

**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 3276Q. 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)
- 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 phase "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 fine 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 LA.3 above, and former UP and SPCSL engineers will be prior righted, respectively, to such baseline number of pool turns. In the event of a cessation of trackage rights operations described in 4.d. above, the parties will meet and reach agreement on how the baseline numbers of the two former pools will be consolidated into the remaining single pool for Zone 1. It is understood that under these circumstances all Zone 1 extra work at Kansas City would be consolidated under one (1) extra board.
6. At Des Moines, Ft. Madison and Quincy, away-from-home terminal engineers called to operate through freight service to Kansas City may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Des Moines, Ft. Madison or Quincy to their destination without claim or complaint from any other engineer. At Ft. Madison and Quincy, home terminal engineers called to operate through freight service to Chicago may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal

and run back through Ft. Madison or Quincy to their destination without claim or complaint from any other engineer. When so used, the engineer shall be paid an additional one-half (1/2) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than four (4) hours then he shall be paid on a minute basis at the basic pro rata through freight rate.

7. The terminal limits of Des Moines, Ft. Madison and Quincy are as follows:
  - a. Des Moines: MP 7Q.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 - Eas
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.I.) 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 phase "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 15Q.27 West - MP 147.33 East).
9. Engineers protecting through freight service in the pool described in Article I.B.2. above shall be provided lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide



transportation to engineers between the on/off duty location and the designated lodging facility. All road engineers may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate on/off duty points for all engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.

10. All UP and SSW operations within the Topeka terminal limits shall be consolidated into a single operation. All rail lines, yards and/or sidings at Topeka will be considered as common to all engineers working in, into and out of Topeka. All engineers will be permitted to perform all permissible road/yard moves pursuant to the designated collective bargaining agreement provisions. Interchange rules are not applicable for intra-carrier moves within the terminal. Topeka will serve as station enroute for all Kansas City Hub engineers.
  - a. UP 8th District engineers occupying yard assignments at Topeka and local assignments home terminated at Topeka on the date of implementation of this Agreement shall establish seniority in the Kansas City Hub and prior rights in Zone 2.
  - b. UP 8th District engineers assigned to the extra board at Topeka on the date of implementation of this Agreement shall establish seniority in the Kansas City Hub and prior rights 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 (1/2) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.

4. The terminal limits of Jefferson City shall be the same as the preexisting terminal limits on the UP Sedalia Subdivision (NIP 124.3 - NIP 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 I D 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 25Q.8	-	West
e.	Pratt	MP 292.33	-	East
		MP 30Q.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.I. Other irregular assignments (work train, wreck train, etc.) will be protected by the engineers from the location where the assignment is home terminated.

**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:

<b>UP</b>	<b>Mile Post</b>
Marysville Subdivision	6.59
Coffeyville Subdivision	284.22
Sedalia Subdivision	276.32
Falls City Subdivision	288.37
Trenton Subdivision (former CNW)	50Q.3

**SPCSL**

Brookfield Subdivision	221.5 (BNSF MP)
Marceline Subdivision	444.2 (BNSF MP)
SPCSL terminal limits have been modified by this Agreement	

<b>SSW</b>	
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 #I 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 05211 I), CNW (Roster No. 0531 II), St. Joseph Union Terminal (Roster No. 057101) and Northern Kansas (Roster No. 055101) and former SPCSL engineers with rights on SPCSL (Roster No. 310101).
2. Zone 2 - This roster will consist of former UP engineers with rights on UP Eighth District (Roster No. 068101) and former SSW engineers with rights on SSW Herington (Roster No. 303101).
3. Zone 3 - This roster will consist of former UP engineers with rights on Merged 1 St. Louis (Merged Roster No. 040111) and former SSW engineers with rights on SSW Jefferson City (Roster No. 311101).
4. Zone 4 - This roster will consist of former UP engineers with prior rights on Osawatomie Merged 2A (Roster No. 054111) and former SSW engineers with rights on SSW Herington (Roster No. 303101).

C. Entitlement to assignment on the prior rights zone rosters described above shall be the canvass of the employees from the above affected former rosters contributing equity to each of such zones.

D. Engineers on the above-described newly-created prior rights zone rosters shall be integrated into one (1) common seniority roster.

E. All zone and common seniority shall be based upon each employee's date of promotion as a locomotive engineer (except those who have transferred into the territory covered by the hub and thereby established a new date).

If this process results in engineers having identical common seniority dates, seniority will be determined by the age of the employees with the older employee placed first. If there are more than two (2) employees with the same seniority date, and the ranking of the pre-merged rosters would make it impossible for age to be a determining factor, a random process, jointly agreed upon by the Director of Labor Relations and the appropriate General Chairman (men), will be utilized to effect a resolution. It is

understood this process for ranking employees with identical dates may not result in any employee running around another employee on his former roster.

F. Any engineer working in the territories described in Article I. on the date of implementation of this Agreement, but currently reduced from the engineers working list, shall also be given a place on the roster and prior rights. Engineers currently forced to this territory will be given a place on the roster and prior rights if so desired; otherwise, they will be released when their services are no longer required and will not establish a place on the new roster. Engineers borrowed out from locations within the hub and engineers in training on the effective date of this Agreement shall also participate in formulation of the roster described above.

G. UP engineers currently on an inactive roster pursuant to previous merger agreements shall participate in the roster formulation process described above based upon their date of seniority as a locomotive engineer.

