five of the Claimants for the move to Hearne. These five Claimants have never received any compensation under any form from the Carrier. In the other two cases, the Claimants were paid \$25,000 for the Hearne, Texas move. But since they were both bumped shortly after they accepted the Hearne assignment, took dismissal allowance, and then were called to work to St. Louis, the Carrier advised both to use the payment already received

⁵Houston, Dayton and Beaumont, Texas which are the locations where the Claimants were working when they exercised seniority to Hearne, are 120, 150 and 205 miles, respective, from Hearne. The Claimants either lived in these cities or in the urban confines of these cities. See Map (TCU Exhibit B).

for the Texas to St. Louis, Missouri move since the Carrier contended that these two Claimants had never established residence at Hearne, Texas in the first place. The genesis of the instant case centers on the Carrier's refusal to pay moving allowances to all seven of the Claimants after they had all exercised seniority, and actually went, to Hearne, Texas.

The record shows that the Carrier had allowed moving allowances for some employees relocating to Hearne, Texas. The Carrier's denial of benefits in the seven cases is based on its contention that the Claimants failed to demonstrate that they had ever changed their places of residence after exercising seniority to Hearne. According to the Carrier, NYD-217, Attachment "B" benefits should only be given to employees who "...actually relocate and change their place of residence..."

It is the union's contention, in the claims it filed on behalf of each of the employees here at bar, that benefits should have been granted to them under NYD- 217, Attachment "B" after they exercised seniority to Hearne.

After the union filed the claims, and absent settlement on property, the parties brought the claims to arbitration. The parties agreed to combine the claims filed for all seven of the employees under this one case. The issue for arbitration, therefore, is the following.

Issue

Did the Company violate the terms of the NYD-217 Implementing Agreement when it refused to compensate Claimants D. Colbert, A. Galentine, C. Hemphill,

T. Krolczyk, R. Lee, N. Norfleet, and E. Perrine their Lump Sum moving benefits outlined in Attachment "B" of the Agreement?

If the answer to the above question is in the affirmative, shall the Carrier now be required to pay the Claimants listed above their Lump Sum Moving Benefits as so claimed?

According to the union, relief to be paid in each of the individual cases, if the answer to the question at issue is answered in the affirmative, is the following.⁶

<u>Name of Claimant</u>	<u>Relief Requested</u>
Donald K. Colbert	\$ 15,000
A. W. Galentine	\$ 15,000
Carolyn E. Hemphill	\$ 25,000
Tony J. Krolczyk	\$ 25,000
Richard Lee, Jr.	\$ 15,000
Neil A. Norfleet	\$ 15,000
E. K. Perrine	\$ 15,000

Additionally, the union requests that the Carrier pay "...any cost (incurred by the Claimants) related to an unexpired lease of a dwelling...", as provided in Sections 10 and 11 of the Washington Job Protection Agreement as stated in Section 1 (c) of Attachment "B" of NYD-217.

Discussion

This is not a class action case. After review of the record before him the arbitrator concludes, as does the company in its Brief, that the request for NYD-217, Attachment "B" benefits by each of the Claimants must be considered separately, on its merits, and

⁶ TCU Submission @ p. 33.

that "...eligibility for benefits turns upon the facts in each individual case..."⁷ This conclusion is not disputed by the union. The union discusses each of the Claimant's claims separately in its Brief⁸ and by means of supporting Exhibits.

This is a contract interpretation case. The arbitrator will discuss first of all, therefore, the parties' respective arguments with respect to the contract interpretation and construction issues related to NYD-217. The arbitrator will then discuss each of the employee's claims separately, ruling on the parties' arguments as they relate to the facts of each claim accordingly.

Arguments

The union's arguments in this case will be reviewed first. It is the position of the union that the Carrier violated the provisions of NYD-219 and the agreed-to answers to certain questions attached to that Agreement when the Carrier did not grant all of the Claimants Attachment "B" benefits after each of them exercised seniority to Hearne, Texas. The Q&As pertinent to this case, according to the union, are the following.

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

A. Yes.

⁷Carrier's Submission @ p. 11.

⁸TCU Submission @ pp. 4 through 25.

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

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

The union argues that all of the employees involved here had to change their places of residence. But for how long? According to the union, that is not a determinative factor in the interpretation of NYD-217 benefits. The union notes that according to the company, the employees should not receive moving expenses because their move to Hearne, Texas did not require a "...change(..) in their place of residence on a permanent basis...".⁹ The union argues that this interpretation of NYD-217 is not correct.

The union further argues that the parties were aware of the problem of multiple changes of residence by employees which could result from the rearrangement of forces after the UP-SP merger. The union already had experience with such circumstances off the earlier SP/DRGW merger. This is why the parties addressed this issue in the Q&As cited in the foregoing, according to the union. The union argues that the company is now trying to back off from its obligations under NYD-217 by arguing that things like short tenure (in a position), short leases, no registered phone in the name of the transferring employee, and so on are reasons for denying moving benefits.

According to the union, it was not the fault of the Claimants to this case if they got

⁹TCU Submission @ p. 29.

bumped a short time after they exercised seniority to Hearne, Texas from the location of their prior assignments. In this respect, the union states the following:

"These Claimants did everything they could to try to establish a permanent residence (in Hearne, Texas) only to get bumped before they completed attaining utilities, phones, etc. Some took the only available apartments because of time constraints for reporting to their positions. Others had the intention of maybe finding another apartment or residence in a better location closer to Hearne, Texas. Most of these Claimants did not receive the \$5,000 special transfer allowance to which they were entitled while undergoing relocation. They were required to incur expenses without an assurance that the Carrier would abide by the Agreement...The Carrier failed to abide by their part of the Agreement..."¹⁰

The union then discusses specific circumstances. First, there is the issue of sequential moves. Three of the Claimants to this case (Colbert, Galentine, and Norfleet) were involved in two moves.¹¹ According to the union, if both moves involve a transaction these employees should have been paid twice ... "(h)owever costly..." this might be to the Carrier. According to the union, the Carrier "...cannot deprive these Claimants of negotiated benefits regardless of the number of times an employee is required to move...". Secondly, the union states that the Carrier has been inconsistent in its payment of moving expenses. Three other employees had, in fact, according to the union, received lump sum moving expenses even though they had not met the Carrier's tenure criteria. In all three instances, these employees had, however, taken separation pay

¹⁰TCU Submission @ p. 30.

¹¹There is no dispute that Colbert, Galentine & Norfleet were properly recalled to work to St. Louis, Missouri, from their original points of work, somewhat shortly after they were quickly bumped after going to Hearne, Texas. Claimant Lee is a special case. He is disputing his recall to St. Louis, after being bumped at Hearne, in a separate claim. Lee has never moved to St. Louis. (See Carrier's Exhibit R @ pp. 10-12 attached to this case.)

as a second option. Thirdly, the union argues that information required of an employee affected by a transaction in order to receive lump sum moving expenses under NYD-217 was two pieces of evidence: one which proved home ownership, and the second which was a signature on an Election of Benefits' form certifying that he or she was eligible for the benefits. The process was simplified, according to the union, because the Carrier "...did not want to hassle about moving issues...(which was) the purpose of Lump Sums outlined in the Implementing Agreement...".¹² But in the case of the Claimants to this case, according to the union, the company always appeared to want more information beyond the two pieces of evidence cited above. According to the union, the company even generated a new form called the "Request for Information Pertaining to Application for Relocation Benefits" which the union took exception to.

In conclusion the union argues that:

"These employees have attempted to the best of their ability under the circumstances involved in these cases to establish residences in the Hearne, Texas area. The documentation furnished by each Claimant clearly proves that each was legitimately attempting to relocate and establish a residence in the Hearne, Texas area. They were bumped through no fault of their own and had no control over the duration of their stay on the positions they occupied at Hearne, Texas. The Carrier must not be allowed to deny the...Claimants these negotiated moving expense benefits."¹³

According to the Carrier, on the other hand, each of the Claimants to this case chose option B. of Article III, Section 3 of NYD-217 as their first choice. This option B

¹²TCU Submission @ p. 31.

¹³TCU Submission @ p. 33.

only means "...fully exercising (or exhausting) SP seniority...". It does not necessarily mean a relocation although exercising option B. could result in a change of residence. It does not have to. But it could. Further, the exercise of option B. does not mean relinquishing seniority on an old roster and taking "...a new clerical position with 'dovetailed' seniority on a completely new seniority roster...".¹⁴

According to the Carrier, it is option C. of Article III, Section 3 which deals with relocating to accept a new clerical position on a dovetailed seniority roster at a new location.

After making this distinction the Carrier then argues that the same standards should apply to a change of residence as apply to a relocation albeit employees choosing option B. of Article III, Section 3 in this case are not, in fact, relocating. But they could be changing their place of residence.

The issue then, according to the Carrier, is whether the seven employees here ever did change their place of residence after exercising option B. To answer this question, according to the Carrier, it is necessary to establish criteria which can be used to determine whether "...an employee has changed his/her place of residence...". Then it remains to simply apply these criteria to the cases of each of the Claimants.

The Carrier states that the parties should be able to stipulate the following in this case.

¹⁴Carrier's Submission @ p. 5.

(1) Each of the seven Claimants exercised seniority and displaced to clerical positions which were in excess of 30 miles from their previous headquarters point.

(2) Each of the Claimants exercised SP seniority to SP clerical jobs (at Hearne) and did not relinquish SP seniority in order to move to the UP.

(3) Each of the Claimants contend that they changed their place of residence.

If the Claimants' contention # (3) is correct, according to the Carrier, then they are eligible for moving expenses and related benefits in accordance with Section 1(a) of NYD-217.

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 a Special Agreement Board off the former CN&W concluded, in 1992, that change of residence can be determined by whether such change was "temporary" or "permanent", and by looking at the "...intention of the transferred employee...".¹⁵ 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 Awards 219 of

¹⁵Carrier's Submission @ p. 8 citing Carrier's Exhibit H @ p. 5.

PLB 1186, and 6 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.¹⁶

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.¹⁷

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

¹⁶Carrier's Submission @ p. 9 citing Carrier's Exhibit I @ p. 3.

¹⁷Carrier's Submission @ p. 9-10 citing Carrier's Exhibits J & K.

also denied relocation benefits in Award 2 because the employee could not show that he ever intended to change his place of residence.¹⁸

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)".¹⁹

Discussion & Rulings

A review of the record in this case shows that six of the Claimants, after exercising seniority to Hearne, were bumped quite quickly after arriving there and then went on dismissed status. Four of them were subsequently recalled to work at St. Louis, Missouri on October 5, 1998. One of the four who was recalled to St. Louis is disputing this but that is a separate issue which has no bearing of this particular employee's request for moving benefits to Hearne, Texas from Houston in this case. Two of the seven employees remained on dismissed status as of the hearing date of this case. The seventh employee moved to Hearne in August of 1998, was quickly bumped, and then opted for separation

¹⁸Carrier's Submission @ pp. 10-11 citing Carrier's Exhibits L, M & N.

¹⁹Carrier's Submission @ p. 11-12.

pay under NYD-217. Two of the seven did receive lump sum moving benefits after exercising seniority to Hearne, Texas and then were instructed by the Carrier to use these benefits for a Texas to St. Louis move when they were recalled to the latter point after a very brief tenure at Hearne. The other five employees received no financial benefits, to date, for their exercise of seniority to Hearne.

There are a number of different ways in which the claims of these seven employees could be grouped, for analysis purposes, in this case. But after complete review of this issue the arbitrator concludes that grouping the cases one way or another would not be particularly advantageous nor helpful in framing rulings on the merits of the claims themselves. The facts associated with each of the claims are somewhat idiosyncratic although all of the claims do have a common feature. That common feature is that in all of the cases the employees' tenure at Hearne, Texas, after they exercised seniority to that point, was very brief.

The arbitrator will rule first of all on the claims of the three employees whose cases center uniquely on the Hearne move and who thereafter, after they were bumped, either took a separation allowance or remain on dismissed status. The arbitrator will then rule on the four additional claims by the employees who were called to St. Louis after being bumped at Hearne. Proceeding in this manner is but an analytical convention. Ruling on each claim will hinge on the merits of each case.

(1) Rulings on the First Three Employees Who Took a Separation Allowance and/or Are on Dismissed Status.

(a) The Claim of Carolyn E. Hemphill

Claimant Hemphill was displaced on August 22, 1998 from her assignment at the Intermodal Ramp in Houston, Texas. She exercised seniority to Hearne, Texas and trained on a position there on August 22-25, 1998. She laid off sick on August 26, 1998. Claimant Hemphill was displaced at Hearne on August 26, 1998. She effectively worked at Hearne for the four days she was in training, and took off sick one additional day. She then elected to take separation pay of \$75,000 in accordance with Attachment "A" of NYD-217.²⁰ This Claimant made application for Attachment "B" lump sum moving benefit of \$25,000.

According to information of record the Claimant signed a six month agreement to rent a residence in Hearne. The rental contract ran from August 20, 1998 through February 19, 1999 with rent to be paid to a certain person living in Spring, Texas. The contract states that a full month's rent of \$300.00 was "...due and payable no later than 9-5-98...". The Claimant also gave the Carrier a short, hand written document wherein she states that she used her personal truck to move her bedroom suite, portable TV, clock radio, microwave and personal effects to Hearne from her home after she exercised seniority to Hearne. Utilities were never put in the name of the Claimant albeit the lease

²⁰ Attachment "A" of NYD-217 is not cited here because it is not directly germane to the issues in this case. Claimant Hemphill received \$75,000 because she had over 20, but less than 25, years of seniority.

she allegedly signed states that the utilities were to be paid by the renter.

A review of the record in this case shows the following. The address of the alleged landlady who owned the leased property was, in fact, the address of a relative of the Claimant to this case. Further, since the rent was not due until September 5, 1998 there is no evidence that any money was ever exchanged or that an rent was ever paid by the Claimant. The arbitrator is confronted, in this case, with the anomaly of an employee claiming to have established an address at a point which is thirty miles or further from her home location: but there is no evidence that any rent had even been paid and/or was even due during the Claimant's brief tenure at Hearne. Further, the address where the rent was ultimately supposed to be paid was an incorrect address. The arbitrator also observes that the lease agreement was signed by the owner of the property. This was a certain "Estella Dubose". But no such person exists. The utilities at the property allegedly rented by the Claimant were in the name of a certain "Estella Duboise".²¹ Is the arbitrator to believe that the owner of the property did not know how to spell her name when she filled out and signed the lease agreement? A more credible interpretation of the alleged rental agreement is that whoever filled it out did not know how to spell the name of the owner and forged her name. The Claimant states that she moved some furniture to Hearne from her home in Houston. She may have. But there is no clear indication where she ended up putting that furniture. Unless she had the extraordinary situation, which the arbitrator

²¹See and compare TCU Exhibit Z and Carrier's Exhibit Q @ p. 4.

finds less than credible, of a landlady allowing her to move furniture into a residence long before any rent was paid. The Organization argues, in this case, that it was not necessary for the Claimant to have established a permanent residence in Hearne in order to have been eligible for Attachment "B" benefits. On basis of the evidence of record it is far from clear that the Claimant established any residence during the four days in August of 1998 that she worked at Hearne, much less a permanent one. Precedent established by Award 220 of the Special Board off the CN&W, and Award 219 of PLB 1186, Award 6 of PLB 3096 and Award 18 of PLB 3399 applies here.

Ruling

Upon the basis of the full record before him the arbitrator rules that the claim for lump sum moving benefits by Claimant Hemphill under Attachment "B" of NYD-217 to Hearne, Texas in August of 1998 should be denied.

(b) The Claim of Tony J. Krolczyk

Claimant Krolczyk was displaced on December 17, 1998 at Houston, Texas. He exercised seniority to Hearne, Texas, effective December 22, 1998. Claimant Krolczyk trained for five days while at Hearne, was paid for four holidays (Christmas eve and Christmas and New Year's eve and New Year's day) and took two additional personal leave days while there. He was displaced at Hearne on January 2, 1999. Thereafter he became a dismissed employee under NYD and remained in that status as of the hearing on his claim in this case. On December 22, 1998 employee Krolczyk requested homeowners lump sum of \$25,000 in relocation benefits.

There is a document in the record of this case showing that the Claimant signed an

apartment lease on December 27, 1998 for an apartment at 7 Patinka, Hearne, Texas. It was a month to month lease for \$425.00 per month, with a three month minimum, with a security deposit of \$425.00. There is in the record a letter under the letterhead of White & Associates, Real Estate/Insurance which states that the Claimant forfeited the security deposit because he had not given a thirty day written notice prior to surrendering the property. This letter is dated August 19, 1999. It is signed by a certain Bradley E. Ely whom the Claimant states "...works for White & Associates...". The check is made out to Bradley E. Ely.

There is an anomaly in the record with respect to the Claimant's Houston address.²² It is not clear, from the record, whether his address there is 171 Dogwood Trail, New Caney, Texas or whether it is 10154 Scotsbrook, Houston, Texas. Employee Krolczyk claims it is the latter, but there is much evidence that it is really the former. This evidence includes a cashed check with the former address on it for the rental deposit in Hearne, as well as consolidated tax statement which appears to be from the tax assessors office.²³

But irrespective of where the Claimant lived while in Houston prior to exercising seniority to Hearne, the evidence on Hearne shows that the Claimant only had to be physically present in Hearn for five days of training. Although he did sign a lease on

²²Proof of ownership when requesting a "homeowner's" benefit has never been established with certainty in this case. The deed provided is obscure, at best, and the tax bill has been altered.

²³See Carrier's Exhibit T (complete) as well as TCU Exhibits FF through LL. On one statement the Claimant simply scratches off the address on the assessor's statement and replaces it with another.

December 27, 1998 there is no evidence that other measures were taken to establish residence in Hearne for what must have been the three additional days, after that point, that the Claimant trained at Hearne after signing the lease.²⁴ There is no evidence that utilities were ever hooked up nor paid. There is no evidence that phone service was established. Claim that a cell phone was used is not supported by any evidence of a phone bill for such having been paid. There is insufficient proof here that the Claimant ever established any residence in Hearne, Texas after he exercised seniority to that point and the Board will rule accordingly. Precedent established in Award 220 of the Special Board off the CN&W, Award 219 of PLB 1186, Award 6 of PLB 3096 and Award 18 of PLB 3399 apply here.

Ruling

Upon the basis of the full record before him the arbitrator rules that the claim for lump sum moving benefits by Claimant Krolczyk under Attachment "B" of NYD-217 to Hearne, Texas in December of 1998 and January of 1999 should be denied.

(c) The Claim of E. K. Perrine

Claimant Perrine was displaced on her position at Beaumont, Texas on May 21, 1999. She exercised seniority to Hearne, Texas effective May 26, 1999. On June 2, 1999 Claimant Perrine was displaced at Hearne. She could no longer hold a position on her seniority district, therefore, she became a dismissed employee and was drawing a

²⁴ A review of the December, 1998 calendar shows that the only training days the Claimant could have worked while starting on December 22, 1998 were the 22nd and 23rd and then three days during the week of December 27, 1998. In either case the Claimant would not have been required to have been in Hearne, starting the week of December 27, 1998, more than three days.

dismissal allowance when her claim was heard by the arbitrator. Claimant Perrine claimed renter's benefits of \$15,000 for her move to Hearne, Texas from Beaumont and a transfer allowance of \$5,000.

A review of the record shows that Claimant Perrine signed a rental agreement on May 22, 1999 in College Station, Texas. This latter town was some distance from Hearne because, this Claimant states, it was difficult to find housing in Hearne. She also submitted a \$45.00 bill for a rental trailer, a receipt from the College Station utility company which was sent to her at a Houston, Texas address and a cell phone bill which was sent to the College Station address.

The Claimant was assigned to Hearne, after she exercised seniority there, for seven calendar days. Although the Claimant did sign a lease for an apartment in nearby College Station there is no evidence that she actually established residence in or near Hearne, Texas in accordance with the reasonable intent of Attachment "B" of NYD-217. The Claimant certainly appears to have been making preparations to change residence, but there is no evidence that she actually did so. The fact that one month of a cell phone bill was sent to the apartment address in College Station could have a number of explanations, none of which warrant conclusion that the Claimant had established a residence at there. The rule of reasonableness, applied to this case, warrants conclusion that the Claimant's work tenure at Hearne was of such brief duration that the Claimant did not have any reasonable opportunity to change residence to or near that location. Precedent established by Award 220 of the Special Board off the CN&W, Award 219 of

documentation to the Carrier which showed his owner's address at 3970 Chaison Street, Beaumont, Texas.²⁵ Owner's address is listed under the name of Donald K. Colbert Sr. and his wife, Linda Colbert. The apartment lease contract which the Claimant signed on 7-16-98 at Hearne, Texas after exercising seniority to that point states that he will be the only occupant of the apartment.