H. With the creation of the new seniority described herein, all previous seniority outside the Kansas City Hub held by engineers inside the new hub shall be eliminated and all seniority inside the new hub held by engineers outside the hub shall be eliminated. All pre-existing prior rights, top and bottom, or any other such seniority arrangements in existence, if any, are of no further force or effect and the provisions of this Agreement shall prevail in lieu thereof. Upon completion of consolidation of the rosters and implementation of this hub, it is understood that no engineer may be forced to any territory or assignment outside the Kansas City Hub.

I. The total number of engineers on the master UP/BLE Kansas City Merged Roster #1 will be mutually agreed upon by the parties, subject to the provisions of Side Letter No. 15.

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

A. The following extra boards shall be established to protect vacancies and other extra board work into or out of the Kansas City Hub or in the vicinity thereof. It is understood whether or not such boards are guaranteed boards is determined by the designated collective bargaining agreement.

1. Atchison - One (1) Extra Board (combination road/yard) to protect all extra service at or in the vicinity of Atchison including St. Joseph, Falls City and Union. This board will also protect work formerly performed by the Nearman coal pool. This board may not be used to provide hours of service relief of pool freight trains operating between Kansas City and Council Bluffs except in emergency, nor may it be used to provide relief of Zone 1 assignments home terminated at Kansas City.
2. Ft. Madison - One (1) Extra Board (combination road/yard) to protect all extra service at or in the vicinity of Ft. Madison and Quincy, including Hours of Service relief in both directions.



3. Jefferson City - West - One (1) Extra Board (combination road/yard) to protect all Zone 3 vacancies headquartered at Jefferson City including vacancies created by engineers laying off while exercising "reverse lodging" privileges. Local or irregular service originating at Jefferson City working west on the UP Sedalia and River Subdivisions will also be protected by this board. This board will protect extra service on assignments headquartered at Lees Summit until a Zone 3 extra board is established at Kansas City.
4. Topeka - One (1) Extra Board (combination road/yard) to protect all road and yard extra service at or in the vicinity of Topeka per Article I.B.9.b. This board will not be used to provide relief of Zone 2 assignments home terminated at Kansas City.
5. Kansas City - One (1) Extra Board (combination road/yard) to protect each of the following:
  - a. Zone 1 pool freight extra service in the Kansas City-Ft. Madison/Quincy pool so long as it remains in existence as a separate pool. This board will be headquartered in Kansas City. This board will supplement the board described in b. below.
  - b. Zone 1 pool freight extra service and all other road service in Zone 1, except as otherwise provided herein. This board will be headquartered at Kansas City. This board will supplement the board described in 1. above (Atchison).
  - c. Zone 2 pool freight extra service and all other road service in Zone 2, except as otherwise provided herein. This board will be headquartered at Kansas City.
  - d. Zone 3 pool freight extra service and all other road service in Zone 3 except as otherwise provided herein. This board will be headquartered at Kansas City.
  - e. Zone 4 pool freight extra service and all other road service in Zone 4 except as otherwise provided herein. This board will be headquartered at Kansas City.
6. One (1) extra board (yard only) to protect all yard extra service within the Kansas City Terminal. This board will be accessed by engineers in the manner set forth in Side Letter No. 22.

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 1V.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**

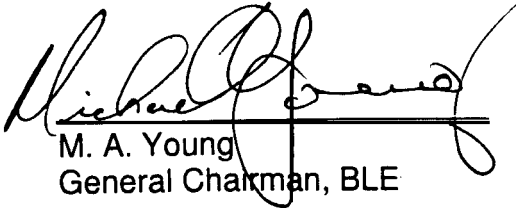
This Agreement implements the merger of the Union Pacific and SSW/SPCSL railroad operations in the area covered by Notice dated January 30, 1998.

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

**FOR THE BROTHERHOOD  
LOCOMOTIVE ENGINEERS:**



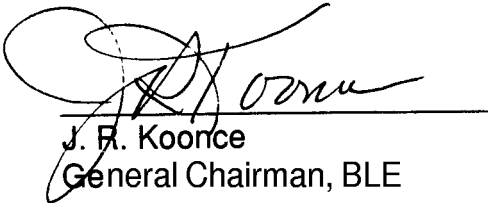
D. E. Penning  
General Chairman, BLE



M. A. Young  
General Chairman, BLE

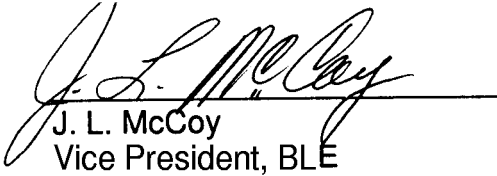


D. E. Thompson  
General Chairman, BLE

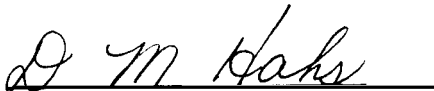


J. R. Koonce  
General Chairman, BLE

**APPROVED:**

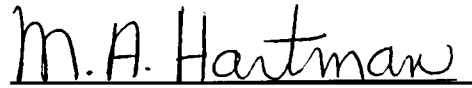


J. L. McCoy  
Vice President, BLE

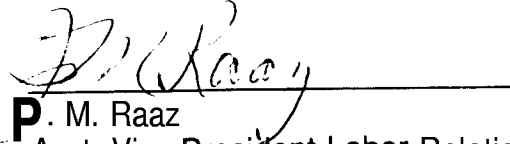


D. M. Hahs  
Vice President, BLE

**FOR THE CARRIERS:**



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



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



July 2, 1998

Side Letter No. 1

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.