When the Claimant vacated the apartment in Hearne after having put a \$100.00 deposit down on it the forwarding address is his home residence in Beaumont, Texas.²⁶

On October 19, 1998 the Claimant wrote to his union representative that he wanted to file a "...claim for moving expenses for move from Hearne, Texas to St. Louis, Mo. (because he)...was renting in Bryan, Texas near Hearne, Texas from July 17, 1998 until October 31, 1998...".²⁷ Such statement is not consistent with either the Vacate Report from the apartment owner which was sent to the Claimant only two days after he was bumped at Hearne, after having spent only five days working at this location, or with other statements which the Claimant himself put in writing when corresponding either with his union representative or with the Carrier.²⁸ The Claimant did not rent an

²⁵All documentary information on this Claimant is found in Carrier's Exhibit O (all pages) & TCU Exhibit C through L.

²⁶Reletting fee was \$243.00 minus the \$100.00 deposit or \$143.00. See and compare information cited here on home in Beaumont, apartment in Hearne, and then the return to Beaumont: TCU Exhibit @ p.3 & Carrier's Exhibit O @ pp. 9-10 & 16-18 inter alia.

²⁷Carrier's Exhibit F @ p.2.

²⁸In the Claimant's October 19, 1998 letter to the Carrier and to the union he talks about the apartment lease in Bryan, Texas (Hearne) "...from July 17, 1998 which was to end October 31, 1998...". (TCU Exhibit F @ p.1). On that same date the Claimant also wrote to the Carrier (to a different officer) and

apartment at Hearne until October 31, 1998. In view of documentation furnished in the record such statement is false.

Upon the full record before him the arbitrator is not able to reasonably conclude that the Claimant established a permanent address at Hearne after he exercised seniority there in July of 1998. As such this Claimant is not eligible for Attachment "B" benefits for the brief time he spent in Hearne. The union argues that the Claimant had "...every intention of establishing a residence at or near Hearne, Texas...". Such intention is not questioned here by the arbitrator. But the facts of record show that the Claimant never did actually establish a residence there. Precedent established by Award 220 of the Special Board off the CN&W, Award 219 of PLB 1186, Award 6 of PLB 3096 and Award 18 of PLB 3399 applies here.

Ruling

Upon basis of the full record before him the arbitrator rules that the claim for lump sum moving benefits by Claimant Colbert under Attachment "B" of NYD-217, for a move from Beaumont to Hearne, Texas, should be denied and thus, the further application for moving benefits of \$15,000 from Hearne, Texas to St. Louis, Missouri should also be denied. The payment of \$25,000 to the Claimant for his move from Beaumont, Texas to St. Louis, Missouri, under Attachment "B" of NYD-217, is the applicable benefit accruing to the Claimant under NYD-217.

(b) The Claim of Neil A. Norfleet

Claimant Norfleet was displaced from his position in Strang, Texas on June 24,

to the union wherein the lease cited became an apartment which "...I was renting in Bryan, Texas from July 17th until October 31, 1998..." (Carrier's Exhibit O @ p.28). In fact, the Claimant never rented this apartment until October 31, 1998. The lease at Bryan, Texas terminated on July 21, 1998 which was two days after the Claimant was bumped at Hearne. The Bryan apartment Vacate Report clearly states this. This Report was sent to the Claimant to his home address in Beaumont, Texas (Carrier's Exhibit O @ p. 16).

1998 and he exercised seniority to Hearne, Texas effective June 27, 1998. Employee Norfleet trained at Hearne on the following dates after exercising seniority to that point: June 27-July 1, 1998; July 5-8, 1998 and July 11-12, 1998 for a total of eleven working days. He elected for lump sum moving benefits as a home owner after exercising seniority to Hearne and was paid \$25,000 by the Carrier. Thereafter Claimant Norfleet was displaced at Hearne and he became a dismissed employee.²⁹ After that the Claimant was paid his dismissal allowance under NYD until October 5, 1998 when he was recalled to St. Louis, Missouri. When Claimant Norfleet made his move to St. Louis in October of 1998 the Carrier advised him to use the payment of \$25,000 for the move from Strang to St. Louis. An additional claim for \$15,000 was filed by Claimant Norfleet for the move from Hearne, Texas to St. Louis, Missouri which was denied by the Carrier.

At issue is whether employee Norfleet ever established a residence in Hearne, Texas during the eleven days he worked at this location.

In correspondence to his union representative on October 20, 1998 Claimant Norfleet states that after he was "...bumped on July 13, 1998 (he) remained in Bryan

²⁹The record contains some inconsistency with respect to exactly when this Claimant was bumped at Hearne. He himself states that he was bumped on July 13, 1998 and TCU Submission to this case states that he was bumped on July 18, 1998. See and compare TCU Exhibit XX @ p.2 with TCU Submission @ p. 20. If the Claimant was bumped on the latter date there is no information on why he did not continue work on what would have been his regularly assigned work week after July 12, 1998 which is the last listed day he worked at Hearne, Texas. Further, his documented utility bills at his Hearne area apartment state that he paid utilities only until July 14, 1998. See TCU Exhibit XX @ pp. 7-8. In either case the record does state that the Claimant only worked a total of eleven days at Hearne and there appears to be no dispute over this.

(Texas) until (his) lease (there) ran out..."³⁰ He states that he then moved back to his home at Crosby, Texas. As will be shown below, there is no evidence that the Claimant remained in Bryan, Texas until July 31, 1998. He stopped paying utilities there almost immediately after he was bumped. How could he be living in the apartment and not be paying the utilities?

The record shows that the Claimant signed a lease agreement for an apartment at Villa West Apartments, 3406 Finfeather Road, Apartment 1405, Bryan, Texas (near Hearne) which was to commence on June 27, 1998 at an "...initial term..." which was to extend until July 31, 1998. At that point this Claimant also signed up for payment of utilities at that location. There is no information of record that employee Norfleet had a telephone installed in the apartment. He states that he had a pager and that the Carrier had access to him during his tenure at Hearne.³¹ Utility bills actually paid by the Claimant while at the Villa West Apartments show that he paid them for the dates of June 26, 1998 through July 14, 1998 inclusive and that the bills were sent not to his Villa West

³⁰Full record of documents on this case are found in TCU Exhibits WW through EEE and Carrier's Exhibit S.

³¹By the time this Claimant gets to St. Louis, Missouri after being recalled there in October of 1998 he apparently no longer had a pager. In correspondence to the Carrier from St. Louis about his claim for alleged move from the Hearne area to St. Louis the Claimant states: "I hate to differ with you. I have been living in St. Louis for 8 months and I don't have a beeper or a car phone because there is no need for have one at this time". See TCU Exhibit DDD. But the Claimant does not deny in this correspondence that he does not have a home phone in St. Louis, which was the issue in Hearne. He states, in effect, that a beeper was good enough in Hearne but he no longer has one in St. Louis. There is considerable information of record in this case to the effect that the Claimant moved into the DeBaliviere Place Apartments in St. Louis, Missouri on October 3, 1998. His St. Louis move is not at issue in this case. The issue under scrutiny is whether the Claimant ever established residence in (the) Hearne, Texas (area) after he exercised seniority there, effective June 27, 1998.

Apartment address, but to his home address in Crosby, Texas. Reasonable conclusion here is that the Claimant returned to Crosby, Texas on either July 13 or 14, 1998 immediately after he was bumped at Hearne. The Claimant may have moved some furniture to the Villa West Apartments in Bryan, Texas and that is not in dispute here. The rental agreement for the Villa West Apartments states that the apartment rented was unfurnished. He explains in a letter to his union representative, which not in dispute here, that with the assistance of his brother he moved some furniture and household goods to the unfurnished apartment in Bryan with a cargo van he had and a Mercury villager.³² Those type of vehicles would have permitted the Claimant to have moved necessities to his rental apartment in Bryan. Such is not at issue here. What is at issue is whether he stayed there long enough and took other measures which were sufficient to establish residence. The full record before the arbitrator in this case warrants conclusion, under the rule of reasonableness, that the Claimant to this case had not established residence at Bryan. He remained there only a little more than two weeks. He did not even take the basic measure of establishing phone service which, the record suggests, he did do later when he was recalled to St. Louis, Missouri. Nor is there any other receipt about any service which the Claimant signed up, or purchase he made, while at Bryan, Texas to substantiate his contention that he remained there until his "...lease was out..."³³ There is

³²See TCU Exhibit XX @ p. 2.

³³See Blockbuster Video receipt, Office Depot receipt and Aerofit Center Health and Fitness Trial Membership receipt (TCU Exhibit XX & pp. 6 & 10) all of which are dated no later than July 9, 1998.

not a scintilla of evidence in the record before the arbitrator to warrant conclusion that the Claimant did as he said with respect to the lease. The fact is that the evidence shows that the Claimant stayed in Bryan, Texas approximately 19-20 calendar days, assuming he stayed there the whole time.

On basis of the evidence of record the arbitrator is not able to conclude that the Claimant established a residence during the eleven days he worked at Hearne, Texas in late June and early July of 1998. Precedent established by Award 220 of the Special Board off the CN&W, Award 219 of PLB 1186, Award 6 of PLB 3096 and Award 18 of PLB 3399 applies here.

Ruling

Upon basis of the full record before him the arbitrator rules that the claim for lump sum moving benefits by Claimant Norfleet under Attachment "B" of NYD-217, for a move from Strang, Texas to Hearne, Texas should be denied and thus, the further application for moving benefits of \$15,000 from Hearne, Texas to St. Louis, Missouri should also be denied. The payment of \$25,000 moving expenses to the Claimant for his move from Strange, Texas to St. Louis, under Attachment "B" of NYD-217, is the applicable benefit accruing to the Claimant under NYD-217.

(c) The Claim of A. W. Galentine

Claimant Galentine was displaced on August 30, 1998 from his position in Houston, Texas. He exercised seniority to Hearne, Texas on that same day. He elected lump sum relocation benefits of \$15,000 under Attachment "B" of NYD-217. On September 12, 1998 he was bumped at Hearne and became a dismissed employee. He was paid a dismissal allowance under NYD until October 5, 1998 at which time he was

recalled to work at St. Louis, Missouri.

At issue here is whether this Claimant should have been paid lump sum moving benefits for claimed establishment of a residence at Hearne.

The Claimant worked at Hearne, after exercising seniority to that point, for six days and took one personal leave day. He was in training at Hearne on the following dates: August 31 and September 1, 5-6 and 8-9, 1998. He took a personal leave day on September 2, 1998.

There is a residential lease agreement in the record which was signed by the Claimant which began on August 31, 1998 for a property at 124 Debbie Lane, Iola, Texas. Iola is located about 40 miles from Hearne. The owner of the property is listed as a certain Margarita Gonzales, 14537 Sellers, Houston, Texas. A search for this person by the Carrier during an audit failed to turn up a Margarita Gonzales at this address but it did discover a certain Robert Perez who lived at that address.³⁴ Information provided to the Carrier does state that a certain Margaret Perez leased the home at 124 Debbie Lane, Iola, Texas on behalf of her elderly mother, Margarita Gonzales, to the Claimant to help pay her mother's expenses. This information provided by Mrs. Perez states that she handles all of her mother's affairs. This person states that the utility bills were paid for the Claimant with the rent. This is contrary to the information contained on the lease agreement which states that the utilities would not be paid by the landlord. Research by

³⁴Full record on this case is found in TCU Exhibits M through Y and Carrier's Exhibit P.

the Carrier with Entergy at Iola, Texas which is the energy company there fails to show any utilities listed in the Claimant's name or that there were any utility deposits/payments for the 124 Debbie Lane property for the time the Claimant states he was there. The Claimant had no telephone installed at 124 Debbie Lane although there is a GTE cell phone bill dated September 16, 1998 which is part of the record in this case. This phone bill is listed in the names of the Claimant and Patricia Galentine. That bill is addressed to 6526 Hanley Lane, Houston, Texas. No moving receipts for the move of furniture to the Iola, Texas address are to be found in the record. The Claimant states that he moved his effects himself.

After a review of the full record in this case the arbitrator concludes that the Claimant had not established residence at Iola, Texas (Hearne) after he exercised seniority to that point on August 30, 1998. He was required to stay at Hearne a sum total of 14-5 calendar days and actually trained at Hearne for only six days. The arbitrator cannot conclude, on basis of evidence, that the Claimant established a residence at or near Hearne during this brief period. No home phone service was established, and the information on utilities suggest that no utility bills were paid. The phone bill for the Claimant's cell phone use for late August and early September was sent to his home address in Houston, Texas. Precedent established by Award 220 of the Special Board off the CN&W, Award 219 of PLB 1186, Award 6 of PLB 3096 and Award 18 of PLB 3399 applies here.

Ruling

Upon the basis of the full record before him the arbitrator rules that the claim for lump sum moving benefits and transfer allowance by Claimant Galentine under Attachment "B" of NYD-217 for his claimed establishment of a residence at Hearne, Texas in the months of August and September of 1998 should be denied.

(d) The Claim of Richard Lee Jr.

When Claimant Lee's position at Houston, Texas was abolished he exercised seniority to Hearne, Texas effective September 16, 1998. On September 27, 1998 Mr. Lee was displaced at Hearne and he went on dismissed status. He collected a dismissal allowance until he was recalled to work at St. Louis, Missouri on October 5, 1998. His protected status in St. Louis remains in dispute³⁵ but this has no bearing on the narrow issue before the arbitrator in the instant case which addresses whether Claimant Lee had a lump sum benefit and transfer allowance coming under Attachment "B" of NYD-217 for claimed establishment of a residence at Hearne, Texas in the month of September, 1998.

According to the record before the arbitrator in this case Claimant Lee trained on a position at Hearne, Texas on September 16, 21-23 and 26, 1998 and he claimed sick time for the two days of September 20 and 27, 1998. In all Claimant Lee's brief tenure in Hearne ran from September 16, 1998 through September 26, 1998, or ten calendar days.

Claimant Lee signed an apartment lease on September 16, 1998 for an apartment at Villa West Apartments, 3407 Leon Street, Bryan, Texas. The lease states that no other

³⁵Case No. 3 before this Special Board of Arbitration will address the issue of Mr. Lee's status because of his recall to St. Louis, Missouri as of October 5, 1998.

person besides the Claimant was to live in the apartment. There is a notarized statement in the record to the effect that a certain Roberic Fobbs used his truck to assist the Claimant to move some furniture from Houston to the Villa West Apartments in Bryan, Texas on September 18, 1998.³⁶ No phone was ever hooked up in the apartment and the utilities were paid as part of the rent. A Vacate Report on the Villa West Apartments shows that the Claimant was liable for rent for the month of September (prorated), October and November, 1998 which is supported by a subsequent invoice³⁷ but there is no indication that the Claimant actually stayed at the Villa West Apartments beyond the time he was bumped at Hearne. The latter invoice is sent to his original Houston, Texas address which the Claimant had listed as his Houston address, when making first request for renter's allowance on September 16, 1998. This address is 6315 Gladwell Drive, Houston, Texas. There can be no doubt that this Claimant was back at the Houston address living there as soon as September 29, 1998. On that date, which was a Tuesday, a Carrier officer called the Claimant in the afternoon to advise him of his impending recall to St. Louis. At that time the Claimant advised the person talking on the phone to the Carrier officer that he was "...too busy to talk..." and the person at Mr. Lee's residence advised the Carrier officer accordingly.³⁸ The Claimant never relinquished his Houston apartment. The Claimant never established phone service at his Villa West apartment in

³⁶Record on this case is found in TCU Exhibits MM through VV and in Carrier's Exhibit R.

³⁷Carrier's Exhibit R @ pp. 21-22.

³⁸Carrier's Exhibit R @ p. 12.

Bryan, Texas but relied on a pager to receive messages.

A review of the full record shows insufficient evidence to warrant conclusion that the Claimant established a residence in Bryan, Texas in the month of September of 1998 while serving a very brief tenure at Hearne. He rented an apartment near Hearne, stayed there a short period of time while employed at Hearne for ten calendar days, without establishing phone service, and then returned to his apartment at 6315 Gladewell in Houston, Texas which was his address prior to ever exercising seniority to Hearne. Precedent established in Award 220 of the Special Board off the CN&W, Award 219 of PLB 1186, Award 6 of PLB 3096 and Award 18 of PLB 3399 applies here.

Ruling

Upon basis of the full record before him the arbitrator rules that the claim for lump sum moving benefits and transfer allowance by Claimant Lee under Attachment "B" of NYD-217 for his claimed establishment of a residence near Hearne, Texas in September of 1998 and thereafter should be denied.

Findings

Argument by the Organization is that in all seven cases the Claimants did everything to try and establish a permanent residence in Hearne, Texas after they exercised seniority to that point. While the facts of each case laid out in the foregoing is the test of whether the Claimants behaved this way or not, those same facts also indisputably point to the conclusion that in no case did any of the Claimants ever, in fact, establish a residence with all that this implies, in Hearne. In no instance did any of the Claimants relinquish the residence they had, whether a rental unit or a home, prior to

exercising seniority to Hearne, and in all instances the Claimants immediately returned to that former residence after being bumped.³⁹ Attachment "B" of NYD-217 states plainly that in order to collect the benefits outlined in the Options of that Attachment an employee must "...change place of residence...". In no case did any of the Claimants to this case do that. What they did was exercise seniority to the place where they had to work, stay there a brief period prior to being bumped, and then they returned to their original residences. Such behavior cannot be construed as a reasonable interpretation of the intent of Attachment "B" when it speaks of changing place of residence.

The Organization disputes the Carrier's interpretation of the language of Attachment "B" when the Carrier argues that a change of residence means of permanent change of residence. The rule of reasonableness tells us that this interpretation by the Carrier is the proper one. A permanent change of residence usually is, but does not even necessarily have to be, associated with time. If any of the Claimants would have moved to a new apartment in Hearne, and have let their former apartment go on the market for rent, reasonable minds could conclude that such would have qualified as a change of residence. None of the Claimants to this case who were renters did that. Nor did any of the home owners put their homes up for sale nor take any preliminary steps of looking for a new one at Hearne or the Hearne area. Such, had it been done, could possibly have

³⁹Such conclusion is also reasonably true for Claimant Krolczyk although for reasons which remain insrutible Claimant Krolczyk claims one address in Houston but there is considerable evidence that he really lived at another. In either case he goes back to Houston, at the address he claims was his, after being bumped at Hearne after only eleven days after he started work there (which eleven days included the Christmas and New Year's holidays).

qualified as a change of residence. But none of the Claimants did this either. But, it could be argued, none of the Claimants had time to vacate their old apartments, or sell their homes in order to take measures to establish a permanent residence only in Hearne or the Hearne area. This is true. And in the view of the arbitrator this is precisely the point in this case. None of the Claimants had time to do other than go to the point where they exercised seniority, stay there a brief time, and then return to the homes where they lived prior to exercising seniority to Hearne. Reasonable minds cannot conclude that this kind of behavior qualifies as changing one's place of residence. The Organization argues that the Claimants had no control over the duration of their stay at Hearne. No one disputes that. The brevity of the duration simply did not allow any of them to change places of residence.

Article III, Section 5 states that Attachment "B" benefits will be given to employees required to change their place of residence. Had these seven employees been permitted to have done so, absent the time constraints, they no doubt would have changed their places of residence. But the evidence of record indisputably shows that none of them actually did do this. After their short tenures at Hearne, all of the Claimants to this case went back to live where they lived prior to exercising seniority to Hearne.

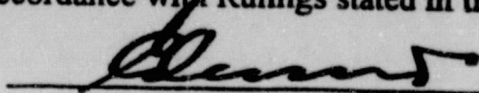
The Organization argues that there is an equity issue at stake in this case since some other employees were given Attachment "B" benefits when they exercised seniority to Hearne, Texas from other points but only if they took separation pay as their second option. In response to this the arbitrator notes, first of all, that the record contains no

specific information on these other employees. Secondly, Claimant Hemphill, one of the Claimants to this case, took separation pay and she was not accorded Attachment "B" benefits. Obviously, in view of the situation of Claimant Hemphill the equity argument starts to break down.