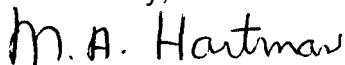
During our negotiations we discussed SSW ARTICLE 6 - LIFE INSURANCE, SSW ARTICLE 9 - DISABILITY INSURANCE, SPCSL ARTICLE 4 - LIFE INSURANCE and SPCSL ARTICLE 6 - DISABILITY INSURANCE of the August 1, 1995 Agreement between Southern Pacific Lines and your Organization. It was your position that coverages 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

General Director - Labor Relations

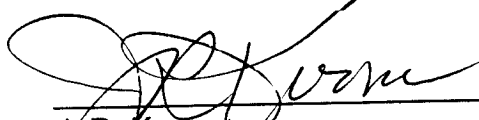
Side Letter No. 1 July 2, 1998

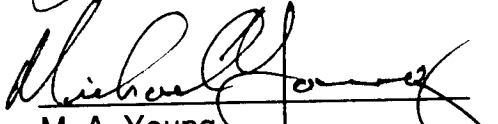
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

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

Side Letter No. 2

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  
General Director-Labor Relations

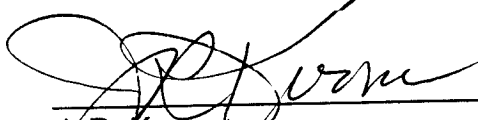
Side Letter No. 2 July 2, 1998

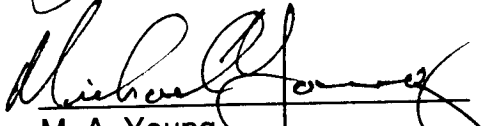
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

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

Side Letter No. 3

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  
General Director-Labor Relations

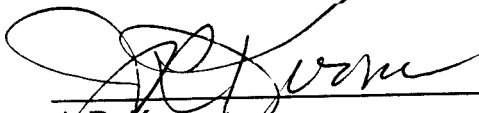
Side Letter No. 3 July 2, 1998

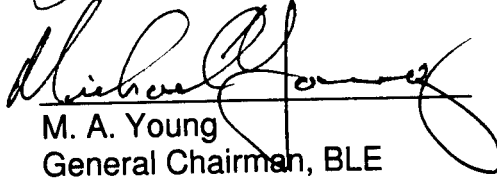
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

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

Side Letter No. 4

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  
SCOTTCITY 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,

A handwritten signature in cursive script that reads "M. A. Hartman". The signature is written in black ink and is positioned above the printed name.

M. A. Hartman

General Director-Labor Relations



Side Letter No. 5

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  
SCOTTCITY MO 63780

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

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

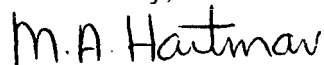
Gentlemen:

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

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

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

Yours truly,



M. A. Hartman  
General Director-Labor Relations

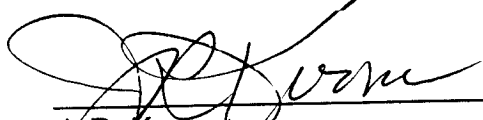
Side Letter No. 5 July 2, 1998

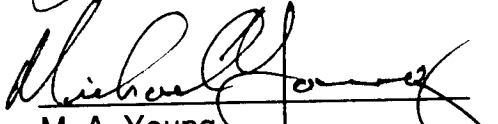
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

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

Side Letter 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  
P a g e 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

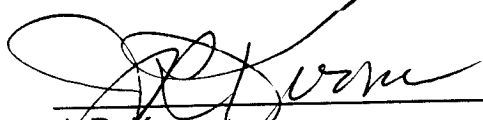
Side Letter No. 6 July 2, 1998


Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 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

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 I.B.3.a. of Kansas City Hub Merger Implementing Agreement, the parties agreed to allow former UP and SSW engineers residing at or in the vicinity of Jefferson City to continue to maintain their residences at that location subject to the language of Side Letter No. 16.

The Carrier intends to have Kansas City as the home terminal for all engineers performing service in the Kansas City to Jefferson City pool. The present UP and SSW engineers at Jefferson City covered by this Agreement will be eliminated by attrition. When a former UP or SSW engineer, residing at or in the vicinity of Jefferson City, vacates his pool assignment through retirement, resignation, voluntary seniority move/relocation, etc., and it is not claimed/occupied by a prior rights Jefferson City engineer covered by this Side Letter, such position will no longer be maintained at Jefferson City but will be readvertised as having Kansas City as the designated home terminal.

Initially, upon implementation of this Agreement, the home terminal for the Kansas City to Jefferson City pool will be Jefferson City. (Note: This does not modify or nullify the provisions of Side Letter No. 23 to the St. Louis Hub Merger Implementing Agreement). Sufficient pool turns (along with extra board positions, as described below) shall be established to accommodate those engineers identified on the Attachment to this Agreement. After date of implementation, pool turns which are advertised which exceed the number necessary to fulfill this arrangement may be filled by any other Kansas City Hub engineers. Engineers residing at or in the vicinity of Kansas City who perform service in this pool will be afforded reverse lodging and HAHT privileges at Jefferson City.

Side Letter No. 7 July 2, 1998

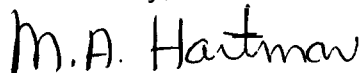
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

An extra board will be maintained at Jefferson City to protect assignments working west in Kansas City Hub Zone 3. This extra board will be maintained at a level of no less than 30% (all fractions are rounded downward) of the number of engineers occupying pool turns and residing at Jefferson City under this attrition arrangement. If there are unfilled positions on such extra board or unfilled positions on locals or other road assignments working out of Jefferson City west, the junior engineer in the Kansas City to Jefferson City pool, residing at or in the vicinity of Jefferson City, will be required to cover such position or assignment. Nothing in this Side Letter is intended to convey the Jefferson City-West Extra board the exclusive right to protect all assignments in Zone 3.