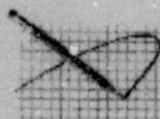
Lastly, as stated in each of the Rulings, conclusions arrived at in this case are consistent with arbitral precedent dealing with the change of address issue in this industry. Although all of the precedent cited in each of the Rulings has some bearing on our own conclusions, some more and some less, particularly persuasive in this respect are the conclusions of Award 17 of PLB 4561. Therein it was concluded that several rental checks are insufficient proof of a change of residence. Likewise Award 219 of PLB 1186 and Award 6 of PLB 3096 speak of temporary commuting arrangements which do not qualify as changes of residence. In all seven cases, the arrangements set up by the Claimants qualified as commuter arrangements precisely because in no instance did any of the Claimants abandon their places of residence which they had prior to exercising seniority. In all instances all of the Claimants returned to their places of residence, which they had but temporarily left, prior to exercising seniority to Hearne.

Award

The Award for the claims filed by Claimants Colbert, Galentine, Hemphill, Krolczyk, Lee, Norfleet and Perrine is in accordance with Rulings stated in the foregoing.


Edward L. Suntrup, Arbitrator

Dated: February 24, 2000



Dan. W. Hannah
Sent by: Dan W. Hannah
09/05/02 11:59 AM

To: Thomas G. Taggart@UP
cc:
Subject: Relocation disputes

Gary:

Hey big boy, what are you doing during the week of January 13, 2002? How about a date in San Francisco, California?

When last we spoke, you suggested we give our disputed relos to Board 180, if we could swing it, to save money.

I was with Dana Eischen in Denver on August 19 and 20, and he agreed to take our cases under "in lieu of" provisions of our agreement.

I'll be in Omaha the week of October 14. Let's get together and get these 3 cases listed for 180, and we'll present them in January 2002, deal?

Bill

CARRIER'S EXHIBIT

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Case No. 1

ARBITRATION COMMITTEE

In the Matter of the)	Pursuant to Article 1, § 11 of
Arbitration Between	)	the New York Dock Conditions
)	
BROTHERHOOD OF LOCOMOTIVE	)	M.O. Coats, Claimant
ENGINEERS, GENERAL COMMITTEE	)	Dispute Concerning Relocation
OF ADJUSTMENT - CENTRAL REGION	)	Rights, Relocation Allowances,
	)	Reverse Held-Away-From-Home
Organization,	)	Allowances, Reverse Lodging
	)	Allowances, Test Period Average
	)	Earnings Allowances, Reclamation
and	)	Rights, and Monetary Claims
	)	Related to each of the
UNION PACIFIC RAILROAD	)	Aforementioned
COMPANY,)	
)	
Carrier.)	

**SUBMISSION ON BEHALF OF THE BROTHERHOOD OF LOCOMOTIVE
ENGINEERS, GENERAL COMMITTEE OF ADJUSTMENT - CENTRAL
REGION**

INTRODUCTION

The Organization hereby stipulates that John B. LaRocco, Arbitrator chosen by the Parties, is to be the Sole Member of this Arbitration Committee, and no ex parte Executive Sessions are to be conducted. However, if the Carrier is unwilling to stipulate to John B. LaRocco being the Sole Member, then the undersigned, Charles R. Rightnowar, General Chairman, General Committee of Adjustment - Central Region, Brotherhood of Locomotive Engineers ("BLE"), will be the BLE Partisan Member of the Arbitration Committee

The Organization hereby requests that the Arbitrator retain jurisdiction in this matter for purposes of remedy, clarification and interpretation.

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?

STATEMENT OF FACTS

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.

The UP insisted that the Merger Implementation Agreements pursuant to the above Finance Docket, be negotiated on a "Hub" basis whereby the major terminals would be merged separately, with all of the inbound/outbound tracks to each terminal acting as "spokes" to the "Hub." See, Affidavit of Dennis E. Penning, former General Chairman, former BLE/UP Eastern Region, Exhibit B at ¶ 3. Each of these "Hubs" were negotiated separately in time, and implemented separately in time (Exhibit B at ¶ 4).

The Jefferson City, Missouri terminal, as well as the mainline trackage from Jefferson City, Missouri to Kansas City, Missouri, was originally a part of the UP Merged Roster No. 1, which had been created by the UP/MKT Merger Agreement dated

December 9, 1998, pursuant to the Union Pacific Railroad Company/Missouri Pacific Railroad Company Merger with the Missouri-Kansas Railroad Company ("MKT") pursuant to Interstate Commerce Commission Finance Docket No. 30, 800. Merged Roster No. 1 originally included- - in addition to Jefferson City- - St. Louis, Missouri, Dupo, Illinois, and Poplar Bluff, Missouri, and all track in between (Exhibit B at ¶ 5).

During the negotiations related to Finance Docket No. 32760, the Carrier sought successfully to modify Merged Roster No. 1 (which became the St. Louis Hub) so as to "carve out" the terminal at Jefferson City, and the mainline trackage between Jefferson City and Kansas City, and insert them into the proposed Kansas City Hub. Both UP and SSW employees lived in the vicinity of the Jefferson City terminal, operating trains to Kansas City, and would be affected by the change (Exhibit B at ¶ 6).

As the St. Louis Hub Merger Implementing Agreement negotiations pre-dated the proposed Kansas City Hub Implementing Agreement negotiations, and since Jefferson City and the mainline trackage west to Kansas City, was to be "carved out," and moved to the proposed Kansas City Hub, an interim period letter of understanding was made as to Jefferson City and the mainline trackage west of Kansas City, known as Side Letter No. 16 of the St. Louis Hub Agreement:

Side Letter No. 16

April 15, 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

Gentlemen:

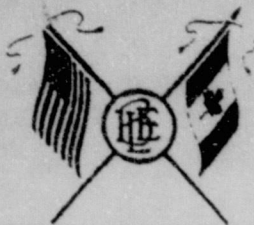
This has reference to the Merger Implementing Agreement for the St. Louis Hub entered into this date.

During our negotiations it was recognized that there are inherent difficulties in implementing a merged operation in the St. Louis Hub and "carving out" the operations and employees between Jefferson City and Kansas City to become part of the Kansas City Hub without a corresponding Merger Implementing Agreement for the Kansas City Hub. This is a problem inherent in implementing merged hubs on a phased basis, and in all hubs this cascading effect has required the parties to use their imagination to develop temporary solutions to cover the interim period between implementing agreements covering adjoining hubs. Such a need is recognized here with regard to the St. Louis Hub.

The Organization has requested that Carrier make certain written commitments regarding the merged operation in the Kansas City hub between Kansas City and Jefferson City which are necessary in order for it to agree to relinquish that territory from the seniority roster for the St. Louis Hub. Those commitments are as follows:

1. Those former UP and SSW engineers who resided at Jefferson City or vicinity on the date of the notice served for the Kansas City Hub will be allowed 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 continues to exist and such employees possess sufficient seniority to hold such assignments.
2. The engineers described above may voluntarily relocate to Kansas City under the Merger Implementing Agreement for that hub; however, they will not be required to do so and will be allowed to continue to reside at Jefferson City on an attrition basis.
3. ***It is intended that the pool freight operations between Kansas City and Jefferson City will ultimately be home terminalled at Kansas City. The details surrounding how that change will be accomplished will be negotiated in the Implementing Agreement for the Kansas City Hub.***

Yours truly,



Brotherhood of Locomotive Engineers

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

EDWARD DUBROSKI
International President

CRA-BLE
CRA-UTU

RECEIVED
FEB 29 2000

LABOR RELATIONS
NORFOLK SOUTHERN CORP.

February 23, 2000

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

VIA FAX AND U.S. MAIL

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

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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,



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

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** TOTAL PAGE.03 **

M.A. Hartman
General Director Labor Relations

(copy attached hereto as Exhibit C, emphasis added; see, also, Exhibit B at ¶ 7).

The Kansas City Hub Merger Implementing Agreement was subsequently negotiated and signed on July 2, 1998, with the undersigned delegated to sign on behalf of former General Chairman, D.E. Penning (see Exhibit D at pp. 26, 41) (see also, Exhibit B at ¶ 8).

The Kansas City Hub Merger Implementing Agreement divided the pre-merger, separate seniority districts into four separate "Zones," with the employees of each separate Zone maintaining "prior rights" to the work of these Zones, but holding "common" seniority rights to the work of all Zones not filled by the Zone employees holding prior rights to the work (Exhibit B at pp. 16-21).

The former SSW and UP employees living in the Jefferson City vicinity were placed into Kansas City Hub in Zone No. 3 (Exhibit D at pp. 10-12, 16). These employees, including the Zone 3 employees already living in Kansas City, held "prior rights" to all Zone 3 work as opposed to the employees of the other three Kansas City Hub Zones (Zones 1, 2, 4) (see Exhibit D at pp. 16-19) (see also, Exhibit B at ¶ 9).

In addition to the Zone 3 prior rights, described above, held by all Zone 3 employees (regardless of location of residence within Zone 3) as opposed to the other Zones in the Kansas City Hub, those Zone 3 employees (both SSW and UP) living at pre-merger residences in the vicinity of Jefferson City, Missouri, were given additional "prior rights" to all work originating in Jefferson City terminal, including the freight pools operating between Jefferson City and Kansas City:

Article I

C. Zone 3 - Seniority District

....

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 1.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 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)***

(See Exhibit D at pp. 10-11, emphasis added).

Attachment D, referenced in the above-quote, containing the names of those former SSW and UP engineers, living in the Jefferson City vicinity, that were granted

the additional "prior rights" to work in the Jefferson City terminal and the freight pools between Jefferson City and Kansas City, is attached hereto as Exhibit D, pp. 87-89 (see also, Exhibit B at ¶ 10).

Side Letter No. 7, also referenced at the end of the above-quoted material, attached hereto as Exhibit D, pp. 39-41, is as follows:

Side Letter No. 7

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 1.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 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.**

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

AGREED:

C. R. Rightnower for
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

(emphasis added)

Relocation benefits are *generally* governed under Article VII:

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 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 (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.

(Copy attached hereto as Exhibit D at pp. 23-24, emphasis added).

The "in lieu of" provisions were specifically designed to benefit both parties, as explained by a specific question and answer section in the Agreement:

- 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 1 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.

(Copy attached hereto as Exhibit D, at pp. 82-83).

Since the Carrier had negotiated the right to move the "home" terminal from Jefferson City, Missouri, to Kansas City, Missouri, except those Jefferson City Engineers that exercised their right to remain "home-terminal" at Jefferson City, pursuant to Side Letter No. 7, *supra*, any Jefferson City Engineer that *voluntarily* relocated to Kansas City from Jefferson City, was eligible for relocation benefits, pursuant to the specific language contained in the question and answer section:

- Q.11. ***Must SPCSL engineers and SSW Jefferson City engineers be forced to an assignment to be eligible for relocations 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.*

(Copy attached hereto as Exhibit D, at p. 83, emphasis added).

In addition to the above, Side Letter No. 14, provided:

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.

(Exhibit D at p. 51).

Subsequent to the implementation of the Kansas City Hub Implementing Agreement, three former SSW engineers and two UP engineers, all living at pre-merger residences in the vicinity of Jefferson City, voluntarily accepted a relocation allowance and relocated to Kansas City. The former SSW engineers are M.O. Coats (SSN. 490-56-9764) (Exhibit E), L. D. Molloy (SSN. 487-60-0637) (Exhibit F), and D. R. Snyder (SSN.

428-88-2388) (Exhibit G). The two UP engineers are C. W. Kerr (SSN. 499-44-8247) (Exhibit H), and A.L. Chachere (SSN. 513-78-2832) (Exhibit I).

The above-named employees were removed from Attachment D of the Kansas City Hub Agreement, which led to an intra-Organization dispute, resolved through Arbitration. During preparation for *that* Arbitration, as to the removal of these employees' names from Attachment D, the Carrier, through Andrea Gansen, stated its position by letter dated July 25, 2000:

The Carrier has been requested by several General Chairman to put forth its position in this arbitration. *It is the Carrier's position that any prior rights Jefferson City engineer who accepts relocation from Jefferson City to Kansas City will be removed from Attachment D of the Kansas City Hub Agreement. The acceptance of relocation monies is a voluntary vacation of the pool assignment, which, if not claimed by a prior rights Jefferson City engineer will be readvertised with a Kansas City home terminal.*

(See Exhibit J, emphasis added).

The Arbitrator in the instant case, Arbitrator John B. LaRocco, decided that prior intra-Organization dispute, pursuant to his Award dated September 15, 2000, attached hereto for ready reference as Exhibit A.

Subsequent to the Award, the Carrier unilaterally relocated Claimant Engineer M.O. Coats from Kansas City, Missouri, back to Jefferson City, Missouri, contending that it had a unilateral right to relocate Engineer Coats, and that it could begin reclaiming all monies involuntarily paid to M.O. Coats for relocation allowances, reverse Held-Away-From-Home Allowances

In reviewing the chronological sequence of documents specific to the claims herein, Claimant M.O. Coats filed a "HUB RELOCATION BENEFITS APPLICATION" for the Kansas City Hub, dated March 31, 2000, moving from an old work location of

Jefferson City, to a new work location of Kansas City, specifically choosing Option 2 and Option 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.

(Copy attached hereto as Exhibit K, at p. 3).

There is nothing in Article VII B. that requires that the employee actually sell his house, or purchase a house, nor is there any requirement as to same within the Question and Answer section of the Agreement (see, Exhibit D at pp. 23-24, 51, 82-83).

It is undisputed that Claimant Coats was the owner of a home located at 242 Indian Meadow, Jefferson City, Missouri 65101, and that he sold this home in relation to his claim herein (Copy attached hereto as Exhibit K, at pp. 4-11). Claimant Coats relocated to an apartment in a suburb of Metropolitan Kansas City, with the address of Apartment # 2207, 16008 E 28th Terrace, Independence, MO 64055, with a "move-in" date of May 5, 2000, with the date of the lease execution of April 5, 2000; Claimant Coats updated the Carrier's Crew Management System ("CMS") with this new address, which was accepted, and payment made in the gross amount of \$30,000, with a net of \$20,700 by Carrier check #2338078 (Exhibit K at pp. 12-19).

The Carrier considered the Independence, Missouri address as the Claimant's domicile, mailing official Carrier correspondence to the Claimant at that address,

including 401K plan summary account balances, paycheck stubs, etc. (Copies attached hereto as Exhibit L).

Claimant also received billings for utilities and other expenses at this location, clearly indicating usage and residence (Copy attached hereto as Exhibit M).

By letter dated June 2, 2000, Andrea Gansen, Assistant Director Labor Relations, advised Claimant Coats:

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 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.

(Copy attached hereto as Exhibit N, at p. 1, emphasis added).

Attached to the above-quoted letter was a "Agreement for Repayment" that contained a signature space for Claimant Coats' signature:

AGREEMENT FOR REPAYMENT

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

(Copy attached hereto as Exhibit N, at p. 2).

Claimant Coats responded by letter dated June 12, 2000, advising the Carrier, in part:

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?

....

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.

(Copy attached hereto as Exhibit O).

By letter erroneously dated June 2, 2000, Andrea Gansen responded on behalf of the Carrier:

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.

(Copy attached hereto as Exhibit P).

Claimant Coats responded by letter dated June 17, 2000:

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 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.

(Copy attached hereto as Exhibit Q).

Andrea Gansen responded by letter dated June 26, 2000:

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 letter 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) 295-1811. 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 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.

(Copy attached hereto as Exhibit R, emphasis added).

The undersigned concurred and stipulated that this matter was properly within the jurisdiction of a New York Dock Arbitration Committee.

By letter dated July 19, 2000, Claimant Coats responded to Andrea Gansen:

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 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 K.C. 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.

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

STB

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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. 8 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 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 not 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.

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.

(Copy attached hereto as Exhibit S).

By letter dated August 3, 2000, Andrea Gansen responded on behalf of the Carrier, confirming the Carrier's position as to both the specific facts raised in earlier correspondence, and as to the exclusive jurisdiction of a New York Dock forum:

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 your 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 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

(Copy attached hereto as Exhibit T, emphasis added).

Again, pursuant to a telephone discussion, the undersigned concurred and stipulated with Andrea Gansen, quoted-above, that this is properly within the New York Dock forum jurisdiction. In a follow-up letter, the undersigned filed the following claim:

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.

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 near 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.

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

Please advise.

(Copy attached hereto as Exhibit U).

Andrea Gansen responded on behalf of the Carrier by letter dated August 15,

2000:

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 circumstances 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 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.

(Copy attached hereto as Exhibit V).

The undersigned advised Andrea Gansen that there were other employees who had accepted relocation allowances on this territory, and other territories, that have not, in fact, bought a home at the new work location. One of the employees that had accepted a relocation allowance on the Claimant's territory, changing his work location from Jefferson City, Missouri to Kansas City, Missouri, was D.R. Snyder (Exhibit G). D.R. Snyder moved to an apartment in Independence, Missouri, shown in the CMS records as Apartment 4B, 9530 E. Winner Rd., Independence, Missouri 64053 - 1651 (Copy attached hereto as 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 (Copy attached hereto as 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 (Copy attached hereto as 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 (Copy attached hereto as 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.

(Copy attached hereto as Exhibit Y, at p. 4).

Conductor 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.

(Copy attached hereto as 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 (Copy attached hereto as Exhibit Z, at pp. 3-4).

Prior to the scheduled conference as to this dispute, in August 2000, Andrea Gansen left the employment of the Carrier. She was replaced by Ms. C.J. Sosso, in September, 2000, who had to move from Spring, Texas to Omaha, Nebraska. Ms. Sosso took the position that the instant case should be handled in a "piecemeal" fashion, where some of the issues would be Railway Labor Act, Section 3 issues, and others would be New York Dock forum issues. The undersigned disagreed during several discussions as to this matter, holding that the entire case was within the jurisdiction of a New York Dock Arbitrator, and that to handle the matter as a split cause of action could create opposite decisions within the same set of facts, causing confusion, and wasting arbitral resources and efficiencies. Ms. Sosso insisted as to her position, and the undersigned,

without waiver of his position, agreed to by Andrea Gansen, that the entire dispute was within New York Dock jurisdiction, filed parallel claims with the time-keeping department, declined by letter dated October 11, 2000 (Copy attached hereto as Exhibit AA), wherein Tony Zabawa, General Director Timekeeping, stated:

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 of Labor Relations.

Ms. Sosso advised that her files were incomplete, requesting the undersigned to re-copy portions of the file, and forward same onto her, which was done. In addition, the undersigned requested an accounting of all monies recollected. Several conferences were held with Ms. Sosso. The undersigned memorialized some of the above in his letter dated January 12, 2002, (Copy attached hereto without attachments as Exhibit BB). Ms. Sosso responded by letter dating March 5, 2002, also providing a partial, alleged accounting of the recollection as of that date (Copy attached hereto as Exhibit CC).

Ms. Sosso was transferred to a different position within the Carrier, and her duties fell to R.D. Rock, Director of Labor Relations; as such, the undersigned, by letter dated April 2, 2002, corrected Ms. Sosso's statements in her March 5, 2002 letter as to the October 10, 2001 conference, where all claims and supporting documents were made available by the Organization, briefly reiterating the Organization's position as to each case, requesting New York Dock Arbitration (Copy attached hereto as Exhibit DI).

R.D. Rock responded by letter dated April 9, 2002, supplemented by his letter dated April 12, 2002, advising that the instant claims were governed by Section 3 of the Railway Labor Act, rather than New York Dock jurisdiction, taking a completely opposite position from Andrea Gansen's position, already agreed to by the undersigned

(Copy attached hereto as Exhibit EE, at p. 1-2). The undersigned requested a New York Dock Arbitrator assignment from the National Mediation Board. The Carrier agreed to Arbitrator John B. LaRocco, without waiver of its position (Copy attached hereto as Exhibit FF).

The Carrier, by the Organization estimate, has improperly deducted in excess of \$39,000 from the TPA earnings of Claimant Coats, has failed to pay him reverse held-away-from-home allowance payments (Copy attached hereto as Exhibit GG), his reverse lodging, has improperly recollected relocation allowances, and restricted his seniority right to relocate.

POSITION OF EMPLOYEES

The undersigned concurred and stipulated with Andrea Gansen that the instant dispute was within the jurisdiction of a New York Dock Arbitration Committee; Ms. Gansen specifically made this position clear in her letters of June 26, 2000 and August 3, 2000, to the Claimant herein:

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.*

(Copy attached hereto as Exhibit R, emphasis added).

....

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.

(Copy attached hereto as Exhibit T, emphasis added).

Where the undersigned agrees with the initial Carrier representative as to the proper jurisdiction of instant claims, the Carrier cannot come in later and create a procedural "shell game," splitting the causes of action so as to create a piece meal, possibly conflicting, resolution. Although the undersigned has no knowledge of any New York Dock decisions on point, the First Division prohibits piece meal handling of claims:

The question is whether the same controversy may be brought to this Division piecemeal, a practice which would seem not to be contemplated by the provision of Section 3 (m) of the Railway Labor Act, and which is neither fair to the parties nor proper practice if the Division is to function efficiently.

Heretofore this Division has not adopted a definite rule as to the divisibility or indivisibility of a controversy by the initial submission of a protest and by a later claim for monetary compensation for the persons directly involved in the protest. For instance, in Award No. 1956, Docket No. 1209, this Division, without a referee, denied a money claim because "The controversy that formed a basis of this claim was disposed of by this Division's Award No. 52"; while in Award No. 5837, with a referee, expressly invited subsequent money claims by sustaining the protest "without prejudice to subsequent handling of claims for compensation subject to proper deductions of earnings received from the carrier."

This Division hereby definitely adopts the rule that controversies are not divisible and may not be brought to it separately as protest and as claim for compensation.

Award No. 6334, NRAB (1st Div. Johnson) (Copy attached hereto as Exhibit HH).

Arbitral efficiency and fair resolution of this dispute requires that it be handled by one forum for complete, non-conflicting resolution, as originally stipulated by Andrea Gansen.

Moreover, where former BLE General Chairman D. E. Thompson filed for an "in lieu of" relocation allowance as an individual, NRAB Case No. 00-1-2209, W. S. Hinckley, on behalf of the Carrier, filed a submission, contending, in part, that NRAB jurisdiction was improper, that jurisdiction to resolve the issue was exclusive before a New York Dock Arbitration Committee (Copy attached hereto as Exhibit II, at p. 5).

The "In lieu of" provisions as to relocation allowances are a recent trend in New York Dock merger agreements wherein the parties reduce paperwork, inefficiencies, time-loss, and monetary loss by having set standards and monetary amounts for relocations. The only authority on point was decided by a New York Dock Arbitrator, Eckehard Muessig, wherein, in reviewing the agreement there, found:

The issue in this case is whether the eight (8) Claimants "actually" moved their "primary residence" within the meaning of Section II of the Implementing Agreement.

The Carrier, in its brief, and in much of its correspondence, has inserted the word "permanent" before the word "primary." This linkage, which goes to "domicile," is not supported by the record. As properly noted by the Organization, Section II(e)(3) Note and (4) Note do not refer to the term "permanent". These sections only refer to "primary residence." According to the ordinary dictionary meaning, the word "primary" means occurring first in time or sequence, first in order, or chief. In turn, this means that the Claimants do not have to sell their home, and that they can have two "residences" and still be eligible for the Lump Sum payments at issue here.

Obviously, reasonable people may disagree on how the word "primary" should be understood in the context of this particular Agreement and the facts and circumstances of the eight cases now before the Board.

....

Nonetheless, it is also instructive, indeed necessary, to examine why the parties agreed to the Agreement of March 20, 1998. Clearly, as is the norm when New York Dock labor protective conditions have been imposed, the parties agree to a procedure on how to handle the sale of homes (if applicable), moving expenses, the transfer of actual work, positions and employees who wish to follow the work. These kinds of negotiations result in Implementing Agreements. Obviously, a major element of these Implementing Agreements focuses on personal matters associated with movement of employees to a new geographic work location. In this dispute, Section II of the Implementing Agreement was developed to deal with those personal issues.

The Carrier and Organization, when each signed the Agreement, agreed that Lump Sum payments could be taken in lieu of reimbursement for individual expenses, such as selling of home, movement of household goods, etc. associated with a change of residence. The purpose of the Lump Sum option was to simplify the administrative steps and paperwork needed when New York Dock benefits had been applied. However, if an employee elects to take the Lump Sum payment, this does not mean that the Carrier may not require satisfactory evidence, as applicable, to show that the actual primary residence has been changed.

What has unnecessarily complicated the eight cases before the Board is that the Carrier did not have specific guidelines as to what kind of evidence the employees needed to show a change of their primary residence.

....

Accordingly, the facts and circumstances of each of the eight Claimants must be examined in the context of the elements noted above. When the parties signed off on the Agreement which stated that, "It is understood [the employee] must actually move his primary residence to be eligible for [benefits]," there is strong, perhaps even compelling, evidence that the parties meant that the substantive elements that make up a primary residence would be present in the new residential location.

The state language does not require a sale of a home or the purchase of another home at the new location. If this were so, the parties would have stated it in the Agreement.

....

As to the question of consistency, a major criticism of the approach taken here might lie along the line that some employees, even though they may have moved their families and chattel to the new location, nevertheless did not sell their old houses at the prior location and may even intend to retire there at some unspecified future time. However, nothing in the Agreement precludes this

arrangement, as we noted earlier, provided that the employee actually moved his "primary residence" as evidenced by the establishment of "intimate local ties" at the new location. As we noted at the outset of this discussion: "Home is where the heart is." And, on a day-to-day basis, an employee's "primary-residence" is that place where his or her life is focused, rather than some temporary, makeshift place of mere convenience, devoid of "intimate local ties."

(Copy attached hereto as Exhibit JJ).

The Carrier has shifted its criteria ~~as~~ to the requirements for relocation allowances wherein it has permitted other employees, such as Engineer D. R. Snyder, to obtain relocation allowances where those employees have relocated to an apartment, rather than purchase a new home (see, Exhibit W at p. 5; Exhibit X at p. 1). Moreover, the fact that the Claimant's wife lives in New Bloomfield, Missouri, rather than Independence, Missouri, has no bearing where Engineer T. E. Bryan's wife lives in Fort Meyers Beach, Florida, and Engineer Bryan was granted a relocation allowance for a location in Tremont, Illinois (see, Exhibit Y, at pp. 1-4). Further, the Carrier paid J. P. Severt, regardless of the fact that he was renting from relatives in the Kansas City suburb of Raymore, Missouri (Exhibit Z, at pp. 1-4). Such conduct under the same Agreement, or an identical Agreement provision in a separate Hub, waives the Carrier's position in the instant case, requiring a result in keeping with the "Interpretation" made by Arbitrator Muessig:

The Chairman found himself in agreement with the Organization when it objected to the "shifting criteria" used to decide the claims as they were being processed by the Carrier. The problem which arose were primarily created by the Carrier which did not set at the outset clear and unambiguous standards by which it would make its decisions. Had the Carrier established clear standards in the beginning, based on the kinds of examples set forth in the Award, and had the Carrier applied these standards in a consistent manner, the issues would have been settled early on.

In summary, I found the evidence submitted by the Organization for six (6) of the Claimants to be credible and consistent with the examples in the Award.

(Copy attached hereto as Exhibit JJ at p. 23)

Not only did the Claimant relocate to an apartment in Independence, Missouri, expending funds for a lease, utilities, the movement of furniture and household goods, but he gave up a valuable Agreement right to the protection provided by Attachment D, and Side Letter No. 7, that protects employees at Jefferson City with prior rights to the work between Jefferson City and Kansas City, beyond the rights of other Zone 3 employees, as enforced and protected by Arbitrator John B. LaRocco in the Award attached hereto as Exhibit A. It cannot be that the Claimant should give up such a valuable right and not be considered to have relocated.

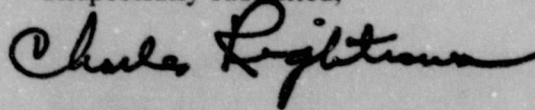
Finally there is a question as to the Carrier's right to recollect monies without a repayment agreement; if the Carrier had a unilateral right to recollect funds, there would be no purpose in the "Agreement for Repayment" attached to the Carrier's letter, dated June 2, 2000 (Exhibit N, at p. 2). By having asked for a contract, the Carrier admitted it had no pre-existing, unilateral, self-help, managerial right. Moreover, without waiver of the foregoing, *arguendo*, but incorrectly, if the payment was disputed, the Carrier was constrained by the 60 day time limit within the System Agreement – Claim Handling Process, Section 2 (Copy attached hereto as Exhibit KK). Failure to comply with the Agreement, the Carrier loses any authority to refuse payment. Award No. 15678, NRAB (1st Div. O'Malley) (Copy attached hereto as Exhibit LL).

The Organization, without waiver of the above positions, also submits that should the Carrier prevail, that the Carrier has recollect funds far in excess of the amount

originally asserted by Andrea Gansen. As such an accounting must be made, jurisdiction retained, and remedy ordered, regardless of the decision on the merits.

Further, the Organization requests interest to be paid on any monies owed to Claimant.

Respectfully submitted,

A handwritten signature in cursive script, reading "Charles R. Rightnowar".

Charles R. Rightnowar
General Chairman
Brotherhood of Locomotive Engineers
320 Brookes Dr. Ste. 115
Hazelwood, MO 63042

ORGANIZATION EXHIBIT

A

ARBITRATION COMMITTEE

**In the Matter of the
Arbitration between:**

**BROTHERHOOD OF LOCOMOTIVE
ENGINEERS,**

Organization,

and

UNION PACIFIC RAILROAD COMPANY.

Carrier.

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

I.C.C. Finance Docket No. 32760

OPINION AND AWARD

Hearing Date: August 17, 2000
Hearing Location: Roseville, California
Date of Award: September 15, 2000

MEMBERS OF THE COMMITTEE

Neutral and Sole Member: John B. LaRocco

APPEARANCES

For the Carrier

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[Kansas City Hub.NYD]

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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 No. 32760.] One of the SPT's subsidiaries was the St. Louis Southwestern 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) and the Carrier herein negotiated a number of merger implementing agreements. This dispute concerns the proper interpretation and application of two of these merger implementing agreements: the St. Louis Hub Merger Implementing Agreement and the Kansas City Hub Merger Implementing Agreement. Therefore, this case properly falls within the ambit of Article 1, § 11 of the New York Dock Conditions.

At the August 17, 2000 hearing, the Organization and Carrier waived the Tripartite Arbitration Committee set forth in Article 1, § 11 of the New York Dock Conditions. They agreed that the undersigned would act as the sole and neutral member of the Arbitration Committee.

In addition, the parties stipulated to the following Question at Issue:

If an employee named in Attachment D of the Kansas City Hub Agreement voluntarily relocates from Jefferson City to Kansas City,

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does he maintain prior rights to positions on the Jefferson City to Kansas City pool pursuant to Side Letter #7?

The parties, including four Committees of the Organization, filed submissions and/or letters with the Arbitration Committee on or before the August 17, 2000 hearing. At the hearing, the Committee heard extensive argument and the matter was deemed submitted.

II. BACKGROUND AND SUMMARY OF THE FACTS

Prior to the merger, Jefferson City, Missouri, was the home terminal for former UP engineers working in pool freight service to Kansas City, Missouri. Jefferson City was also the home terminal for SSW engineers working in through freight service from Jefferson City to both Kansas City and St. Louis, Missouri.¹ Many of the former UP and SSW engineers resided in the Jefferson City vicinity. The former UP engineers held seniority on UP Merged Seniority Roster Number One while the SSW engineers apparently held both point and system seniority.

To efficiently integrate the SPT with the former UP, the Carrier planned to operate a hub and spoke through freight system. With regard to the territory pertinent to this case, the Carrier contemplated that St. Louis and Kansas City would become hubs. Jefferson City would become a point on spokes emanating from both hubs, which would eliminate Jefferson City as a home terminal. Consistent with these plans, St. Louis became the home terminal for engineers in pool freight service between St. Louis and Jefferson City. However, as will be explained more fully in the ensuing paragraphs, Jefferson City remained a home terminal for many engineers even after the consummation of the two hub merger implementing agreements.

¹ St. Louis was the home terminal of former UP engineers performing through freight service between St. Louis and Jefferson City.

In sum, the Organization and the Carrier agreed that those engineers residing in Jefferson City, on the date of the Carrier's notice (January 30, 1998) to designate Kansas City as a hub, could indefinitely continue to reside in Jefferson City.² Those engineers granted the right to indefinitely maintain their residences in Jefferson City are identified in Attachment D to the July 2, 1998 Kansas City Hub Merger Implementing Agreement.

Before the parties negotiated the Kansas City Hub Merger Implementing Agreement, the Carrier memorialized certain commitments to the former UP and SSW engineers residing in Jefferson City. Side Letter No. 16 of the St. Louis Hub Merger Implementing Agreement, which is dated April 15, 1998, reads:

This has reference to the Merger Implementing Agreement for the St. Louis Hub entered into this date.

During our negotiations it was recognized that there are inherent difficulties in implementing a merged operation in the St. Louis Hub and "carving out" the operations and employees between Jefferson City and Kansas City to become part of the Kansas City Hub without a corresponding Merger Implementing Agreement for the Kansas City Hub. This is a problem inherent in implementing merged hubs on a phased basis, and in all hubs this cascading effect has required the parties to use their imagination to develop temporary solutions to cover the interim period between implementing agreements covering adjoining hubs. Such a need is recognized here with regard to the St. Louis Hub.

The Organization has requested that Carrier make certain written commitments regarding the merged operation in the Kansas City Hub between Kansas City and Jefferson City which are necessary in order for it to agree to relinquish that territory from the

² The Organization submits that certain externalities, including political pressure, propelled the Carrier to agree to permit Jefferson City engineers to maintain their residences in Jefferson City, not just for the duration of their New York Deck protective periods but for their entire railroad careers.

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seniority roster for the St. Louis Hub. Those commitments are as follows:

1. Those former UP and SSW engineers who resided at Jefferson City or vicinity on the date of the notice served for the Kansas City Hub will be allowed 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 continues to exist and such employees possess sufficient seniority to hold such assignments.
2. The engineers described above may voluntarily relocate to Kansas City under the Merger Implementing Agreement for that hub; however, they will not be required to do so and will be allowed to continue to reside at Jefferson City on an attrition basis.
3. It is intended that the pool freight operations between Kansas City and Jefferson City will ultimately be home terminated at Kansas City. The details surrounding how that change will be accomplished will be negotiated in the Implementing Agreement for the Kansas City Hub.

Several months later, on July 2, 1998, the parties entered into the Kansas City Hub Implementing Agreement which divides terminal, local and through freight service into, out of and near Kansas City into various seniority zones. Article 1.C. sets the Zone Three seniority district as the territory between Kansas City and Jefferson City. The parties specified the rights and obligations of Jefferson City engineers in Article 1.C.2.a. as follows:

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

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Jefferson City may utilize any combination of UP or SSW trackage between such points.

- a. The parties agreed in Article 1.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).

The parties elaborated on the status of Jefferson City engineers and established an attrition formula in Side Letter No. 7 to the Kansas City Hub Merger Implementing Agreement. The pertinent paragraphs (the second, third and fourth paragraphs) of Side Letter No. 7 provide:

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.

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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.

The sixth paragraph of Side Letter No. 7 provides that the home terminal will shift from Jefferson City to Kansas City when 51 percent of the pool turns are occupied by engineers at Kansas City. This paragraph also affords Jefferson City engineers lodging and held away from home terminal (HAHT) privileges at Kansas City with layoff privileges at Jefferson City (once Kansas City became the home terminal). Since engineers at Jefferson City can voluntarily relocate to Kansas City before the home terminal shifts, those engineers currently receive lodging and HAHT privileges at Jefferson City.

Subsequent to July 8, 1998, several former UP and SSW engineers listed on Attachment D of the Kansas City Hub Merger Implementing Agreement voluntarily opted to move their residences

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from Jefferson City to Kansas City.³ In essence, the question at issue concerns whether or not those engineers, who voluntarily relocated from Jefferson City to Kansas City, should now be considered attrited within the meaning of the Kansas City Hub Merger Implementing Agreement and thus, removed from Attachment D. While the question at issue arose within the context of the Carrier seeking to cut Jefferson City - Kansas City pool turns, this Committee will answer the Question at Issue without expressing any opinion on whether or not the Carrier has the ability to unilaterally cut turns.⁴ To reiterate, we emphasize that nothing in this Opinion should be construed to mean that the Carrier may or may not cut turns in the Jefferson City - Kansas City pool.

III. THE POSITIONS OF THE PARTIES

A. The Position of the BLE SSW Committee

The sole type of prior rights for engineers listed on Attachment D, who operate through freight assignments between Kansas City and Jefferson City, are the rights allocated in Attachment C and more fully described as Zone Three of the Kansas City Hub. There are no other prior rights. Nowhere does the Kansas City Hub Agreement give super prior rights to any group of engineers. The Kansas City Hub Agreement grants Attachment D engineers Zone Three prior pool rights.

Side Letter No. 16 provided that the engineers identified on Attachment D could remain at Jefferson City but, their places of residence did not have any impact on the nature or type of their prior rights so long as they stayed in the Zone Three Kansas City district. Indeed, the number of engineers listed in Attachment D to the Kansas City Hub Agreement is exactly the same number of

³ These engineers collected a relocation allowance.

⁴ All of the BLE Committees contend that the Carrier is explicitly and implicitly prohibited from unilaterally cutting such turns. On the other hand, the Carrier asserts that it has the ability to adjust the pool.

A-8

engineers performing service in Zone Three at the time the list was developed. Thus, Zone Three and the prior rights are one and the same concept.

Stated differently, after implementation of the Kansas City Hub Agreement, the engineers on Attachment D had a choice of staying in Jefferson City or relocating to Kansas City. The parties intended to give engineers an unfettered choice of deciding whether to live in Kansas City or Jefferson City. The choice was entirely voluntary. To be voluntary, the choice could not involve the relinquishment of any prior rights. Therefore, moving their residences to Kansas City had no impact on the prior rights of Attachment D engineers so long as they did not move beyond Kansas City. Their prior rights remained Zone Three regardless of whether they resided in Jefferson City or Kansas City.

Attrition from Attachment D occurs when an engineer vacates his pool assignment, not when an engineer moves his residence to Kansas City. The engineers, who voluntarily relocated to Kansas City, continue to fill the same pool assignments between Kansas City and Jefferson City that they occupied when they resided in Jefferson City. Thus, their change of residences did not require the engineers to vacate their pool assignments. Put simply, these engineers did not attrite. The Kansas City Hub Agreement provides that an engineer attrites only upon a "voluntary seniority move/relocation." It is important to note that a "/" rather than a "," or an "or" appears in this clause. To attrite, an engineer must either engage in a voluntary seniority move or a voluntary seniority relocation. The parties did not intend for attrition to apply to an engineer who merely changed his residence within the same prior rights zone since such a move does not involve a change of seniority. The purpose of this language was to govern the rights of those prior SSW engineers who held

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systemwide seniority. If they moved their seniority to other zones in the Kansas City Hub, or elsewhere, they attrited from Attachment D.

Last, double ended pools are not uncommon on this property and so, it is logical that engineers would not lose prior rights when they move to their homes from one terminal to another in the same seniority zone.

The BLE SSW Committee requests that the Question at Issue be answered affirmatively.

B. The Carrier's Position

An engineer who voluntarily relocates his residence from Jefferson City to Kansas City does not maintain prior rights to positions in the Jefferson City - Kansas City pool. The plain language of Side Letter No. 7 gives protected, prior rights to employees residing in Jefferson City. Voluntarily relocating one's residence from Jefferson City removes the engineer from this protected group.

The plain language of Side Letter No. 7 shows that an engineer attrites from Attachment D if the engineer moves his residence from Jefferson City. Side Letter No. 7 provides that attrition occurs by retirement, resignation or voluntary seniority move/relocation. The latter phrase covers either a voluntary seniority move or a voluntary relocation (such as, an engineer moving his residence to Kansas City). The language in Side Letter No. 7 goes on to state that if a position vacated by an attriting engineer is claimed by a prior rights Jefferson City engineer, the position remains within the ambit of protection. However, if the position is not claimed by a prior rights Jefferson City engineer, then the job is re-designated with Kansas City as the home terminal.

A-10

The Committee should interpret the provisions of Side Letter No. 7 in harmony with the terms of Side Letter No. 16 to the St. Louis Hub Agreement. Side Letter No. 16 afforded Jefferson City engineers the option of voluntarily moving to Kansas City. Side Letter No. 7 restated this option but with the added condition that the relocation results in the engineer's attrition from Jefferson City as the home terminal.