When 51% or more of the turns in the Kansas City to Jefferson City pool are occupied by engineers who reside at or in the vicinity of Kansas City, the home terminal for the pool will become Kansas City. Once this change is effected, it shall remain at Kansas City. Engineers who continue to reside at or in the vicinity of Jefferson City will be afforded reverse lodging and HAHT privileges at Kansas City and lay off privileges at Jefferson City.

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

Yours truly,



M. A. Hartman  
General Director-Labor Relations

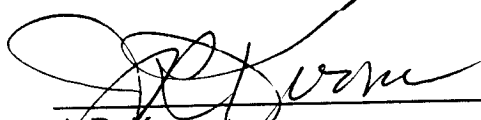
Side Letter No. 7 July 2, 1998

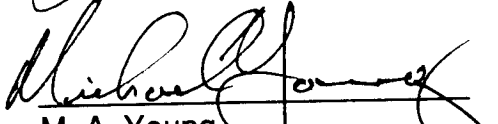
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 3

AGREED:

  
D. E. Penning  
General Chairman, BLE

  
D. E. Thompson  
General Chairman, BLE

  
J. R. Koonce  
General Chairman, BLE

  
M. A. Young  
General Chairman, BLE

cc: D. M. Hahs  
Vice President, BLE

J. L. McCoy  
Vice President, BLE



July 2, 1998

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 1 I.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.

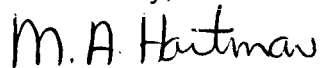
II. The rights set forth in (b) above may only be exercised to the extent that there is an unfilled need for engineers at such hub at the time rosters for such hub are formulated. Carrier reserves the right to limit the number of such requests made based upon manpower requirements and the number accepted 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.

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.

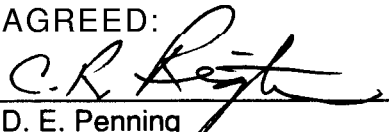
If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,



M. A. Hartman  
General Director-Labor Relations

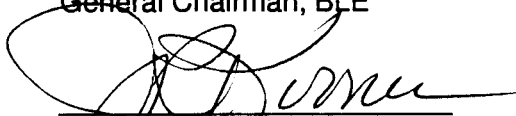
AGREED:



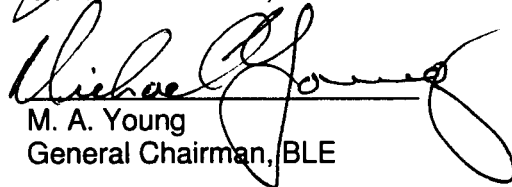
D. E. Penning  
General Chairman, BLE



D. E. Thomason  
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

Side Letter No. 9

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  
General Director-Labor Relations

Side Letter No. 10

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:

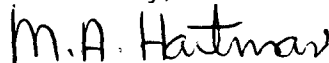
This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

Prior to implementation of this Agreement, the Carrier and Organization will schedule and convene a meeting in Kansas City, Missouri to develop equity data for roster formulation and slotting of freight pools associated with the Kansas City Hub. The results of this meeting will be appended to this Agreement prior to it being disseminated for a ratification vote.

This meeting will be conducted by Carrier Labor Relations Officers and the appropriate Local Chairmen for the territories concerned. The Carrier will provide the sources of equity data and the Local Chairmen will provide the Carrier with the necessary equity percentages for roster slotting and formulating. In the event the Local Chairmen are unable to agree upon equity percentages, the Carrier will make such determinations and will not be subject to any claims or grievances as a result thereof.

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

Yours truly,



M. A. Hartman  
General Director-Labor Relations

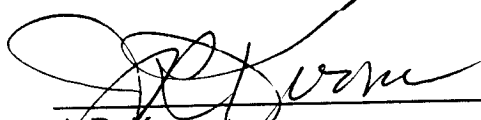
Side Letter No. 10 July 2, 1998

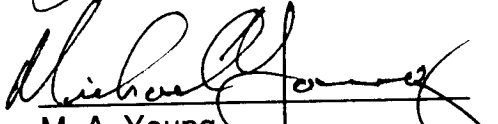
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

AGREED:

  
D. E. Penning  
General Chairman, BLE

  
D. E. Thompson  
General Chairman, BLE

  
J. R. Koonce  
General Chairman, BLE

  
M. A. Young  
General Chairman, BLE

cc: D. M. Hahs  
Vice President, BLE

J. L. McCoy  
Vice President, BLE

Side Letter No. 11

July 2, 1998

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 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

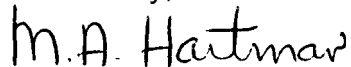
Gentlemen:

This has reference to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and specifically Article VII.A.I. 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  
General Director-Labor Relations

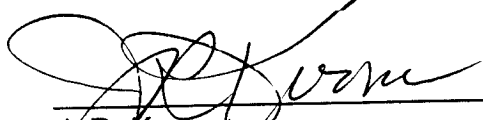
Side Letter No. 11 July 2, 1998


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

Side Letter No. 12

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

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

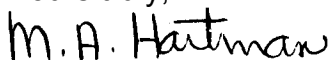
Gentlemen:

This has reference to our negotiations covering the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers. During these negotiations, the Organization expressed concern that engineers who expire on the Hours of Service Law would not be transported in a timely manner to the destination terminal.