The BLE SSW Committee contends that the prior rights are not just for keeping Jefferson City as a home terminal but rather, the prior rights cover any pool job between Kansas City and Jefferson City without regard to the home terminal of the position. Such an interpretation is contrary to the plain language of the two Side Letters and would stymie the purpose of the protection which was to safeguard work for those engineers who elected to maintain their residences in Jefferson City. In the extreme, the BLE SSW's construction of Side Letter No. 7 could conceivably force a junior engineer residing at Jefferson City to move (to enable the engineer to work) which defeats the whole purpose of Side Letter No. 16 and Side Letter No. 7.

If this Committee determines that the contract language is ambiguous, the Carrier's interpretation is the most reasonable construction of Side Letter No. 7. The parties built a protective circle around Jefferson City. As stated previously, the BLE SSW Committee's interpretation would expand the circle to include those engineers residing in Kansas City simply because, at some remote time in the past (after Attachment D was promulgated), the engineers resided at Jefferson City.

In addition, it was the intent of the parties that attrition would operate to eventually move all of the positions to Kansas City. It makes sense that this attrition would occur when an engineer moves his residence from Jefferson City to Kansas City.

A-11

The Carrier seeks a negative answer to the Question at Issue.

C. The Position of the BLE Committee UP-Central Region

The Kansas City Hub Agreement provided engineers with prior rights according to zones. In addition, an engineer who had prior rights to work in a particular zone also held common seniority to claim a position in any zone not filled by an engineer holding prior rights in the particular zone. The former SSW engineers and UP engineers at Jefferson City were placed in Zone Three per the Kansas City Hub Agreement. They hold prior rights to all Zone Three work regardless of their residence. In addition, according to Side Letter No. 16 of the St. Louis Hub Agreement and Side Letter No. 7 of the Kansas City Hub Agreement, those engineers living in Jefferson City were granted additional prior rights to work originating in Jefferson City, that is, pool freight service between Jefferson City and Kansas City. The parties identified these engineers in Attachment D to the Kansas City Hub Agreement. Thus, the engineers residing in Jefferson City were granted an additional level of prior rights or super prior rights over and above the prior rights afforded to Zone Three engineers.

The plain language of Side Letter No. 16 provides that the engineers could continue to reside in Jefferson City on an attrition basis. Side Letter No. 7 reiterated and clarified their right to reside at Jefferson City. Side Letter No. 7 clearly provides that those engineers residing at Jefferson City hold prior rights to work at the Jefferson City terminal, including freight pool service between Jefferson City and Kansas City, subject to attrition. Attrition will occur because the work will gradually shift to Kansas City where Zone Three employees initially residing in Kansas City or Zone Three employees who had relocated to Kansas City have prior rights to the attrited work.

A-12

It is sensible and it is logical that an engineer who collects a lucrative relocation allowance when the engineer moves from Jefferson City to Kansas City attrites from Attachment D.³ If the position held by the engineer who moves to Kansas City is not claimed by a prior rights engineer residing in Jefferson City, the position is redesignated for Zone Three at the Kansas City terminal. The super prior rights for this position end. Over time, all positions will incrementally shift to Kansas City via this kind of attrition (as well as the resignation and the retirement of engineers who continue to reside in Jefferson City).

In summary, those engineers who voluntarily relocated to Kansas City are reduced from the prior rights Jefferson City freight pool protection. Stated differently, the engineer is expunged from Attachment D but continues to enjoy Zone Three prior rights per the Kansas City Hub Agreement.

The BLE Committee for the UP Central Region urges the Committee to answer the Question at Issue in the negative.

D. Other Positions

Two other BLE committees filed letters with this Committee. While the BLE UP Central Region Committee suggests that these other two committees support its position, a close perusal of the letters reveals that neither committee reached the crux of the issue herein.

IV. DISCUSSION

As the parties argue, this Committee must start its analysis of this dispute by examining the plain language written by the negotiators in Side Letter No. 16 of the St. Louis Hub Agreement,

³ Under the interpretation advanced by the BLE SSW Committee, the relocating engineer gains a generous relocation benefit without any sacrifice. The parties wanted to give engineers the option of moving to Kansas City, not to reward them for exercising this voluntary option.

A-13

Article 1.C. of the Kansas City Hub Agreement and Side Letter No. 7 of the Kansas City Hub Agreement. This Committee rightfully presumes that experienced negotiators intend to write down the words which appear in their agreements and that they expect this Committee to follow the usual and ordinary meaning of those words. Extrinsic evidence such as negotiating history or past practice is only relevant to interpreting the provisions of the parties' agreements if the language therein is unclear, ambiguous, vague or contradictory.

After closely reviewing all of the contractual provisions pertinent to this dispute, this Committee concludes that the plain language of the Agreements provide special, and perhaps, unique rights to engineers indefinitely maintaining their residences in Jefferson City and these rights are expressly predicated on the engineers keeping their residences in Jefferson City. For the reasons more fully explained below, this Committee answers the Question at Issue in the negative.

Beginning with Side Letter No. 16 of the St. Louis Hub Agreement, as reinforced by Article 1.C. of the Kansas City Hub Agreement and concluding in Side Letter No. 7 of the Kansas City Hub Agreement, the parties carved out a special status for those Jefferson City engineers who continued to maintain their residences at that location. In other words, the plain and express language found in those three provisions demonstrate the negotiators' intent to establish a unique protective arrangement for engineers keeping their residences in the vicinity of Jefferson City. Put simply, throughout the bargaining over the two hub agreements, the negotiators afforded Jefferson City special treatment but with an important condition: to retain this special status, the engineer had to reside and continue to reside at Jefferson City.

A-14

Our analysis starts with the clear and unambiguous language in the sentence labeled "2" in Side Letter No. 16. That sentence granted the Jefferson City engineers the option of voluntarily relocating to Kansas City but the parties contemplated that the option was subject to an "attrition" of engineers who "reside at Jefferson City" While Side Letter No. 16 did not spell out the "attrition basis," the bargain was struck. The language following the word "however" conclusively shows that the parties would later devise an attrition formula for those engineers who "continue to reside in Jefferson City." The parties were clearly making a distinction between an engineer who continues to reside in Jefferson City from an engineer who elects not to continue to reside at Jefferson City albeit, that election was entirely voluntary.

Thus, Side Letter No. 16 was the foundation for establishing special prior rights for engineers conditioned on their voluntary decision to continue to indefinitely reside in Jefferson City.

When the parties wrote Side Letter No. 7 to the Kansas City Hub Agreement, they had to develop an attrition formula because, in Side Letter No. 16, they already agreed that attrition would apply to the Jefferson City engineers.

The pertinent sentence in the third paragraph of Side Letter No. 7 provides that when an engineer residing in the vicinity of Jefferson City vacates a pool assignment through "retirement, resignation, voluntary seniority move/relocation, etc.," and, if another "prior rights Jefferson City engineer" does not claim the position, the position is then advertised with Kansas City as the home terminal. This language shows not only what events result in attrition but also demonstrates that those engineers continuing to reside in the vicinity of Jefferson City have a tier of prior rights over

⁴ Certainly, the engineer had the absolute right to opt to move his residence to Kansas City. That is, the Carrier could not force an engineer to relocate.

A-15

and above Zone Three prior rights. The parties would not have written words providing that the position remains at Jefferson City if claimed by another prior rights Jefferson City engineer if there was only one level of prior rights. If the interpretation advocated by the BLE SSW Committee were accurate, the parties would have simply wrote "Zone Three engineer" instead of describing the engineer as a "prior rights Jefferson City engineer."

With regard to attrition, this pivotal sentence also provides that an engineer attrites from the special prior rights upon a voluntary seniority move/relocation. In Side Letter No. 16, the parties expressly grant the engineer a right to "voluntarily relocate" to Kansas City. Almost exactly the same words, "voluntary relocation," appear in this critical sentence of Side Letter No. 7. Despite the appearance of this virtually identical wording in the two side letters, the BLE SSW Committee wants to divorce the term "voluntary relocation" in Side Letter No. 7 from "voluntarily relocate" in Side Letter No. 16 under the guise that the slash mark creates a different meaning for the term in Side Letter No. 7. The plain meaning of the slash mark is "or." The engineer either voluntarily makes a seniority move or voluntarily relocates. The adjective, "voluntary" modifies "seniority move" or "relocation." The BLE SSW Committee's contention that the relocation must involve a seniority move might be persuasive if the word "and" appeared in lieu of the slash mark. This Committee may not parse language to lead to a conclusion at odds with the usual and ordinary meaning of the words used by the negotiators.

Thus, when an engineer voluntarily moves his residence to Kansas City, the engineer attrites from Attachment D.

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Our interpretation of Side Letters Nos. 7 and 16 is supported by the express language in Article 1.C.2.a. which provides that if the number of pool turns between Kansas City and Jefferson City is "in excess of" the number originally established or if "any of such turns be unclaimed by a prior rights engineer," the position is filled by any engineer having Zone Three prior rights, or if not claimed by a Zone Three engineer, then an engineer from the common Kansas City Hub roster. If there was not any difference in the prior rights for engineers residing at Jefferson City, and the prior rights for engineers residing at Kansas City (that is, they all had the same Zone Three prior rights), there would be no reason for the parties to insert the language about the assignment of pool turns in excess of the number of established turns or turns unclaimed by a prior rights Jefferson City engineer. In addition, Article 1.C.2.a. unambiguously announces that "former SSW and UP engineers residing at or the vicinity of Jefferson City shall have prior rights to said pool turns." Again, the parties would not need to write this provision if the same prior rights attached to a Zone Three engineer regardless of whether the engineer resides in Jefferson City or Kansas City. This language definitively demonstrates that the place of residence was important. The parties do not write their agreement with the understanding that entire clauses or phrases will be rendered meaningless or superfluous. These two sentences in Article 1.C.2.a. militate against the construction advanced by the BLE SSW Committee. If the BLE SSW Committee's interpretation were correct, the parties would have written in exclusive Zone Three prior rights in these sentences as opposed to specifically providing prior rights to those Jefferson City engineers residing in Jefferson City.

In summary, the parties created special protections and special prior rights for engineers who kept their residences in Jefferson City. These special prior rights are above and beyond the Zone

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Three prior rights for engineers at Kansas City or engineers who voluntarily relocate from Jefferson City to Kansas City because the latter attrite from Attachment D.

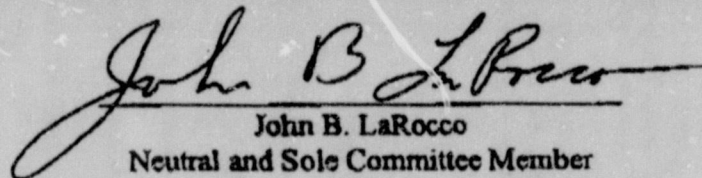
This Committee again emphasizes that we are not addressing whether the Carrier may or may not cut pool turns in the Jefferson City - Kansas City corridor.

AWARD AND ORDER

QUESTION AT ISSUE: If an employee named in Attachment D of the Kansas City Hub Agreement voluntarily relocates from Jefferson City to Kansas City, does he maintain prior rights to positions on the Jefferson City to Kansas City pool pursuant to Side Letter #7?

ANSWER: No.

Date: September 15, 2000


John B. LaRocco
Neutral and Sole Committee Member

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ORGANIZATION EXHIBIT

B

AFFIDAVIT OF DENNIS E. PENNING

Dennis E. Penning, under oath, states the following facts:

1. I was the General Chairman, Brotherhood of Locomotive Engineers ("BLE"), Union Pacific Railroad-Eastern Region (former Missouri Pacific Railroad and former Chicago & Eastern Illinois Railroad), from May, 1995, until October, 1998.

2. In my capacity as General Chairman, I was personally involved in the negotiations of the Kansas City Hub Implementing Agreement, which was one of several "Hub" Agreements that established the labor conditions of the Union Pacific Railroad merger with the Southern Pacific Transportation Company, pursuant to Surface Transportation Board Finance Docket 32760.

3. The Union Pacific Railroad ("UP") management insisted that the Merger Implementation Agreements, pursuant to Finance Docket 32760, be negotiated on a "Hub" basis whereby the major terminals would be merged separately, with all of the inbound/outbound trackage to each terminal acting as "spokes" to the "Hub."

4. Each of these "Hubs" were negotiated separately in time, and implemented separately in time.

5. The Jefferson City, Missouri terminal, as well as the mainline trackage from Jefferson City, Missouri to Kansas City, Missouri, was originally a part of the UP Merged Roster No. 1, which had been created by the UP/MKT Merger Agreement dated December 9, 1998, pursuant to the Union Pacific Railroad Company/Missouri Pacific Railroad Company Merger with the Missouri-Kansas Railroad Company ("MKT") pursuant to Interstate Commerce Commission Finance Docket No. 30, 800. Merged Roster No. 1 originally included- - in

addition to Jefferson City- - St. Louis, Missouri, Dupo, Illinois, and Poplar Bluff, Missouri, and all track in between.

6. During the negotiations related to Finance Docket No. 32760, the Carrier sought successfully to modify Merged Roster No. 1 (which became the St. Louis Hub) so as to "carve out" the terminal at Jefferson City, and the mainline trackage between Jefferson City and Kansas City, and insert them into the proposed Kansas City Hub. Both UP and St Louis Southwestern ("SSW") employees lived in the vicinity of the Jefferson City terminal, operating trains to Kansas City, and would be affected by the change.

7. As the St. Louis Hub Merger Implementing Agreement negotiations pre-dated the proposed Kansas City Hub Implementing Agreement negotiations, and since Jefferson City and the mainline trackage west to Kansas City, was to be "carved out," and moved to the proposed Kansas City Hub, an interim period letter of understanding was made as to Jefferson City and the mainline trackage west of Kansas City, known as Side Letter No. 16 of the St. Louis Hub Agreement.

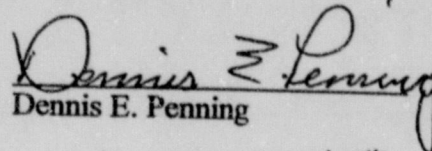
8. The Kansas City Hub Merger Implementing Agreement was subsequently negotiated and signed on July 2, 1998, with my delegating Charles R. Rightnowar to sign on my behalf.

9. The former SSW and UP employees living in the Jefferson City vicinity were placed into Kansas City Hub in Zone No. 3. These employees, including the Zone 3 employees already living in Kansas City, held "prior rights" to all Zone 3 work as opposed to the employees of the other three Kansas City Hub Zones (Zones 1, 2, and 4).

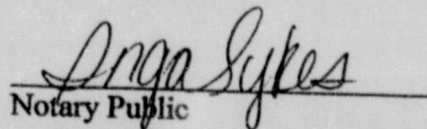
10. In addition to the Zone 3 prior rights, described above, held by all Zone 3 employees (regardless of location of residence within Zone 3) as opposed to the other Zones in the Kansas City Hub, those Zone 3 employees (both SSW and UP) living at pre-merger residences in the vicinity of Jefferson City, Missouri, were given additional "prior rights" to all work originating in Jefferson City terminal, including the freight pools operating between Jefferson City and Kansas City, pursuant to Article 1 C. 2.a. of the Kansas City Hub Implementing Agreement, Side Letter No. 7 of the Kansas City Hub Implementing Agreement, and were listed on Attachment D to the Kansas City Hub Implementing Agreement.

STATE OF MISSOURI)
) SS.
COUNTY OF ST. LOUIS)

I, Dennis E. Penning, after being duly sworn upon my oath, state that I have read the foregoing, and the information contained therein is true and correct to the best of my knowledge, information, and belief.


Dennis E. Penning

SUBSCRIBED AND SWORN TO before me, a Notary public this 15th day of August, 2000.


Notary Public

My Commission Expires:
May 18, 2003

INGA SYKES
Notary Public, State of Missouri
St. Louis City
My Commission Expires May 18, 2003

ORGANIZATION EXHIBIT

C

April 15, 1993

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 63783

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

Gentlemen:

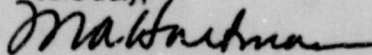
This has reference to the Merger Implementing Agreement for the St. Louis Hub entered into this date.

During our negotiations it was recognized that there are inherent difficulties in implementing a merged operation in the St. Louis Hub and "carving out" the operations and employees between Jefferson City and Kansas City to become part of the Kansas City Hub without a corresponding Merger Implementing Agreement for the Kansas City Hub. This is a problem inherent in implementing merged hubs on a phased basis, and in all hubs this cascading effect has required the parties to use their imagination to develop temporary solutions to cover the interim period between implementing agreements covering adjoining hubs. Such a need is recognized here with regard to the St. Louis Hub.

The Organization has requested that Carrier make certain written commitments regarding the merged operation in the Kansas City Hub between Kansas City and Jefferson City which are necessary in order for it to agree to relinquish that territory from the seniority roster for the St. Louis Hub. Those commitments are as follows:

1. Those former UP and SSW engineers who resided at Jefferson City or vicinity on the date of the notice served for the Kansas City Hub will be allowed 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 continues to exist and such employees possess sufficient seniority to hold such assignments.
2. The engineers described above may voluntarily relocate to Kansas City under the Merger Implementing Agreement for that hub; however, they will not be required to do so and will be allowed to continue to reside at Jefferson City on an attrition basis.
3. It is intended that the pool freight operations between Kansas City and Jefferson City will ultimately be home terminated at Kansas City. The details surrounding how that change will be accomplished will be negotiated in the Implementing Agreement for the Kansas City Hub.

Yours truly,



M. A. Hartman
General Director-Labor Relations

ORGANIZATION EXHIBIT

D

**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)

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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 ($\frac{1}{2}$) 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.
- 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 assignments 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 VI.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 (½) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.

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 terminated 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 terminated.

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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:

<u>UP</u>	<u>Mile Post</u>
Marysville Subdivision	6.59
Coffeyville Subdivision	284.22
Sedalia Subdivision	276.32
Falls City Subdivision	288.37
Trenton Subdivision (former CNW)	500.3
<u>SPCSL</u>	
Brookfield Subdivision	221.5 (BNSF MP)
Marceline Subdivision	444.2 (BNSF MP)
SPCSL terminal limits have been modified by this Agreement	
<u>SSW</u>	
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 Osawatimie 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(mer), 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.
- 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

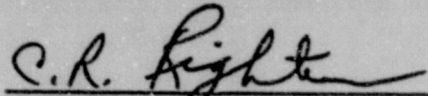
Engineers of the former UP who are working under the collective bargaining agreement designated in Article IV.A. of this Implementing Agreement belong to the Union Pacific Hospital Association. Former SSW/SPCSL engineers are presently covered under United Health Care (former Travelers GA-23000) benefits. 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

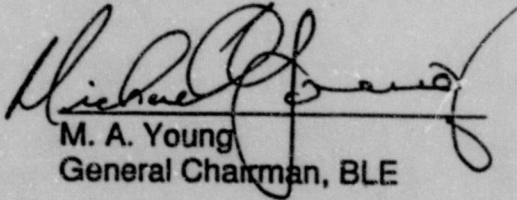
This Agreement implements the merger of the Union Pacific and SSW/SPCSL railroad operations in the area covered by Notice dated January 30, 1998.

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

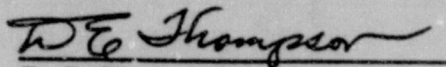
**FOR THE BROTHERHOOD
LOCOMOTIVE ENGINEERS:**



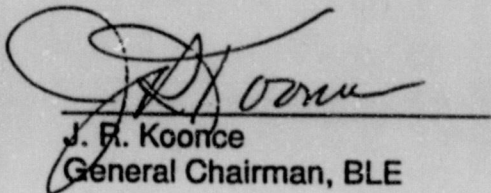
D. E. Penning
General Chairman, BLE



M. A. Young
General Chairman, BLE

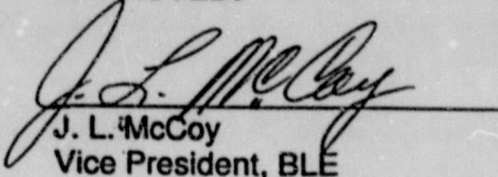


D. E. Thompson
General Chairman, BLE

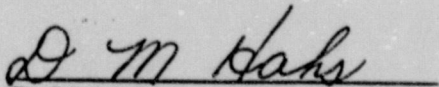


J. R. Koonce
General Chairman, BLE

APPROVED:

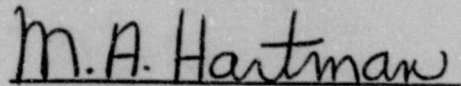


J. L. McCoy
Vice President, BLE

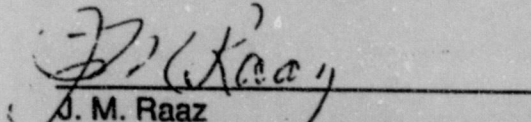


D. M. Hahs
Vice President, BLE

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.

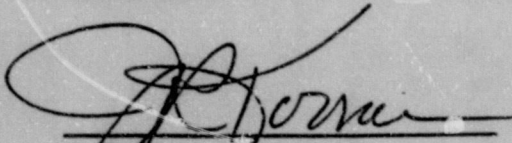
Yours truly,

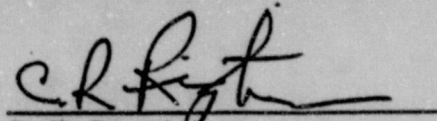
M. A. Hartman

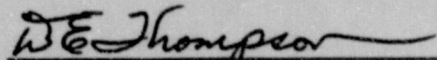
M. A. Hartman
General Director - Labor Relations

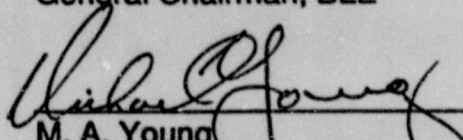
Side Letter No. 1
July 2, 1998
Mr. J. R. Koonce
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

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.

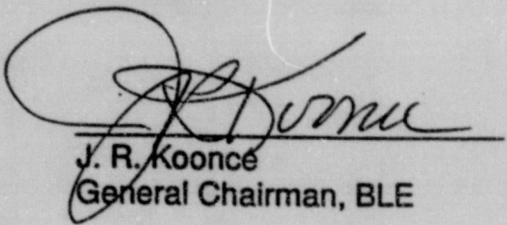
Yours truly,

M. A. Hartman

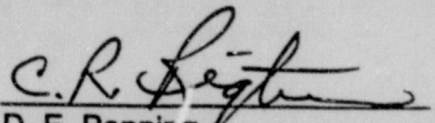
M. A. Hartman
General Director-Labor Relations

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

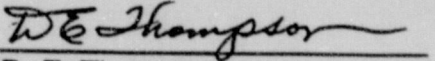
AGREED:



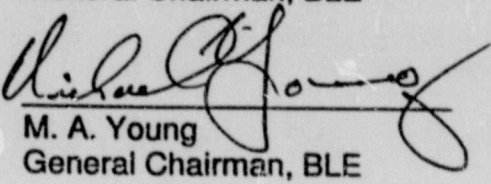
J. R. Koonce
General Chairman, BLE



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.

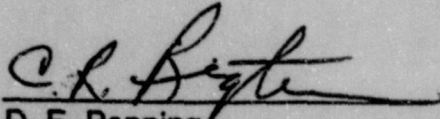
Yours truly,

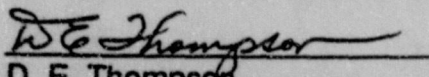
M. A. Hartman

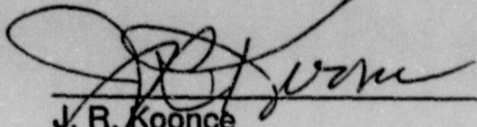
M. A. Hartman
General Director-Labor Relations

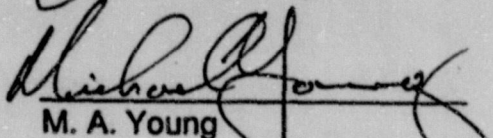
Side Letter No. 3
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

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
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414 MISSOURI BLVD
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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.

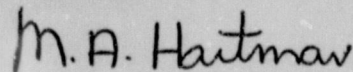
3. Engineers will not be deadheaded by train between one away-from-home terminal to another away-from-home terminal. Other forms of transportation will be used.
4. Engineers hired prior to implementation of this Agreement will be paid highway miles for the deadhead portion of the trip and engineers hired subsequent to the implementation will be paid actual time for the deadhead portion of the trip.

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.

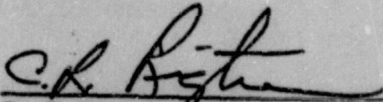
Yours truly,



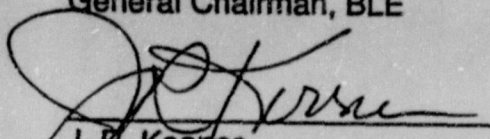
M. A. Hartman
General Director-Labor Relations

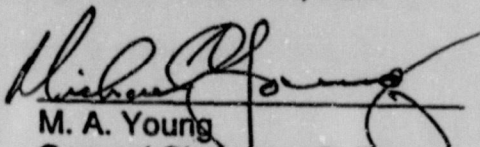
Side Letter No. 6
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

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. 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 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 C'ty 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,

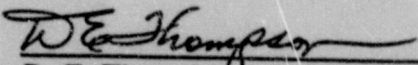
M. A. Hartman

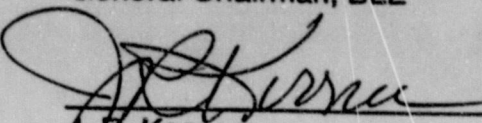
M. A. Hartman
General Director-Labor Relations

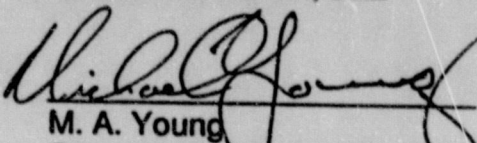
Side Letter No. 7
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

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, 1993

Side Letter No. 8

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:

C. R. 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

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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.

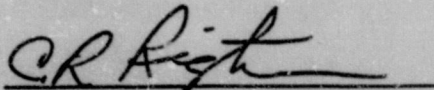
Yours truly,

M. A. Hartman

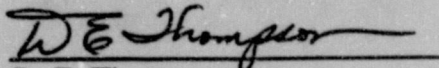
M. A. Hartman
General Director-Labor Relations

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

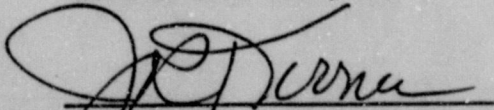
AGREED:



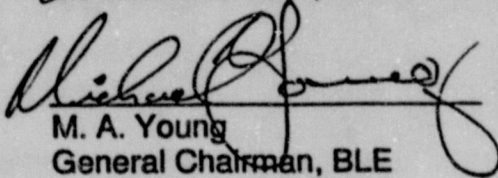
D. E. Penning
General Chairman, BLE



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

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MEMPHIS TN 38157

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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.

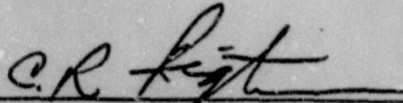
Yours truly,

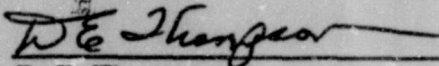
M.A. Hartman

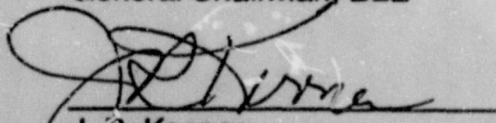
M. A. Hartman
General Director-Labor Relations

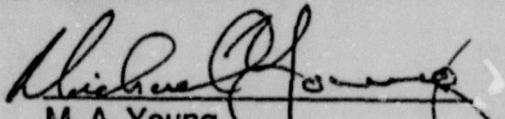
Side Letter No. 11
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

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
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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

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
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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

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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.

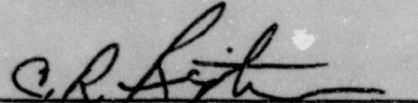
Yours truly,

M. A. Hartman

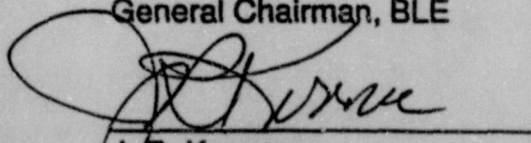
M. A. Hartman
General Director-Labor Relations

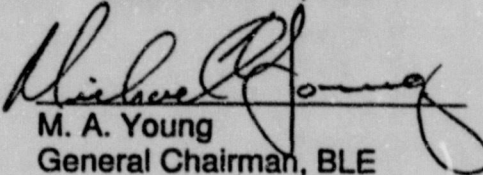
Side Letter No. 14
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

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
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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.

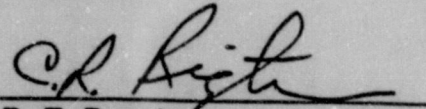
Yours truly,

M. A. Hartman

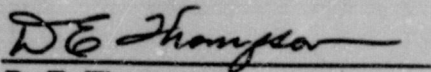
M. A. Hartman
General Director - Labor Relations

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

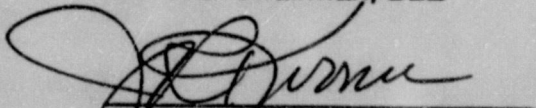
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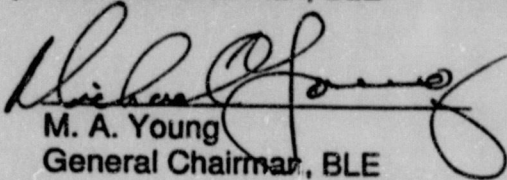
D. E. Penning
General Chairman, BLE



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
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Mr. D. E. Penning
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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.

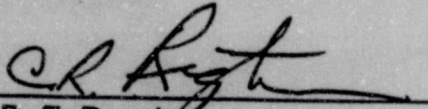
Yours truly,

M. A. Hartman

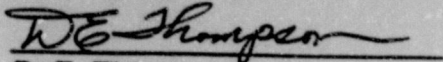
M. A. Hartman
General Director-Labor Relations

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

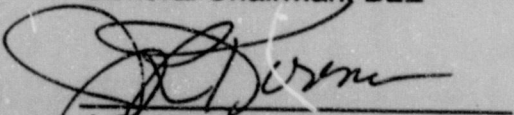
AGREED:



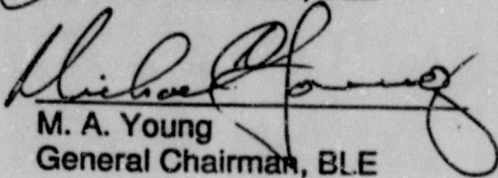
D. E. Penning
General Chairman, BLE



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.

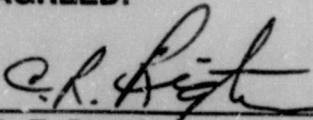
Yours truly,

M. A. Hartman

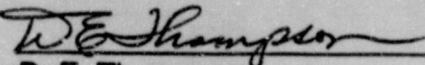
M. A. Hartman
General Director-Labor Relations

Site Letter No. 17
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

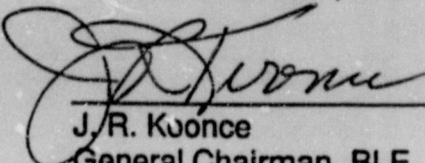
AGREED:



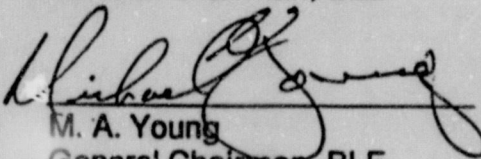
D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

July 2, 1996

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:

C. 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 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.

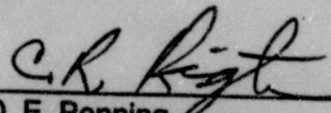
Yours truly,

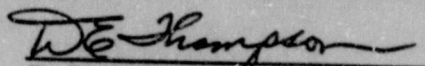
M.A. Hartman

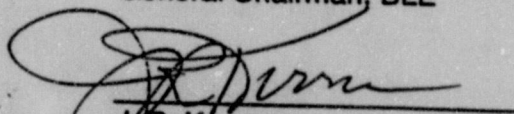
M. A. Hartman
General Director-Labor Relations

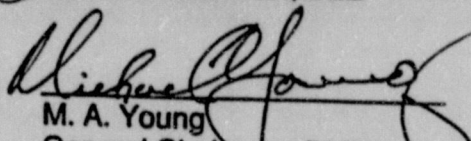
Side Letter No. 19
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

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

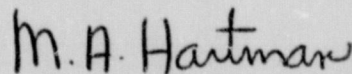
MR M A YOUNG
GENERAL CHAIRMAN BLE
1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

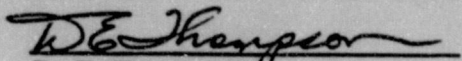
M. A. Hartman
General Director-Labor Relations

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

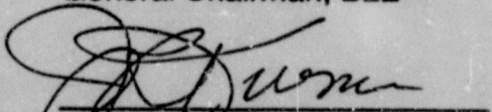
AGREED:



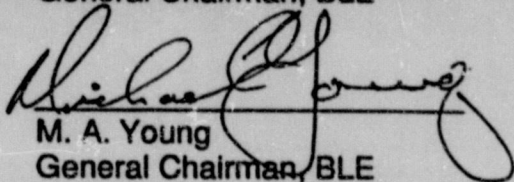
D. E. Penning
General Chairman, BLE



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

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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.

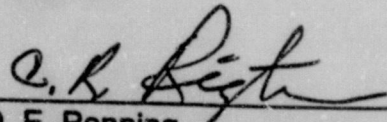
Yours truly,

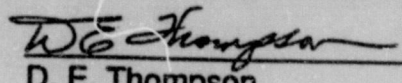
M. A. Hartman

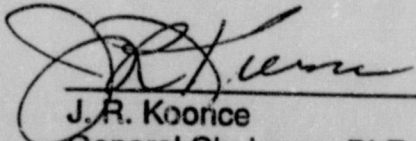
M. A. Hartman
General Director-Labor Relations

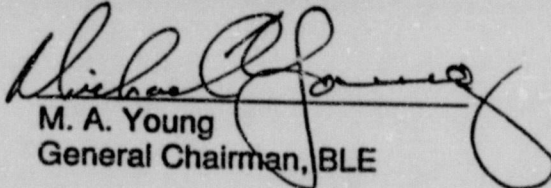
Side Letter No. 22
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 3

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

STB

FD-32760

06/10/03

D

208052

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OF

16

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

July 2, 1998

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

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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

M. A. Hartman
General Director-Labor Relations

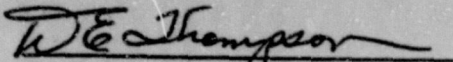
cc: D.M. Hahs
Vice President - BLE
J.L. McCoy
Vice President - BLE

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

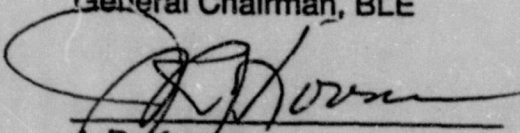
AGREED:



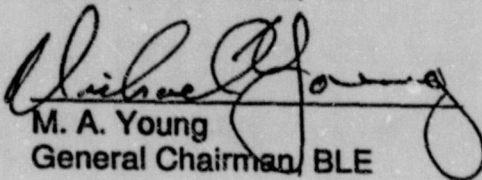
D. E. Penning
General Chairman, BLE



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 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,

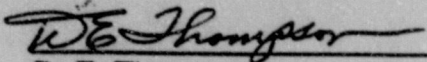
M. A. Hartman

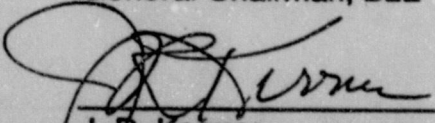
M. A. Hartman
General Director-Labor Relations

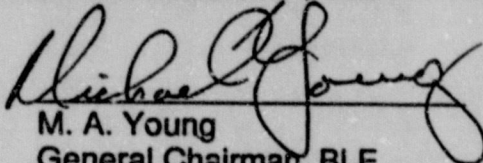
Side Letter No. 25
July 2, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Mr. M. A. Young
Page 2

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 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 13th 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 to 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.

**MILEAGE OF RUNS
ATTACHMENT "B"**

Kansas City to Council Bluffs (via Falls City)	204
Kansas City to Des Moines (former CNW)	221
Kansas City to Ft. Madison	225
Kansas City to Quincy	210
Kansas City to Marysville	147
Kansas City to Jefferson (via River Sub)	162
Kansas City to Jefferson City (via Sedalia)	154
Kansas City to Wichita (via BNSF trackage/El Dorado)	197
Kansas City to Wichita (via BNSF trackage/Peabody)	197
Kansas City to Wichita (via BNSF trackage/Newton)	215
Kansas City to Winfield (via BNSF trackage)	215
Kansas City to Coffeyville	190
Kansas City to Pratt (via Hutchinson)	268
Ft. Madison to Chicago (IHB)	230
Quincy to Chicago (IHB)	265

All mileages shown are approximations and are subject to final verification.

EXHIBIT
PAGE

D
85 OF **91**

ATTACHMENT "C"

POOL ALLOCATION

Kansas City - Jefferson City Pool (___turns); former UP ____%; former SSW ____%.

- | | |
|---------|---------|
| 1. UP | 11. UP |
| 2. SSW | 12. SSW |
| 3. UP | 13. UP |
| 4. SSW | 14. SSW |
| 5. UP | 15. UP |
| 6. SSW | 16. SSW |
| 7. UP | 17. UP |
| 8. SSW | 18. SSW |
| 9. UP | 19. UP |
| 10. SSW | 20. SSW |

(Turns in excess of the highest number shown herein will be filled by engineers from the zone roster, and thereafter from the common roster).