This will confirm the advice given to you, i.e., that when an engineer ties up on the Hours of Service before reaching the objective terminal, the Carrier will make every reasonable effort to relieve subject engineer and transport him to the tie up point, expeditiously. The Carrier recognized the interests of the railroad and its engineers are best served when a train reaches the final terminal within the hours of service. In the event this does not occur, the Carrier is committed to relieving that engineer and providing transportation as soon as practical. It is understood that this commitment contemplates transportation in the form of passenger vehicle, and engineers shall not be transported to the tie-up point after Hours of Service tie-ups by means of train except in case of emergency or extraordinary circumstances which make providing a vehicle impossible.

In the event the Organization feels that this commitment is not being observed at a particular location, the General Chairman shall promptly contact the Director of Labor Relations in writing stating the reasons or circumstances thereof. Within ten (10) days after being contacted the Director of Labor Relations will schedule a conference between the parties to discuss the matter and seek a resolution. The conference will include the appropriate General Manager or his designate.

Yours truly,



M. A. Hartman

General Director-Labor Relations



Side Letter No. 13

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 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  
General Director-Labor Relations

Side Letter No. 14

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:

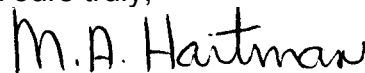
This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date.

In discussing the relocation benefits in Article VII of the Agreement, we discussed the situation where an employee may desire to sell his home prior to the actual implementation of the merger. Carrier committed to you that such employee would be entitled to treatment as a "homeowner" for relocation benefits purposes provided:

1. Upon actual implementation of the Merger Implementing Agreement the engineer meets the requisite test of having been "required to relocate".
2. The sale of the residence occurred at the same location where claimant was working immediately prior to implementation, and
3. The sale of the residence occurred after the date of this Agreement.

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

Yours truly,



M. A. Hartman  
General Director-Labor Relations

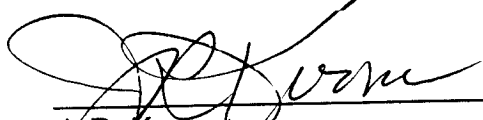
Side Letter No. 14 July 2, 1998


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

Side Letter No. 15

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 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  
General Director - Labor Relations

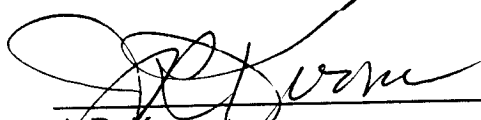
Side Letter No. 15 July 2, 1998

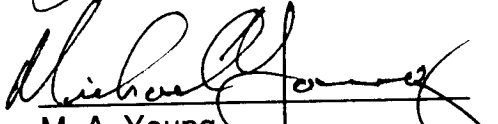
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

AGREED:

  
D. E. Penning  
General Chairman, BLE

  
D. E. Thompson  
General Chairman, BLE

  
J. R. Koonce  
General Chairman, BLE

  
M. A. Young  
General Chairman, BLE

cc: D. M. Hahs  
Vice President, BLE

J. L. McCoy  
Vice President, BLE

Side Letter No. 16

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 negotiations of this Hub, the parties agreed that in order to operate the large consolidated hub more efficiently, the following would apply:

1. Article 26(D) of the designated collective bargaining agreement shall remain in full force and effect except as specifically described below. The following exceptions are applicable only in the Kansas City Hub:
  - a. Freight pool and extra board engineers filling regular assigned engineer vacancies standing first out on the board at time of call and after taking charge of the train will not be considered runaround when another freight pool or extra board engineer called subsequent to the first out engineer departs from a separate location ahead of the first out engineer. Separate location is defined to mean yards, tracks, or exchange points, which would require a crew van to accomplish the engineer exchange.

**NOTE:** Freight pool and extra board engineers called to deadhead will continue to be exchanged with other freight pool engineers on duty in order to comply with the first-in/first-out provisions of Article 26(D) and National Railroad Adjustment Board Award No.24679, except it will not be necessary to exchange engineers when the working engineer is called to handle a train from one yard and the deadhead engineer is called to deadhead from another yard. This exception applies to all pools operating out of the Kansas City Hub.

Side Letter No. 16 July 2, 1998

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 "25mile zone" provisions of this Agreement will be considered as having departed the terminal when such engineer departs in the conveyance to said train.

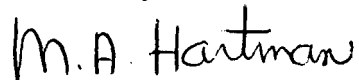
C. Because of recent experience with start up of new hub operations and to alleviate additional confusion during the initial three (3) pay periods after Kansas City Hub implementation, the terminal runaround rule will be suspended. No departure runarounds will be claimed during that period. Subsequent 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  
General Director-Labor Relations

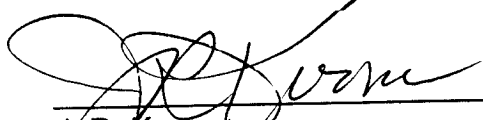
Side Letter No. 16 July 2, 1998

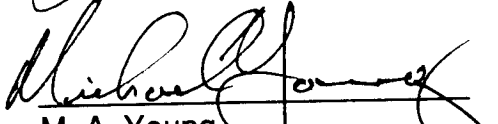
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 3

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



Side Letter No. 17

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 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  
General Director-Labor Relations

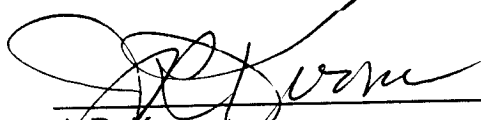
Side Letter No. 17 July 2, 1998


Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

AGREED:

  
D. E. Penning  
General Chairman, BLE

  
D. E. Thompson  
General Chairman, BLE

  
J. R. Koonce  
General Chairman, BLE

  
M. A. Young  
General Chairman, BLE

cc: D. M. Hahs  
Vice President, BLE

J. L. McCoy  
Vice President, BLE

Side Letter No. 18

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 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.