EXHIBIT
PAGE

D
86 OF *94*

ATTACHMENT "D"
UP
Jefferson City Engineers

1.	H. R. Bunch	11/21/73
2.	T. G. Stock	01/16/74
3.	C. P. Beach	02/08/74
4.	E. R. Lister	05/08/74
5.	W. D. Herrington	05/17/74
6.	L. E. Bagby	06/30/74
7.	T. M. Kohn	08/15/74
8.	F. S. Wiggins	08/19/74
9.	D. G. Wagers	09/28/74
10.	D. D. Huff	10/12/74
11.	M. W. Carver	11/04/74
12.	D. A. Slicker	04/16/75
13.	J. G. McCasland	09/01/75
14.	D. W. Roling	09/01/75
15.	M. W. Offineer	12/02/75
16.	S. A. Wheeler	04/17/76
17.	W. J. Shelton	12/10/76
18.	R. J. Berhorst	12/10/76
19.	R. L. Moeckel	04/23/77
20.	L. C. Frank	07/25/77
21.	D. M. Steigers, Jr.	07/25/77
22.	M. W. Smith	10/26/77
23.	R. L. Viessman	11/16/77
24.	R. W. Nowack	11/16/77
25.	J. M. Rackers	04/29/78
26.	W. F. McKinney	04/29/78
27.	D. A. Laune	08/01/78
28.	C. W. Goodin	08/01/78
29.	D. E. Insland	01/28/78
30.	J. R. Stevens	01/29/79
31.	M. H. Twardowski	02/19/79
32.	S. L. Job	10/21/79
33.	R. K. Sennott	10/22/79
34.	C. W. Kerr	11/10/79

ATTACHMENT "D"
UP
Jefferson City Engineers

35.	C. A. VanLoo	03/11/80
36.	S. G. Asher	05/24/80
37.	L. K. Lorts	05/24/80
38.	H. D. Downing	05/24/80
39.	C. L. Williams	08/16/80
40.	H. W. Schanuth, Jr.	04/26/81
41.	B. M. Britt	04/26/81
42.	A. K. Schad	04/26/81
43.	C. F. Chapman	04/26/81
44.	R. K. Ellis	04/26/81
45.	C. W. Goose	04/26/81
46.	T. J. Schepers	04/26/81
47.	C. E. Weaver	06/09/81
48.	L. A. Frank	02/18/82
49.	C. G. Palmer	02/18/82
50.	J. S. Moss	02/18/82
51.	A. L. Adams	04/09/82
52.	K. W. Pihana	06/05/82
53.	H. J. Smith	11/22/94
54.	R. O. Key	11/22/94
55.	S. P. Keilt	11/25/94
56.	A. I. Lindsey	12/01/94
57.	K. N. Olsen	04/08/96
58.	C. C. Goose	04/08/96
59.	R. J. Berthelson	05/03/96
60.	A. L. Cachere	05/03/96
61.	J. P. Severt	05/03/96
62.	E. V. Ochs	05/03/96
63.	T. C. McCormick	05/03/96
64.	C. L. Goose	01/07/97

ATTACHMENT "D" (Cont'd)
SSW
Jefferson City Engineers

1.	A. R. Barnett	498-64-8641	24.	T. W. Mobley	498-56-9829
2.	W. M. Bond	488-48-7762	25.	L. D. Malloy	487-60-0637
3.	D. A. Brown	430-84-2941	26.	D. G. Morris	498-60-1850
4.	G. M. Campbell	489-48-6291	27.	G. W. Osterhage	350-36-6191
5.	D. L. Claque	431-82-1203	28.	D. L. Patrick	430-84-4709
6.	R. D. Cummings	490-58-6727	29.	R. L. Pettit	498-56-9524
7.	G. W. Davis	488-54-5738	30.	K. D. Pickett	497-50-3013
8.	B. H. Demsey	493-46-5704	31.	R. G. Potter	336-34-4705
9.	G. R. Dildy	432-90-7501	32.	G. B. Ruiz	500-34-9530
10.	M. A. Dixon	432-90-9018	33.	T. C. Sawyer	337-58-8700
11.	S. V. Davenport	432-66-9151	34.	G. H. Schaefer	494-56-1547
12.	M. E. Gage	494-48-1534	35.	J. W. Sissom	494-56-3344
13.	W. E. Gross	486-46-6308	36.	D. R. Snyder	428-88-2386
14.	R. J. Hanschen	494-56-4710	37.	L. W. Steele	498-46-8524
15.	C. J. Hicks	490-52-8319	38.	F. G. Spencer, Sr.	450-66-1573
16.	R. E. Holdt	490-44-1427	39.	W. P. Stover	360-32-6732
17.	T. G. Jenkins	492-50-5232	40.	L. E. Strange	499-48-5076
18.	S. M. Jungers	355-46-3204	41.	D. R. Svetlich	513-44-3474
19.	R. D. Lambeth		42.	F. J. Thielemier	
20.	R. A. Lawrence	489-44-7272	43.	G. W. Thomas	432-02-9718
21.	G. R. Moore	430-90-4525	44.	J. L. Webb	495-52-1476
22.	D. T. Mayberry	430-86-4260	45.	R. L. Wright	494-56-0481
23.	M. J. Menz	480-56-5003	46.	M.O. Coats	

ATTACHMENT "E"
POOL ALLOCATION

Kansas City - Jefferson City Pool (51 turns); former UP 69%; former SSW 31%

1.	UP
2.	SSW
3.	UP
4.	UP
5.	SSW
6.	UP
7.	UP
8.	UP
9.	SSW
10.	UP
11.	UP
12.	SSW
13.	UP
14.	UP
15.	SSW
16.	UP
17.	UP
18.	SSW
19.	UP
20.	UP
21.	SSW
22.	UP
23.	UP
24.	UP
25.	SSW
26.	UP

27.	UP
28.	SSW
29.	UP
30.	UP
31.	SSW
32.	UP
33.	UP
34.	SSW
35.	UP
36.	UP
37.	UP
38.	SSW
39.	UP
40.	UP
41.	SSW
42.	UP
43.	UP
44.	SSW
45.	UP
46.	UP
47.	SSW
48.	UP
49.	UP
50.	SSW
51.	UP

(Turns in excess of the highest number shown herein will be filled by engineers from the zone roster, and thereafter from the common roster).

EXHIBIT **D**
PAGE **90** OF **91**

ATTACHMENT "F"

Zone 1 (Baselines)

MP	47
CNW	17
SPCSL	32 (16 Kansas City to Ft. Madison/Quincy and 16 Ft. Madison/Quincy to Chicago)
Total	80

Zone 4 (Baseline)

Total	69
-------	----

The above totals do not include extra boards, these are regular assigned baselines.

ORGANIZATION EXHIBIT

E

CP;

PERSONAL STATUS INQUIRY

06/05/00 14:12C

NAME SSN LOC BRD J/C POS B/F QUAL
MO COATS \$ 490-56-9764 MX125 RE36 SW40 ENG P EP
16008 E 28TH TERR.APT.2207 INDEPENDENCE MO 640550000

VACATION SENIORITY DATE - 03/13/71

PERSONAL LEAVE SENIORITY DATE - 03/13/71

ASSIGNMENT SEN:

ENG 74/04/26 006 ROSTER-NO 358101

P

"MIKE" L/C BLE2NDCEL.PH GETS5WKS2000VA

STATUS: OK

RESTED TIME: 06/05 1155

* * * PERSONAL DAYS * * * 2000

ALLOWED-11 CARRIED OVER-00 DENIED-00 PAID-03 CARRIED OVER DAYS PAID-00

* * * UP PERSONAL DAYS PAID: DATE AMOUNT PAID
01/16/00 155.11 \$

3B MJ L1U1 A,a R1 C3 L1U35

CP;

02/25/00 155.11 \$
03/04/00 155.11 \$

* * * HOLIDAYS * * * 2000

HOLIDAYS PAID- 00

* * * SCHEDULED VACATION * * * 2000

VACATION WEEKS ALLOWED-05

02/07 - 02/13 03/20 - 03/26 04/03 - 04/16
12/25 - 12/31

VACATION PAID DATE PAID
02/04 - 07 DAYS \$ ---.---
03/17 - 07 DAYS \$ ---.---
04/04 - 12 DAYS \$ ---.---
04/16 - 02 DAYS \$ ---.---

* * * EXTRA BOARD AVAILABLE DAYS NOT WORKED * * *

3B MJ L1U1 A,a R1 C3 L1U35

EXHIBIT E
PAGE 1 OF 2

CREW CONSIST MILES- 0324
TIMES OUT: 07
AFHT ASGN: MX125 RE36 SW40 ENG
C/D MSG: 1138 WKS AT HOME & KC..L
PS MSG: TOOK MOVING ALLOWANCE MUST STAY AT MX283 2 YEARS

* * * CERTIFICATION DATA * * *

CERTIFIED (Y/N): Y CERTIFIED DATE: 10 04 99 EXP DATE: 10 30 02
CLASS OF SERVICE: 1 (1-ENGINEER, 2-SERVICING ENGINEER, 3-STUDENT ENGINEER)
(4-STUDENT ENG-QUALIFIED LSE, 5-STUDENT LSE)

* * * SENIORITY * * *

ENG 74/04/26 006 ROSTER-NO 358101	P
ENG 98/03/15 179 ROSTER-NO 056112	P
ENG 74/04/26 009 ROSTER-NO 300101	
ENG 83/11/15 930 ROSTER-NO 301101	
ENG 74/04/26 025 ROSTER-NO 302101	
ENG 74/04/26 051 ROSTER-NO 302112	P
ENG 83/11/16 009 ROSTER-NO 303101	

SB MJ L1U1 A, a R1 C3 L1U35

CP;

ENG 83/11/16 040 ROSTER-NO 304101	
ENG 83/11/16 036 ROSTER-NO 305101	P
ENG 83/11/16 051 ROSTER-NO 306101	
ENG 83/11/15 930 ROSTER-NO 307101	
ENG 74/04/26 025 ROSTER-NO 308101	
ENG 74/04/26 025 ROSTER-NO 311101	
ENG 74/04/26 179 ROSTER-NO 311112	P
ENG 83/11/16 009 ROSTER-NO 312101	
ENG 74/04/26 090 ROSTER-NO 350101	P
ENG 99/01/16 063 ROSTER-NO 351101	P
ENG 99/01/16 059 ROSTER-NO 352101	P
ENG 74/04/26 010 ROSTER-NO 353101	P
ENG 99/01/16 066 ROSTER-NO 354101	P
ENG 99/01/16 062 ROSTER-NO 355101	P
ENG 99/01/17 062 ROSTER-NO 356101	P
ENG 99/01/16 007 ROSTER-NO 357101	P
ENG 99/01/17 062 ROSTER-NO 359101	P

* * * SUBDIVISIONS WORKED IN LAST 12 MONTHS * * *

SUBDIVISION	LAST TRIP WORKED
8050-KC TERMINAL	06/04/00 21:15
0070-SEDALIA	06/04/00 21:15

SB MJ L1U1 A, a R1 C3 L1U35

SB MJ L1U1 A, a R1 C3

SB MJ L1U1 A, a R24C3
SB MJ L1U1 A, a R23C3

FD;

0065-JEFFERSON CITY 06/04/00 21:15

L1U35
PAGE:0005/0005 C-00 P-00
L1U35
L1U35

EXHIBIT **E**
PAGE **2** OF **2**

ORGANIZATION EXHIBIT

F

CP;
NAME SSN LOC BRD J/C POS B/F QUAL 06/05/00 14:30C
LD MOLLOY 487-60-0637 MX125 RE36 KS22 ENG P EP
207 NE 56TH TERRACE #8 GLADSTONE MO 641182487

VACATION SENIORITY DATE - 09/09/76
PERSONAL LEAVE SENIORITY DATE - 09/09/76

ASSIGNMENT SEN:
ENG 89/06/30 081 ROSTER-NO 353101 P
ACC CODE 8401435DWAYNE DPU/QUL DUE4WK20
STATUS: OK

RESTED TIME: 06/04 1710

*** PERSONAL DAYS *** 2000
ALLOWED-11 CARRIED OVER-00 DENIED-00 PAID-00 CARRIED OVER DAYS PAID-00

SB MJ L1U1 A,a R1 C3 L1U35

CP;
*** HOLIDAYS *** 2000
HOLIDAYS PAID- 00

*** SCHEDULED VACATION *** 2000
VACATION WEEKS ALLOWED-04
03/13 - 03/19 05/01 - 05/07 07/31 - 08/13

*** EXTRA BOARD AVAILABLE DAYS NOT WORKED ***

*** LAID OFF HURT DAYS ***

CREW CONSIST MILES- 0478
TIMES OUT: 06
C/D MSG: DPU- NEEDS 2 HOUR CALL
PS MSG: TOOK MOVING ALLOWANCE MUST STAY AT MX283 2 YEARS

*** CERTIFICATION DATA ***

CERTIFIED (Y/N): Y CERTIFIED DATE: 12 04 98 EXP DATE: 01 05 02
CLASS OF SERVICE: 1 (1-ENGINEER, 2-SERVICING ENGINEER, 3-STUDENT ENGINEER)
SB MJ L1U1 A,a R1 C3 L1U35

EXHIBIT **F**
PAGE 1 OF 2

ORGANIZATION EXHIBIT

G

CP;

PERSONAL STATUS INQUIRY
NAME SSN LOC BRD J/C POS B/F QUAL
DR SNYDER 428-88-2388 MX125 RE36 KS42 ENG P EP
2310 LINDA LANE COLUMBIA MO 652020000

06/05/00 14:35C

VACATION SENIORITY DATE - 06/28/67
PERSONAL LEAVE SENIORITY DATE - 06/28/67

ASSIGNMENT SEN:

ENG 94/05/01 084 ROSTER-NO 353101
'ROY' 'DOCTOR' DPU QUAL

P

STATUS: OK

RESTED TIME: 06/04 2255

*** PERSONAL DAYS *** 2000
ALLOWED-11 CARRIED OVER-00 DENIED-00 PAID-00 CARRIED OVER DAYS PAID-00

SB MJ L1U1

A,a R1 C3

L1U35

CP;

*** HOLIDAYS *** 2000
HOLIDAYS PAID- 00

*** SCHEDULED VACATION *** 2000
VACATION WEEKS ALLOWED-05

01/17 - 01/23	03/27 - 04/02	04/24 - 04/30
06/26 - 07/02	08/28 - 09/03	

VACATION PAID

DATE	PAID
01/17 - 07 DAYS	\$ ---.---
03/27 - 05 DAYS	\$ ---.---
04/01 - 02 DAYS	\$ ---.---
04/22 - 07 DAYS	\$ ---.---

*** EXTRA BOARD AVAILABLE DAYS NOT WORKED ***

*** LAID OFF HURT DAYS ***

CREW CONSIST MILES- 0478

TIMES OUT: 09

SB MJ L1U1

A,a R1 C3

L1U35

EXHIBIT G
PAGE 1 OF 2

PS MSG: BOOK MOVING ALLOWANCE MUST STAY AT MX283 2 YEARS

* * * CERTIFICATION DATA * * *

CERTIFIED (Y/N): Y CERTIFIED DATE: 05 10 99 EXP DATE: 07 18 02

CLASS OF SERVICE: 1 (1-ENGINEER, 2-SERVICING ENGINEER, 3-STUDENT ENGINEER)
(4-STUDENT ENG-QUALIFIED LSE, 5-STUDENT LSE)

CP;

SWI 71/10/17 605 ROSTER-NO 307501
SWI 71/10/17 610 ROSTER-NO 307502
ENG 94/05/01 025 ROSTER-NO 308101
CON 71/10/16 100 ROSTER-NO 308301
BRK 67/06/28 005 ROSTER-NO 308401
SWI 71/10/17 615 ROSTER-NO 308501
SWI 71/10/17 605 ROSTER-NO 308502
SWI 83/07/05 027 ROSTER-NO 309501
CON 92/03/23 640 ROSTER-NO 310301
BRK 92/03/23 605 ROSTER-NO 310401
SWI 92/03/23 605 ROSTER-NO 310501
ENG 94/04/01 015 ROSTER-NO 311101
ENG 94/04/01 380 ROSTER-NO 311112
CON 74/04/05 010 ROSTER-NO 311301
BRK 71/10/17 605 ROSTER-NO 311401
ENG 94/05/01 040 ROSTER-NO 312101
SWI 83/07/05 028 ROSTER-NO 312501
SWI 71/10/17 605 ROSTER-NO 313501
SWI 71/10/17 605 ROSTER-NO 314501
SWI 71/10/17 605 ROSTER-NO 315501
SWI 71/10/17 605 ROSTER-NO 316501
ENG 94/05/01 615 ROSTER-NO 350101

D

P

P

SB MJ L1U1

A, a

R1 C3

L1U35

SB MJ L1U1

A, a

R1 C3

L1U35

FD;

ENG 99/01/16 383 ROSTER-NO 351101
ENG 99/01/16 448 ROSTER-NO 352101
ENG 99/01/16 472 ROSTER-NO 354101
ENG 99/01/16 382 ROSTER-NO 355101
ENG 99/01/17 382 ROSTER-NO 356101
ENG 99/01/16 023 ROSTER-NO 357101
ENG 94/05/01 022 ROSTER-NO 358101
ENG 99/01/17 382 ROSTER-NO 359101

P

P

P

P

P

P

P

P

* * * SUBDIVISIONS WORKED IN LAST 12 MONTHS * * *

SUBDIVISION	LAST TRIP WORKED
8050-KC TERMINAL	06/04/00 06:00
0070-SEDALIA	06/04/00 06:00
0065-JEFFERSON CITY	06/04/00 06:00

* * * CMS RESPONSIBILITY GROUPINGS * * *

JEFFZ3ENG

JEFFZ3TNM

EOM

EXHIBIT 6
PAGE 2 OF 2

ORGANIZATION EXHIBIT

H

CP;

PERSONAL STATUS INQUIRY

05/24/00 10:27C

NAME SSN LOC BRD J/C POS B/F QUAL
W KERR \$ 499-44-8247 MX125 RE36 KU18 ENG A EFHSPIO
26 CHEROKEE DR JEFFERSONCITY MO 651010000

VACATION SENIORITY DATE - 05/25/77
PERSONAL LEAVE SENIORITY DATE - 05/25/77

ASSIGNMENT SEN:

ENG 79/11/10 059 ROSTER-NO 353101
CHARLIE 3RD MOBILE PH DPU "Q"

P

STATUS: OK

ESTED TIME: 05/23 0710

*** PERSONAL DAYS *** 2000
ALLOWED-11 CARRIED OVER-02 DENIED-00 PAID-00 CARRIED OVER DAYS PAID-02

*** UP PERSONAL DAYS PAID: DATE AMOUNT PAID
03/19/00 155.11 \$
SE MJ L1U4 A,a R1 C3 L1U38

CP;
03/20/00 155.11 \$

*** HOLIDAYS *** 2000
HOLIDAYS PAID- 00

*** SCHEDULED VACATION *** 2000
VACATION WEEKS ALLOWED-04

04/24 - 04/30 09/04 - 09/24

VACATION PAID DATE PAID
04/22 - 07 DAYS \$ ---.--

*** EXTRA BOARD AVAILABLE DAYS NOT WORKED ***

*** LAID OFF HURT DAYS ***

CREW CONSIST MILES- 0948

TIMES OUT: 01

1/D MSG:

SE MJ L1U4 A,a R1 C3 L1U38

CP;

PS MSG: TOOK MOVING ALLOWANCE MUST STAY AT MX283 2 YEARS

EXHIBIT
PAGE 1 OF 2

CERTIFIED (Y/N): Y CERTIFIED DATE: 02 09 99 EXP DATE: 04 19 02
CLASS OF SERVICE: 1 (1-ENGINEER, 2-SERVICING ENGINEER, 3-STUDENT ENGINEER)
(4-STUDENT LSE, 5-QUALIFIED LSE, 5-STUDENT LSE)

* * * SENIORITY * * *

ENG 79/11/10 059	ROSTER-NO 353101	P
BRK 85/11/02 635	ROSTER-NO 031490	
ENG 89/02/24 506	ROSTER-NO 039111	P
FIR 78/04/21 002	ROSTER-NO 039211	HSIO
ENG 89/02/24 506	ROSTER-NO 040111	P
ENG 79/11/10 001	ROSTER-NO 056101	P
ENG 89/02/24 155	ROSTER-NO 056112	P
FIR 78/04/21 002	ROSTER-NO 056201	HSIO
ENG 98/07/01 155	ROSTER-NO 302112	P
ENG 98/03/15 155	ROSTER-NO 311112	P
ENG 79/11/10 316	ROSTER-NO 350101	P
ENG 99/01/16 203	ROSTER-NO 351101	P
ENG 99/01/16 249	ROSTER-NO 352101	P

SB MJ L1U4

A, a R1 C3

L1U38

SB MJ L1U4

A, a R1 C3

L1U38

FD;

ENG 99/01/16 236	ROSTER-NO 354101	P
ENG 99/01/16 202	ROSTER-NO 355101	P
ENG 99/01/17 202	ROSTER-NO 356101	P
ENG 79/11/10 040	ROSTER-NO 357101	P
ENG 99/01/16 044	ROSTER-NO 358101	P
ENG 99/01/17 202	ROSTER-NO 359101	P

* * * SUBDIVISIONS WORKED IN LAST 12 MONTHS * * *

SUBDIVISION	LAST TRIP WORKED
8050-KC TERMINAL	05/22/00 16:00
0070-SEDALIA	05/22/00 16:00
0065-JEFFERSON CITY	05/22/00 16:00

* * * CMS RESPONSIBILITY GROUPINGS * * *

JEFFZ3ENG

JEFFZ3TNM

EOM

EXHIBIT

PAGE 2 OF 2

ORGANIZATION EXHIBIT

I

CP;

PERSONAL STATUS INQUIRY

06/05/00 14:36C

NAME SSN LOC BRD J/C POS B/F QUAL
AL CHACHERE 513-78-2832 MX125 RE36 KU33 ENG A EFP
2038 N 42ND STREET KANSAS CITY KS 66104

VACATION SENIORITY DATE - 05/08/95

PERSONAL LEAVE SENIORITY DATE - 05/08/95

ASSIGNMENT SEN:

ENG 96/05/03 111 ROSTER-NO 353101

P

ALVIN 2 HR CALL AT KC....DPU "Q" NO SU

STATUS: OK

RESTED TIME: 06/05 0605

*** PERSONAL DAYS *** 2000
ALLOWED-05 CARRIED OVER-00 DENIED-00 PAID-02 CARRIED OVER DAYS PAID-00

*** UP PERSONAL DAYS PAID: DATE AMOUNT PAID
01/27/00 155.11 \$
SB MJ L1U1 A,a R1 C3 L1U35

CP;

01/28/00 155.11 \$

*** HOLIDAYS *** 2000
HOLIDAYS PAID- 00

*** SCHEDULED VACATION *** 2000
VACATION WEEKS ALLOWED-02

01/03 - 01/09 10/23 - 10/29 SGL

VACATION PAID DATE PAID
01/03 - 07 DAYS \$ ----.---
03/30 \$ ----.---
03/31 \$ ----.---
04/01 \$ ----.---
04/02 \$ ----.---
04/03 \$ ----.---