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  
General Director-Labor Relations

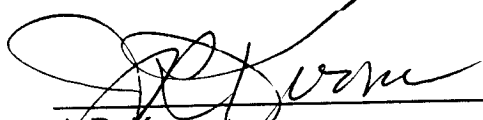
Side Letter No. 18 July 2, 1998

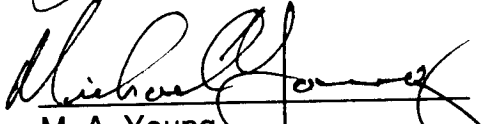
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

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

Side Letter No. 19

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:

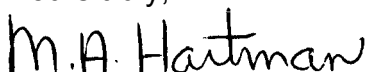
"Engineers who work their assignment (road and yard service) accompanied by an engineer taking a familiarization trip in connection with the merger shall be paid one (1) hour at the straight time rate of pay in addition to all other earnings for each tour of duty. This payment shall not be used to offset any extra board or pool freight guarantee payments. "

Engineers will be required to submit a time slip indicating he/she was required to train another engineer and shall include the name of the engineer taking the familiarization trip on the time slip.

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

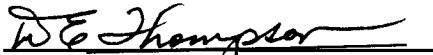
General Director-Labor Relations

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

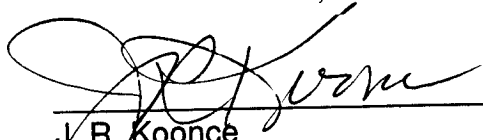
AGREED:



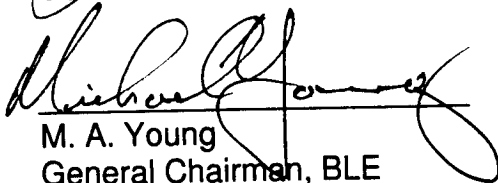
D. E. Penning  
General Chairman, BLE



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

Side Letter No. 20

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

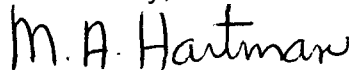
MR D E THOMPSON  
GENERAL CHAIRMAN BLE  
414 MISSOURI BLVD  
SCOTT CITY MO 63780  
MR M A YOUNG  
GENERAL CHAIRMAN BLE  
1620 CENTRAL AVE RM 203  
CHEYENNE WY 82001

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

Side Letter No. 21

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

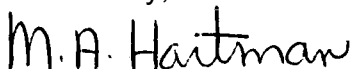
Gentlemen:

This refers to the Merger Implementing Agreement for the Kansas City Hub entered into this date, and particularly Article 11.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

General Director-Labor Relations



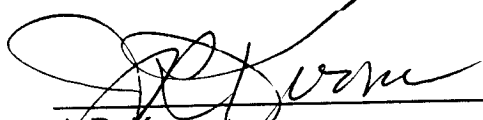
Side Letter No. 21 July 2, 1998

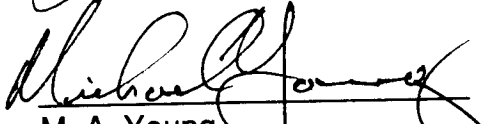
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

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

Side Letter No. 22

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, and specifically Articles I.E.2. and III.A.6. thereof.

Extensive discussions were held regarding allocation of yard assignments and extra board work within the consolidated Kansas City Terminal. Carrier agreed to the method of work assignment described herein with the understanding that such arrangement would in no way compromise the Carrier's right to operate the Kansas City Terminal as a consolidated terminal as set forth in this Implementing Agreement, and all yard assignments may operate anywhere within the terminal without any pre-merger seniority distinctions or lines of demarcation. On this basis, it was agreed:

1. All yard assignments and extra board positions in the Kansas City Terminal shall be accessed from a dovetailed seniority roster of all engineers in the Kansas City Hub. This dovetailed roster shall identify every engineer by his zone prior rights, i.e., Zone 1, 2, 3 or 4. Engineers promoted after the date of implementation of this Agreement shall be common, i.e., no prior rights designation shall be noted on said roster.

2. At the equity workshop meeting described in Side Letter No., 10 the parties will develop prior rights percentages to yard work in Kansas City based upon the data used for all the other equity calculations under this Agreement. These percentages will distribute the equity among Zones 1, 2 and 4; Zone 3 will have no equity in the yard work in the Kansas City Terminal.

3. After the equity percentages are developed, an add/cut chart will be developed which describes the proportionate allocation of assignments (including extra board) to prior rights Zone 1, 2 and 4 engineers relative to the total of such assignments within the terminal. The proportional numbers

Side Letter No. 22 July 2, 1998

Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

shall only be relevant for purposes limiting the number of prior rights engineers from each zone exercising their prior rights to such assignments; within such limitations, engineers of all the participating prior rights zones shall compete for assignments within the terminal on the basis of their relative seniority.

4. At the equity workshop meeting described in Side Letter No. 10 the parties will also agree upon the average number of assignments operated in the Kansas City Terminal during the period covered by the equity data. This number will then represent the cap or maximum number of regular assignments subject to the above arrangement. Any assignments established in excess of that number shall be filled by engineers on the basis of their common hub seniority.