*** EXTRA BOARD AVAILABLE DAYS NOT WORKED ***
SB MJ L1U1 A,a R1 C3 L1U35

EXHIBIT I
PAGE 1 OF 2

CREW CONSIST MILES- 0470

TIMES OUT: 14

C/D MSG:

PS MSG: TOOK MOVING ALLOWANCE MUST STAY AT MX283 2 YEARS

* * * CERTIFICATION DATA * * *

CERTIFIED (Y/N): Y

CERTIFIED DATE: 09 02 98

EXP LATE: 10 01 01

CLASS OF SERVICE: 1 (1-ENGINEER, 2-SERVICING ENGINEER, 3-STUDENT ENGINEER)
(4-STUDENT ENG-QUALIFIED LSE, 5-STUDENT LSE)

CP;

SWI 95/06/12 020 ROSTER-NO 057501
CON 95/06/12 020 ROSTER-NO 058311
BRK 95/06/12 020 ROSTER-NO 058411
SWI 95/06/12 020 ROSTER-NO 058511
CON 95/06/12 020 ROSTER-NO 059311
CON 95/06/12 020 ROSTER-NO 059312
BRK 95/06/12 020 ROSTER-NO 059411
BRK 95/06/12 020 ROSTER-NO 059412
SWI 95/06/12 020 ROSTER-NO 059511
SWI 95/06/12 020 ROSTER-NO 059512
SWI 95/06/12 020 ROSTER-NO 059513
SWI 95/06/12 020 ROSTER-NO 059514
SWI 95/06/12 020 ROSTER-NO 059515
SWI 95/06/12 020 ROSTER-NO 059516
ENG 98/07/01 254 ROSTER-NO 302112
ENG 98/03/15 254 ROSTER-NO 311112
ENG 96/05/03 755 ROSTER-NO 350101
ENG 99/01/16 472 ROSTER-NO 351101
ENG 99/01/16 554 ROSTER-NO 352101
ENG 99/01/16 577 ROSTER-NO 354101
ENG 99/01/16 472 ROSTER-NO 355101
ENG 99/01/17 472 ROSTER-NO 356101

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P

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P

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P

SB MJ L1U1

A, a

R1 C3

L1U35

SB MJ L1U1

FD;

A, a

R1 C3

L1U35

ENG 96/05/03 063 ROSTER-NO 357101
ENG 99/01/16 068 ROSTER-NO 358101
ENG 99/01/17 472 ROSTER-NO 359101

P

P

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* * * SUBDIVISIONS WORKED IN LAST 12 MONTHS * * *

SUBDIVISION

LAST TRIP WORKED

8050-KC TERMINAL

06/04/00 13:45

0070-SEDALIA

06/04/00 13:45

0065-JEFFERSON CITY

06/04/00 13:45

* * * CMS RESPONSIBILITY GROUPINGS * * *

JEFFZ3ENG

JEFFZ3TNM

EOM

EXHIBIT

PAGE

I
2 OF 2

ORGANIZATION EXHIBIT

J

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
OMAHA, NEBRASKA 68179

July 25, 2000

110.61-20-300

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

Mr. D. E. Thompson
General Chairman BLE
414 Missouri Boulevard
Scott City, MO 63780

Mr. J. R. Koonce
General Chairman BLE
5050 Poplar Avenue, Suite 501
Memphis, TN 38157

Mr. M. A. Young
General Chairman BLE
1620 Central Avenue, RM 203
Cheyenne, WY 82001

Dear Gentlemen:

This letter is in reference to the dispute regarding the interpretation of Side Letter 7 of the Kansas City Hub Agreement scheduled for arbitration with Neutral John B. LaRocco on Thursday, August 17, 2000, in Roseville, California. The Board will take place in the Carrier's office at 10031 Foothills Blvd., commencing at 9:00 a.m. I will forward information as to which conference room we will use.

The Carrier has been requested by several General Chairmen to put forth its position in this arbitration. It is the Carrier's position that any prior rights Jefferson City engineer who accepts relocation from Jefferson City to Kansas City will be removed from Attachment D of the Kansas City Hub Agreement. The acceptance of relocation monies is a voluntary vacation of the pool assignment, which, if not claimed by a prior rights Jefferson City engineer will be readvertised with a Kansas City home terminal.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andrea Gansen". The signature is fluid and cursive, with the first and last names being more prominent.

Andrea Gansen
Director Labor Relations

Copy to: J. B. LaRocco
D. M. Hahs
W. S. Hinckley

J-1

ORGANIZATION EXHIBIT

K

**COPIES OF WRITTEN REQUEST FOR RELOCATION *IN LIEU OF*
NEW YORK DOCK BENEFITS ALONG WITH SUPPORTING
DOCUMENTATION AND COPY OF PAYMENT RECIEVED**

K-1

SWI 83/07/04 030 ROSTER-NO 315501
SWI 83/07/04 030 ROSTER-NO 316501
ENG 89/06/30 491 ROSTER-NO 350101
ENG 99/01/16 302 ROSTER-NO 351101
ENG 99/01/16 386 ROSTER-NO 352101
ENG 99/01/16 362 ROSTER-NO 354101
ENG 99/01/16 301 ROSTER-NO 355101
ENG 99/01/17 301 ROSTER-NO 356101
ENG 99/01/16 019 ROSTER-NO 357101
ENG 89/06/30 018 ROSTER-NO 358101
ENG 99/01/17 301 ROSTER-NO 359101

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* * * SUBDIVISIONS WORKED IN LAST 12 MONTHS * * *

SUBDIVISION	LAST TRIP WORKED
8050-KC TERMINAL	06/04/00 02:15
0070-SEDALIA	06/04/00 02:15
0065-JEFFERSON CITY	06/04/00 02:15

* * * CMS RESPONSIBILITY GROUPINGS * * *

JEFFZ3ENG
JEFFZ3TNM

EXHIBIT **F**
PAGE **2** OF **2**

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

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,

Find enclosed signed application for Hub Relocation Benefits, General Warranty Deed dated January 8, 1993, denoting purchase of residence, General Warranty Deed dated August 14, 1998, denoting sale of residence, copies of Article VII B and Side Letter No. 14 of the Kansas City Hub, copy of Pins employee address update, and a signed lease denoting same updated address.

I believe the above mentioned and enclosed documents should be sufficient to meet the criteria as written in Article VII B and Side Letter No. 14 of the Kansas City Hub to allow you to process my request for those Relocation Benefits listed therein. If additional information is required, please call me at 573-295-4811 or 573-230-1138 or fax 573-295-4942.

Thanks in advance for your attention to my request.

Sincerely,

Michael O Coats

Michael O. Coats

K-2

HUB RELOCATION BENEFITS APPLICATION

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

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

K-3

GENERAL WARRANTY DEED

This Indenture, Made on the 8th day of January A.D. 1993
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, do
thence 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

K-4

STATE OF MISSOURI
County of Cole

On this 21st day of JANUARY, 1993, before me personally appeared

JOHN 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

Deborah J. Stokes, Notary Public
Notary Public

My commission expires 7-17, 1996

STATE 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
RECORDERS OFFICE

\$12.00 per

LTB

JAN 21 1993

BOOK 345 PAGE 311

OR NEWSAM, RECORDER

Debra Nash

RECORDS SECTION

K-5

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

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

do by these presents, GRANT, REMIGAIN, 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, Backues 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 Deput

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 a 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 he hereunto set his hand and seal _____ the day and year first above written.

X Michael O. Coats
Michael O. Coats

K-26

• Description continued

STATE OF MISSOURI

County of Cole

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

and _____

his 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 _____
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. Shimmers

Thomas S. Shimmers

Notary Public

My commission expires 1/4/2001 19____

(Names must be typed or printed under all signatures)

FOR THE RECORDER

K-7

A. SETTLEMENT STATEMENT

U.S. Department of Housing
and Urban Development

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

9. 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 "(i.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 BRYAN242 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 80,111.01

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.		
219.		

220. Total Paid By/For Borrower 77,400.00

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.		
519.		

520. Total Reduction Amount Due Seller

220. Cash At Settlement From/To Borrower

500. Cash At Settlement To/From Seller

108. Assessments		408. County taxes	
109. P/O CITY NATIONAL		409.	
110. \$66109.48		410.	
111. P/O COMMERCIAL CREDIT		411.	
112. \$12019.17		412.	
120. Gross Amount Due From Borrower		420. Gross Amount Due To Seller	
	80,111.81		
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		520. Total Reduction Amount Due Seller	
	77,400.00		
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from borrower (line 120)	80,111.81	601. Gross amount due to seller (line 420)	
302. Less amounts paid by/for borrower (line 220)	(77,400.00)	602. Less reductions in amt. due seller (line 520)	
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	2,711.81	603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	0.00

Previous Edition is Obsolete

HUD-1 (3-8

ISC/CH65XX//0295/HUD-1 (3-88)/LASER

Page 1 of 2

RESPA, HB 4305

K-9

L. Settlement Charges**700. Total Sales/Broker's Commission based on price \$**

Division of Commission (line 700) as follows:

			Paid From Borrowers' Funds at Settlement	Paid From Sellers' Funds at Settlement
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	250.00	
802. Loan Discount	%			
803. Appraisal Fee	to	PROPERTY RESEARCH COMPANY	228.00	
804. Credit Report	to	CREDCO	16.00	
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			75.00	
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	@ \$ 14.5788 /day	335.31	
902. Mortgage Insurance Premium for	months to			
903. Hazard Insurance Premium for	1 years to	STATE FARM	348.00	p.o.c.
904.	years to			
905.				

1000. Reserves Deposited With Lender

1001. Hazard Insurance	3 months @ \$	29.00 per month	87.00	
1002. Mortgage Insurance	months @ \$	per month		
1003. City property taxes	months @ \$	per month		
1004. County property taxes	12 months @ \$	61.32 per month	735.84	
1005. Annual assessments	months @ \$	per month		
1006.	months @ \$	per month		
1007.	months @ \$	per month		
1008.	months @ \$	per month		
1009. Aggregate adjustment			86.99	

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 items numbers:				
1108. Title Insurance	to	COLE COUNTY ABSTRACT AND TITLE	250.00	
(includes above items 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	Releases \$	21.00	75.00	
1202. City/county tax/stamps: Deed \$		Mortgage \$					
1203. State tax/stamps: Deed \$		Mortgage \$					
1204.							
1205.							

1300. Additional Settlement Charges

1100. Title Charges

86.99

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 items numbers:			
1108. Title insurance	to	COLE COUNTY ABSTRACT AND TITLE	250.00
(Includes above items 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	Releases \$	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 lines 103, Section J and 502, Section K)

1,983.16

EGH
 ERIC J BRYAN
Leslie M Bryan
 LESLIE M BRYAN

K-11

0J11 13:26 00/202 UH325 1650151 100 MSG 2 P. TOS FROM 1650151 (HIC) 01F1381

CMS EMPLOYEE ADDRESS UPDATE

NAME: MO COATS

CURRENT ADDRESS: STREET 16008 E 28TH TERR. APT. 2202
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: 1650151
EOM

RETURN TO MAIN MENU ? N

K-12

The Mansions
2905 Lee's Summit Drive
Independence Mo., 64055
816-478-2100

Address 16008 E. 28th Terr. Apt # 2207
Independence, Mo. 64055

Scheduled move in date: May 5
Monthly Rental \$505 ProRateS 454.50 Total
Security, cleaning and damage DEPOSIT: 200
Pet DEPOSIT no How Many?

LEASE TERM 6mo

****Written verification of Income Proof must be in the file before application will be considered for approval (Check Stup - if Employed) or if you are Self-Employed we need Quaterly tax or Income Tax Report.

CURRENT LOCAL EMPLOYMENT

If you are starting with a new employer, a letter of hire or employment contract on business letterhead from your employer will be sufficient. Must be originals and we will make copies. If you send a faxed copy, original must be brought in before any keys are picked up.

****OFFICE HOURS: Monday - Friday 9:00 am - 6:00 pm
Saturday 9:00 - 5:00, Sun 12-5

****It takes approximately 45 minutes to complete your move-in paperwork.
All persons listed on the lease must be present to sign lease before residents' keys are released. Please call and make an appointment prior to the day you are moving in (if local.)

****If you are moving in after the 20th of the month you are required to pay the pro- rate plus first month's rent.

TOTAL AMOUNT DUE AT TIME OF MOVE IN \$ 454.50

Independence Power and Light 325-7930
SOUTHWESTERN BELL TELEPHONE 1-800-464-7928
CABLE 795-1100

Signature of New Resident Michael A Coate Date 4/1/00

816 325 7684
after
Darlene

K-12

APARTMENT LEASE

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

Dated: 4-5-2000

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.

FROM	TO	START DATE	END DATE	AMOUNT	APR #	APT TYPE	
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		

WITNESSETH: Lessor does hereby lease, demise and let the premises described as Apartment Number 16008 E. 28th Terrace 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, regardless of any instruction by Lessee to the contrary.

SPECIAL PROVISIONS: NONE

- 2. SECURITY DEPOSIT.** Lessee has deposited with Lessor the sum of \$ 200.00 to be held by Lessor as security for the faithful performance and observance by Lessee of the terms, covenants and conditions of this Lease. It is agreed that in the event Lessee defaults in respect to any of the terms, covenants and conditions of this Lease, including, but not limited to the payment of rent and additional rent, Lessor may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent or additional rent or any other sum as to which Lessee is in default or for any sum which Lessor may expend or may be required to expend by reason of Lessee's default in respect to any of the terms, covenants and conditions of this Lease, including, but not limited to, any damages or deficiency accrued before or after re-entry by Lessor. In the event that Lessee shall fully and faithfully comply with all of the terms, covenants and conditions of this Lease, the security shall be returned to Lessee without interest within thirty (30) days after the end of the Lease term and after delivery of entire possession of the Apartment to Lessor. In the event of a sale of the land and building or leasing of the building of which the Apartment forms a part, Lessor shall have the right to transfer the security to the vendee or lessee, and Lessor shall thereupon be released by Lessee from all liability for the return of such security, and Lessee agrees to look to the new Lessor, solely for the return of said security. Lessee further covenants that it will not assign or encumber the monies deposited herein as security and that Lessor, its successors or assigns, shall not be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. If the Lessor uses all or any part of security deposit to remedy a default on the part of the Lessee, Lessee shall deposit with Lessor upon ten (10) days written demand by Lessor to Lessee that sum of money necessary to replenish the security deposit to the original amount set forth above.

- 3. HOLD OVER RENEWAL.** IF LESSEE FAILS TO NOTIFY LESSOR, IN WRITING, AT LEAST ONE (1) MONTH PRIOR TO THE EXPIRATION OR EXTENDED EXPIRATION DATE OF THIS LEASE, OF LESSEE'S INTENTION TO VACATE ON SAID EXPIRATION DATE, THEN THIS LEASE SHALL BE AUTOMATICALLY RENEWED AND CONTINUED ON A MONTH-TO-MONTH BASIS UNDER THE SAME TERMS AND CONDITIONS AS ORIGINALLY SET OUT EXCEPT THE PROVIDED MONTHLY RENTAL SHALL BE AT THE CURRENT RENTAL RATE THEN IN EFFECT FOR LIKE TYPE PREMISES IN THE APARTMENT COMPLEX PLUS THE SUM OF \$ 50.00 FOR THE MONTH-TO-MONTH FEE.

IF LESSEE NOTIFIES LESSOR OF INTENTION TO VACATE AND TERMINATE THIS LEASE AND LESSEE FAILS TO VACATE AT SAID EFFECTIVE DATE SET OUT THEREIN, LESSOR MAY, AT ITS OPTION, TREAT SUCH AS A RENEWAL OF THIS LEASE ON A MONTH-TO-MONTH BASIS; IF LESSOR DOES NOT ELECT TO TREAT SUCH AS A RENEWAL OF THIS LEASE ON A MONTH-TO-MONTH BASIS, LESSEE SHALL BE GUILTY OF UNLAWFUL DETAINER. LESSEE SHALL PAY EXPENSE AND DAMAGES SUFFERED BY LESSOR IN RELIANCE UPON SAID NOTICE, AND LESSEE AGREES TO DEFEND AND HOLD LESSOR HARMLESS THEREFORE. RENT SHALL BE DOUBLED FOR EACH DAY LESSEE HOLDS OVER AFTER EFFECTIVE DATE OF NOTICE OF TERMINATION.

LESSOR MAY NOTIFY LESSEE THAT LEASE WILL NOT BE RENEWED, BY WRITTEN NOTICE AT LEAST ONE (1) MONTH PRIOR TO ANY EXPIRATION DATE AND AS OTHERWISE PROVIDED HEREIN.

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UTILITIES. Lessor shall provide the following (if checked): ☒ gas, ☒ electricity, ☒ telephone, ☒ sewer services, ☒ trash, ☐ cable TV. Lessor may elect to forfeit or terminate this Lease if Lessee fails or refuses to pay the charges for utilities 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, and 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 thereto 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. 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 are to be used wholly at the risk of the person using them. Lessor may regulate the manner, time, and place of all parking. Lessor may regulate, limit or prohibit from the Apartment or Apartment community, the following: motorcycles, bicycles, tricycles, skateboards, recreational vehicles, boats, trailers, vehicles which are inoperable due to flat tires or missing parts or which have an expired license or inspection sticker; furniture movers, delivermen, solicitors and guests who in the Lessor's reasonable judgement have been disturbing the peace, disturbing other residents, or violating this Lease or Apartment community. Lessor may with statutory notice remove inoperable vehicles with expired license or inspection stickers. Lessor may remove illegally parked vehicles. Storage in closets having gas appliances is prohibited unless specifically allowed by apartment rules. No business or childcare service may be operated in or from the Apartment. Keys may not be duplicated without Lessor's written consent. Apartment rules may be enforced through Lessor's representatives or agents, and Lessee shall hold the same harmless from reasonable enforcement.

8. **INSPECTION.** Lessee hereby authorizes Lessor and/or Lessor's agents and representatives to enter the Apartment, at all reasonable times, and in an emergency at any time, to make such repairs, alterations and inspections as may be deemed necessary by Lessor for the preservation of the Apartment or the building in which the Apartment is located. Notwithstanding the foregoing, Lessor shall not be required to make any repairs that Lessor deems to be unnecessary.

At any time, Lessor may remove, at Lessee's sole risk and expense, any fixtures, alterations, additions and/or property not in conformity with this Lease or with the Rules and Regulations now in effect or hereafter promulgated by Lessor.

Lessee further authorizes Lessor or Lessor's agents and representatives to enter the premises, whether Lessee is present or absent, at all reasonable times, and to show the Apartment to prospective tenants or purchasers.

If Lessee moves, vacates, surrenders or abandons the Apartment, Lessor may then enter same to inspect, clean, renovate or redecorate. Such actions shall not affect or abate any rent due or to become due, or other terms hereof.

9. **PETS.** No pets are allowed, even temporarily, anywhere in the Apartment or apartment community without Lessor's prior written authorization. No unauthorized pets may be fed from the apartment or any part of the apartment complex. Lessee shall pay Lessor all charges incurred by Lessor for cleaning, deodorizing and removal of pets.

If the above pet restrictions are violated, a Ten Dollar (\$10) per-day charge will be made for each day the pet remains in the Apartment, and such violation will be cause for termination of the Lease and/or suit by owner for damages.

10. **LESSEE TO INSURE POSSESSIONS. HOLD HARMLESS.** LESSOR IS NOT AN INSURER OF LESSEE'S PERSON OR POSSESSIONS. LESSEE AGREES THAT LESSEE'S PERSON AND ALL OF LESSEE'S PROPERTY IN THE APARTMENT OR ELSEWHERE IN THE BUILDING OR COMPLEX OF WHICH THE APARTMENT IS A PART SHALL BE AT THE RISK OF LESSEE ONLY. LESSEE WILL CARRY SUCH INSURANCE AS LESSEE DEEMS NECESSARY THEREFORE.

Lessee hereby agrees that Lessor shall neither be liable to Lessee, his family, guests, servants, animals, pets or others for any injury to or death of any person, animal or pet, nor for loss or damage to property (including the property of Lessee) occurring in or about the Apartment or within the Complex from any cause whatsoever. Lessee agrees to indemnify and save Lessor harmless from all loss, damage, liability and expense, including expense of defending claims, relating to any actual or alleged loss or death of any persons, animals or pets, or actual or alleged loss or damage to property caused by or resulting from any occurrence in or about the Apartment or within the Complex.

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