5. As indicated above, the extra board described in Article III.A.6 will also be subject to the provisions of Item 3 above. However, the number of extra board positions will not exceed 25% of the number determined under Item 4 above (fractions to be rounded to the next higher number). Once this extra board cap is determined, any extra board positions in excess of that number which are maintained shall be accessed by engineers on the basis of their common hub seniority.

6. Where the above provisions conflict with the provisions of the designated collective bargaining agreement, the above provision shall prevail.

7. The parties will cooperate in meeting to resolve any unforeseen problems or issues relative to implementation of the above procedures.

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

Yours truly,



M. A. Hartman  
General Director-Labor Relations

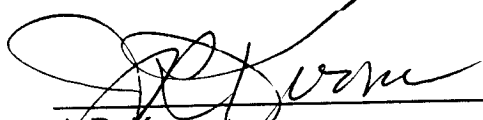
Side Letter No. 22 July 2, 1998

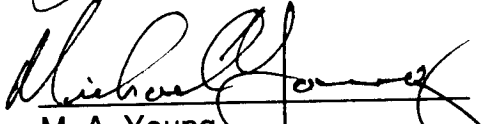
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 3

AGREED:

  
D. E. Penning  
General Chairman, BLE

  
D. E. Thompson  
General Chairman, BLE

  
J. R. Koonce  
General Chairman, BLE

  
M. A. Young  
General Chairman, BLE

cc: D. M. Hahs  
Vice President, BLE

J. L. McCoy  
Vice President, BLE

Side Letter No. 23

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, 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  
General Director-Labor Relations

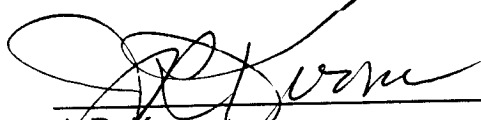
Side Letter No. 23 July 2, 1998

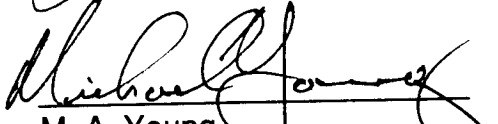
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

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

Side Letter No. 24

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.

Much discussion occurred surrounding certain calling procedures and other local provisions, such as "Sadie Hawkins Days", applicable to former UP 8th District Engineers performing service in the Kansas City to Marysville pool prior to implementation of this Agreement.

Without prejudice or precedent the Carrier agreed to meet, post implementation, to review the above referred-to items to consider whether to adopt any of these former provisions to Zone 2 and/or the entire Kansas City Hub.

Yours truly,



M. A. Hartman  
General Director-Labor Relations

cc: D.M. Hahs  
Vice President - BLE

J.L. McCoy  
Vice President - BLE

Side Letter No. 25

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.

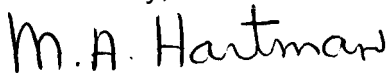
Upon implementation of this Agreement, and after all assignments have been made in connection therewith, those former SPCSL Engineers who remained at Ft. Madison or continued working between Ft. Madison and Chicago (including Chicago) and who did not relocate to Kansas City will receive a one (1) time in-lieu relocation payment in the gross amount of \$3,500,000. Acceptance of this payment constitutes a waiver of all claims or grievances in connection with the elimination of Quincy as a home terminal for pool operations.

The parties hereto acknowledge this arrangement is made without prejudice or precedent and on a not-to-be cited basis.

The terms of this Side Letter are unrelated to and independent of the provisions set forth in Articles I.A.4.c. and I.A.4.d., and shall not have the effect of reducing or negating such provisions.

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

Yours truly,



M. A. Hartman  
General Director-Labor Relations



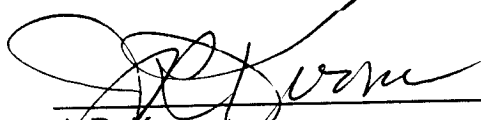
Side Letter No. 25 July 2, 1998


Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. J. R. Koonce  
Mr. M. A. Young  
Page 2

AGREED:

  
D. E. Penning  
General Chairman, BLE

  
D. E. Thompson  
General Chairman, BLE

  
J. R. Koonce  
General Chairman, BLE

  
M. A. Young  
General Chairman, BLE

cc: D. M. Hahs  
Vice President, BLE

J. L. McCoy  
Vice President, BLE

## **QUESTIONS AND ANSWERS - KANSAS CITY HUB**

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

- Q.1. What is the impact of the terminal operations at terminals where both the former UP and SSW/SPCSL had yards/terminal operations being "consolidated into a single operation"?
- A.1. In a consolidated terminal, all road crews can receive/leave their trains at any location within the boundaries of the new consolidated Terminal and may perform work anywhere within those boundaries pursuant to the applicable collective bargaining agreement. The Carrier will designate the on/off duty points for road crews. All rail lines, yards, and/or sidings within the Terminal are considered as common to all crews working in, into and out of the Terminal and all road crews may perform all permissible road/yard moves pursuant to the applicable collective bargaining agreements.
- Q.2. Is it the intent of this agreement to use engineers beyond the 25-mile zone?
- A.2. No.
- Q.3. Since the 25-mile zone provisions specify that engineers may be called to receive "the train for which they were called", does this preclude their use under such 25-mile zone provision for any other train?
- A.3. Yes, unless other pre-existing local agreements or practices permit otherwise.
- Q.4. What is intended by the words "at the basic pro rata through freight rate" as used in this Agreement?
- A.4. Payment would be at the high (unfrozen) through freight rate of pay which is applicable to the service portion of the trip.
- Q.5. How will initial terminal delay be determined when performing service as in the 25mile 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 (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

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 LA.9 it is provided that local assignments, assigned freight service, and any other irregular assignments will be protected by prior rights Zone 1 engineers from the Kansas City Hub "on a prior rights basis," What happens when such service is advertised and goes no bid?

A.15. The vacancy would be filled by engineers holding seniority in the terminal. For example, such work would be protected by the OMC at Council Bluffs.

Q.16. Carrier and the Organization on the former Eastern District have entered into an agreement providing for the establishment of RSS assignments at Marysville, which will be under the ED Agreement at that location. Are any such RSS jobs at Marysville to be treated the same as the Jeffrey Energy Pool assignments for purposes of application of the grandfather provisions of Article I.B.8.?

A.16. Yes.

Q.17. With regard to Article I.B.8., is it intended that the attrition of the Jeffrey Energy Pool assignments to the UP 18th District would be applied to force a prior rights former 8th District engineer out of Marysville?

A.17. No.

Q.18. With regard to Article I.B.8.a., if an engineer who was awarded prior rights to the Jeffrey Energy Pool assignments subsequently bid off or was reduced from such assignments, is he precluded from later reasserting his prior rights seniority to such assignments?

A.18. No.

- Q.19. Are there any circumstances under which a former UP 8th District engineer would be entitled to relocation benefits from one location to another location within Zone 2?
- A.19. Since Marysville, Topeka and Kansas City were all within the same seniority district pre-merger, and are retained/prior righted post-merger, no 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.I. 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 24Q.127 and 24Q.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.

than four (4) hours, they shall be paid on a minute basis at the basic pro rata through freight rate. Miles within the 25-mile zone shall not be added to the district miles of the run. Time spent within the zone does not factor into the computation of overtime; however, if the time spent within the zone, if factored into the computation of overtime, would produce road overtime earnings for the tour of duty in excess of the minimum four (4) hour payment, the higher overtime earnings would apply.

- Q.7. If a crew in the twenty-five (25) mile zone is delayed in bringing the train into the origin terminal so that it does not have time to go to the destination terminal, what will happen to the crew?
- A.7. If the crew had operated back through the origin terminal, they will be transported to the destination terminal, unless emergency conditions (i.e., acts of God, derailment, etc.) prevent such, and be paid district miles, overtime where applicable and a minimum of four (4) hours at the basic pro rata through freight rate.
- Q.8. In regards to Question 6 above. What happens if a crew in the twenty-five (25) mile zone is delayed and does not depart the origin terminal a second time?
- A.8. If the crew origin terminal is the home terminal will be released at the origin terminal and paid a basic day, including overtime when applicable, in addition to the minimum of four (4) hours at the basic pro rata through freight rate for working the 25-mile zone. If the origin terminal is the away terminal, the crew will be deadheaded to the destination terminal, except in cases of emergency (i.e., Acts of God, derailment, etc.).
- Q.9. Is it the intent of this agreement to use engineers in the 25-mile zone if not qualified to operate on that territory?
- A.9. No. It is not the intent of this agreement to require engineers to operate against their will within the 25-mile zone if not familiar with such territory.
- Q.10. Do the 25-mile zone provisions, including the pay provisions thereof, apply to all engineers?
- A.10. These provisions apply equally to pre-1985 engineer, post-1985 engineers, and engineers hired/promoted subsequent to the provisions of this agreement.
- Q.11. Is the 1/2 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

- 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 therefore 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 \$60,00Q. Due to numerous employees transferring from a small city the value drops to \$50,00Q. 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 \$30,00Q.
- 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/EI 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.

**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  |

## 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. Imsland	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
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. Groose	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. Q. 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. Groose	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. Groose	01/07/97



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

- |     |                 |     |                    |
|-----|-----------------|-----|--------------------|
| 1.  | A. R. Barnett   | 24. | T. W. Mobley       |
| 2.  | W. M. Bond      | 25. | L. D. Malloy       |
| 3.  | D. A. Brown     | 26. | D. G. Morris       |
| 4.  | G. M. Campbell  | 27. | G. W. Osterhage    |
| 5.  | D. L. Claque    | 28. | D. L. Patrick      |
| 6.  | R. D. Cummings  | 29. | R. L. Pettit       |
| 7.  | G. W. Davis     | 30. | K. D. Pickett      |
| 8.  | B. H. Demsey    | 31. | R. G. Potter       |
| 9.  | G. R. Dildy     | 32. | G. B. Ruiz         |
| 10. | M. A. Dixon     | 33. | T. C. Sawyer       |
| 11. | S. V. Davenport | 34. | G. H. Schaefer     |
| 12. | M. E. Gage      | 35. | J. W. Sissom       |
| 13. | W. E. Gross     | 36. | D. R. Snyder       |
| 14. | R. J. Hanschen  | 37. | L. W. Steele       |
| 15. | C. J. Hicks     | 38. | F. G. Spencer, Sr. |
| 16. | R. E. Holdt     | 39. | W. P. Stover       |
| 17. | T. G. Jenkins   | 40. | L. E. Strange      |
| 18. | S. M. Jungers   | 41. | D. R. Svetlich     |
| 19. | R. D. Lambeth   | 42. | F. J. Thielemier   |
| 20. | R. A. Lawrence  | 43. | G. W. Thomas       |
| 21. | G. R. Moore     | 44. | J. L. Webb         |
| 22. | D. T. Mayberry  | 45. | R. L. Wright       |
| 23. | M. J. Menz      | 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. U P	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).

## **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.